

**REPUBLIC OF ALBANIA
ASSEMBLY**

LAW

No. _____, date _____

ON ENERGY EFFICIENCY*

Pursuant to Articles 78 and 83, paragraph 1 of the Constitution, upon the proposal of the Council of Ministers

**ASSEMBLY
OF THE REPUBLIC OF ALBANIA
DECIDED:**

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Objective**

The aim of this law is:

- to set up and enforce a national policy and rules for the promotion and improvement of the efficient use of energy with the goal to save energy and increase the security of energy supply as well as to remove the barriers in the energy market;
- to establish the indicative national energy efficiency targets;
- to promote the economic competitiveness.

Article 2

** This law is partially approximated with:*

Directive 2012/27/EU of the European Parliament and of the Council, dated 25 October 2012, "On energy efficiency" CELEX Number-32012L0027. Official Journal of the European Union, series L, no. 315/1 dated 14.11.2012.

Scope

This law defines the obligations of Government authorities, public and private sectors, residential sector, services, industry, transport, agriculture and of all the other sectors of the economy for the promotion of the efficient use of energy and energy saving and for the development of a market for energy services in the energy efficiency sector.

Article 3 Area of application

This law shall apply to the following categories:

- a) energy producers;
- b) energy distributors;
- c) retail energy sales companies;
- d) final customers;
- e) providers of energy efficiency improvement measures.

Article 4 Definitions

In this law the following terms will mean:

1. "Energy Audit" shall mean a systematic procedure to obtain adequate knowledge of the existing energy consumption profile of a building or group of buildings, of an industrial operation and/or installation or of a private or public service, to identify and calculate energy savings costs, and to report the findings (results) and measures to be taken for its improvement.
2. "Energy Auditor" shall mean a natural or legal person licensed to perform energy audits.
3. "Agency for Energy Efficiency" shall mean a Government entity, subordinated to the Ministry, which is responsible for the promotion and enforcement of the energy efficiency and saving measures and policies.
4. "Energy Performance Certificate" shall mean a certificate issued by the Agency responsible for Energy Efficiency, according to the provisions of this law, which indicates the energy performance of a building.
5. "Energy" shall mean any form of commercially available energy, including electricity, natural gas (including liquefied natural gas), liquefied petroleum gas, any fuel used for heating and cooling (including central and district heating and cooling), coal and lignite, peat, transport fuels (excluding aviation and maritime bunker fuels), biomass, solar energy, wind energy, geothermal energy, and energy from urban wastes.
6. "Energy efficiency" shall mean a ratio between an output of performance, service, goods or energy, and an input of energy.

7. "Building Element" shall mean a technical building system and/or an element of the building envelope.
8. "Energy Efficiency Fund" shall mean a fund established according to this law.
9. "Supplier" shall mean any natural or legal person, who places on the market or puts into service products covered by this law.
10. "Third-party financing" shall mean a contractual arrangement involving a third party, different from the energy supplier that provides the capital for the full or partial implementation of the energy efficiency improvement measures and charges the beneficiary an agreed fee equivalent to a part of the energy savings achieved as a result of the energy efficiency improvement measure.
11. "Energy intensity" shall mean the ratio between final energy consumption and gross domestic product (GDP) of a country.
12. "Final customer" shall mean a natural or legal person that purchases energy for his own end use.
13. "Energy Community" shall mean an international organization, established under the Energy Community Treaty, which is in charge of developing energy policies.
14. "Large energy consumer" shall mean a consumer, whose total annual energy consumption is above the equivalent of 3 million KWh per year estimated by the results of an energy audit.
15. "Primary energy consumption" shall mean gross domestic consumption, excluding non-energy uses.
16. "Final energy consumption" shall mean all energy supplied to industry, transport, households, services and agriculture. It excludes deliveries to the energy transformation sector and the energy industries themselves.
17. "Energy savings" shall mean an amount of saved energy, determined by measuring and/or estimating consumption before and after implementation of an energy efficiency improvement measure, whilst ensuring normalization for external conditions that affect energy consumption.
18. "Energy performance contracting" shall mean a contractual arrangement between the beneficiary and the provider of an energy efficiency improvement measure, where investments in that measure (labor, supply or service) are paid for in relation to a contractually agreed level of energy efficiency improvement.
19. "Energy efficiency improvement measures" shall mean any actions that lead to verifiable and measurable energy efficiency improvement.
20. "Cross-sectoral measures" shall mean any measure including:
 - a) adoption of standards and norms that aim primarily at improving the energy efficiency of products and services, including buildings;
 - b) energy labeling schemes;
 - c) metering, intelligent metering systems, such as individual metering instruments managed by remote and informative billing systems;
 - d) training and education that lead to application of energy-efficient technology and/or techniques;
 - e) regulations, taxes, etc. that contribute to the reduction of the final energy consumption;

- f) campaigns focused on information and promotion of energy efficiency improvements and measures to be taken with the aim of energy efficiency improvement;
21. "Minister" shall mean the Minister responsible for energy.
 22. "Energy efficiency mechanisms" shall mean instruments used by the government institutions or agencies responsible for energy to create a supportive framework or incentives for market actors to provide and purchase energy services and other energy efficiency improvement measures.
 23. "Building" shall mean any roofed construction having walls, for which energy is used to condition the indoor climate.
 24. "Direct Impact" shall mean the impact of products that actually consume energy during use.
 25. "Indirect Impact" shall mean the impact of products that do not consume energy, but contribute to energy conservation during use.
 26. "Building unit" shall mean a section, floor or apartment within a building which is designed or altered to be used separately.
 27. "Energy efficiency improvement" shall mean an increase in energy end-use efficiency as a result of technological and/or economic changes.
 28. "Energy efficiency improvement programs" shall mean activities, financed or supported, with the aim of improving energy efficiency in the groups of final customers;
 29. "Party of the Energy Community" shall mean the contracting parties of the Energy Community Treaty, European Union and its member states.
 30. "Energy performance of a building" shall mean the calculated or measured amount of energy needed to meet the energy demand, associated with a typical use of the building, which includes, inter alia, energy used for heating, cooling, ventilation, hot water and lighting.
 31. "Energy-related Product" or "Product" shall mean any good having an impact on energy consumption during use, which is placed on the market and/or put into service, including parts intended to be incorporated into energy-related products, which are placed on the market or put into service as individual parts for end-users and of which the environmental performance can be assessed independently.
 32. "Substantial refurbishment" shall mean a refurbishment whose cost exceeds 50 % of the investment cost for a new comparable unit.
 33. "Building envelope" shall mean the integrated elements of a building, which separate its interior from the outdoor environment.
 34. "Energy service" shall mean the physical benefit of the utility and/or good derived from a combination of energy with energy efficient technology and/or with measures, which may include the operations, maintenance and control necessary to deliver the service, which is delivered on the basis of a contract that has proven to lead to verifiable and measurable or estimable energy efficiency improvement and/or primary energy savings.
 35. "Energy Service Company" shall mean a natural or legal person that delivers energy services and/or other energy efficiency improvement measures in a user's facility or premises. The payment for the services delivered is based, either wholly or in part,

on the achievement of energy efficiency improvements and on the meeting of the other agreed performance criteria.

36. "Energy distributor" shall mean a natural or legal person, including the Distribution System Operator, responsible for transporting energy, with the aim of delivering energy to final customers or to distribution stations that sell energy to final customers.

CHAPTER II ENERGY EFFICIENCY POLICY

Article 5 Energy Efficiency Policy

1. The national policy for the efficient use of energy shall be based on the following principles:
 - a) Ensuring the normal market operation in the field of energy, including the price formation according to competition criteria and to environment protection costs and benefits.
 - b) Reduction of the obstacles to promote energy efficiency and savings and stimulate investments in this field.
 - c) Promotion of financing solutions for the initiatives related to energy efficiency and savings.
 - d) Transforming the public sector into a good example regarding energy management, investments, maintenance and other expenditure on energy-using equipment in the buildings owned by public bodies, use of energy services and other energy efficiency improvement measures.
 - e) Education and creation of the awareness of the general public and energy users about the necessity and benefits of reducing inefficient and non-economic energy consumption.
 - f) Ensuring the co-operation between the consumers, producers, energy suppliers and public authorities in view of reaching the objectives set in the national policy of efficient use of energy.
 - g) Supporting applicable research in the field of efficient use of energy.
 - h) Promotion of the private initiative and the development of cost-effective energy efficiency and conservation services.
 - i) Avoiding of substantial negative environmental impact and respecting of social priorities in promoting energy efficiency on the basis of technological, cultural and/or economic changes.
 - j) Co-operation with other countries in the field of energy efficiency and compliance with the country's commitment and obligations under any international treaty or convention of which Albania is a party.
2. The main objective of the national policy for the efficient use of energy is to get the maximum benefit along the whole energy chain, including the production, conversion, stockage, transmission, distribution and consumption of different forms of energy.

3. The national policy for the efficient use of energy shall define the directions for achieving the main national objectives, mechanisms, incentives, institutional and financial capabilities as well as the required legal framework for avoiding any existing market obstacle for the improvement of energy efficiency in the country.
4. Energy efficiency policies and programs shall take into consideration the specific characteristics of each region and their perspectives for a sustainable economic development.
5. Ministry, with the support of the Agency for Energy Efficiency, shall develop the national policy for the energy efficiency and savings and monitor the implementation of such a policy.

Article 6 **National Energy Saving Indicative Target**

1. The Council of Ministers shall set a national energy savings target, based on the realistic economic possibilities, either primary or final energy consumption, primary or final energy savings, and energy intensity.
2. The national energy saving target, as referred to in paragraph (1) of this Article, shall take into account any possible commitment of our country under the Energy Community and EU accession process.
3. The national target of energy savings should be achieved through energy services aimed at increasing energy efficiency across individual sectors of the national economy, including the residential and service sectors, industry, transport and agriculture sectors and other measures, such as cross-sectoral measures.
4. The national energy savings target shall be set in the National Energy Efficiency Action Plan, which shall be prepared by the Agency for Energy Efficiency and adopted by the Council of Ministers, upon proposal of the Minister.

Article 7 **National Energy Efficiency Action Plan**

1. The National Energy Efficiency Action Plan shall be reviewed and submitted to the Secretariat every three years.
2. The National Energy Efficiency Action Plan (NEEAP) shall contain:
 - a) An indicative energy efficiency target;
 - b) The intermediate indicative targets every three years;
 - c) An analysis and evaluation of the achievements of the previous NEEAP;
 - d) Preliminary indicators and individual targets for energy saving in each sector;
 - e) The specific actions and measures foreseen for achieving the national general and intermediate energy efficiency targets;
 - f) Obligations of the central government institutions and local authorities with

- respect to the fulfillment of envisaged energy efficiency actions;
- g) List of primary and secondary legislation necessary for reaching the energy efficiency targets and objectives;
 - h) Time-schedule for fulfilling the respective obligations;
 - i) Financing sources to be used for the improvement of energy efficiency and savings;
 - j) Orientations to guide investment decisions of individuals, the construction industry and financial institutions;
 - k) An evidence based assessment of the expected energy savings and other benefits in a broader sense;
 - l) Performance indicators for evaluating the achieved results and any other necessary information for this purpose;
 - m) A long-term strategy for mobilizing investments in the residential, service, industrial, transport and agriculture sectors.
3. The National Energy Efficiency Plan shall be adopted by a Council of Ministers Decision.

Article 8

Monitoring of National Energy Efficiency Action Plan implementation

1. The Agency for Energy Efficiency shall monitor the implementation of the National Energy Efficiency Action Plan and be responsible for measures taken and verification of energy savings, based on the Minister's Instruction that defines the methodology to calculate energy savings by using energy efficiency indicators in residential, service, industrial, transport and agriculture sectors.
2. Any monitoring activity, as referred to in paragraph (1) of this Article, shall be based on the indicators contained in the official national energy database. Other individual comparable indicators, applied by the EU Member States, may be used for monitoring purposes.
3. The template and the frequency for submitting the report on the implementation of National Energy Efficiency Action Plan, according to the provisions of this law, shall be defined by a Minister's Order.
4. The Agency for Energy Efficiency shall report to the Ministry on the implementation of National Energy Efficiency Action Plan, including the achieved results and objectives and encountered problems and obstacles.

Article 9

Energy Efficiency in Public and Industrial Sectors

1. The Council of Ministers, upon proposal of Minister, shall include in the public procurement rules, for any equipment or product that has a direct or indirect impact on the energy consumption that meets the minimum energy efficiency requirements, as defined by the legislation in force on consumption of energy and other sources by the energy-related products, specific requirements for any institution or agency

subject to the public procurement law, also for the energy efficiency improvement measures with the aim:

- a) to purchase energy-related equipment and vehicles, based on the legislation in force on consumption of energy and other sources by the energy-related products, according to the lists of energy-efficient product specifications of different categories of equipment and vehicles to be drawn up by the Agency for Energy Efficiency and the Public Procurement entity.
 - b) to purchase equipment that has efficient energy consumption in all modes, including *standby* mode, using, by using the life-cycle cost analysis or comparable methods to ensure cost-effectiveness.
 - c) to implement energy efficiency measures in the case of construction or major renovation of buildings that are owned and / or in use by public institutions and entities.
2. In cases when for a product an Albanian technical standard for energy efficiency does not exist, then the EU technical standard in force for energy efficiency shall be used.

Article 10 **Energy Manager**

1. Any public building or industrial company that is a large energy consumer shall be obliged to appoint an energy manager.
2. The energy manager shall be responsible for maintaining the equipment for the consumption of any type of energy, improving and supervising the method of using energy and conducting all other tasks for the rational use of energy in buildings and industry.
3. The energy manager shall have the qualifications and professional knowledge and practical experiences in energy conservation.
4. The Council of Ministers, upon proposal of the Minister, shall adopt the categories, conditions, requirements for qualification and professional experience of the energy manager.

Article 11 **Energy saving targets for public buildings and industrial establishments**

1. Public buildings and industrial establishments that are large energy consumers shall take measures to improve energy management and formulate and implement technical measures for energy savings with a view to reduce energy consumption.
2. The National Energy Efficiency Action Plan, in addition to sectoral energy saving targets, may establish individual energy saving targets for public buildings and industrial establishments that are large energy consumers.

Article 12 **Voluntary Agreements**

1. Public buildings and industrial establishments that are large energy consumers, which are subject to mandatory energy savings targets, as referred to in Article 16 (4) (c), may enter with the Agency for Energy Efficiency in a voluntary agreement for the improvement of energy efficiency and energy savings.
2. The voluntary agreements, as referred to in paragraph (1) of this Article, shall be transparent and contain information on at least the quantified and established objectives, monitoring and reporting process.
3. The Agency for Energy Efficiency may agree that a certain percentage of the cost for improvement of energy efficiency and reaching a level of energy saving shall be covered by the financing coming from funds established for promotion and improvement of energy efficiency.
4. Any voluntary agreement signed according to this Article shall be effective only after the approval of the Minister responsible for energy.

CHAPTER III ENERGY EFFICIENCY INFORMATION

Article 13 Energy Data Base

1. The Agency for Energy Efficiency shall create and periodically update a national energy data base on the energy consumption and supply in the format approved by the Council of Ministers, upon proposal of the Minister, serving for the development and monitoring of the National Energy Efficiency Action Plan.
2. The energy data base, established according to paragraph (1) of this Article, shall serve as the basis for evaluating whether the energy efficiency targets established, according to Article 5 of this law, have been met.
3. Energy distributors and retail energy sales companies provide on request, at least once a year, aggregated statistical information on their final customers to the Agency for Energy Efficiency. The information must be sufficient to properly design and implement energy efficiency improvement programs, and to promote and monitor energy services and other energy efficiency improvement measures.
4. The information, as referred to in paragraph (3) of this Article, may include historical information and current information on end-user consumption, including, where applicable, load profiles, customer segmentation and geographical location of customers, while preserving the confidentiality of information that is either of private character or commercially sensitive, in accordance with the legislation in force.
5. Large energy consumers are obliged to submit, no later than March 31 of every year, to the Agency for Energy Efficiency, a data report on their energy consumption for the previous calendar year.
6. Other energy consumers are obliged to submit, no later than March 31 of every year, to the Agency for Energy Efficiency, their actual energy consumption only upon request.

7. For residential, service, industry, transport and agriculture sectors, the Agency for Energy Efficiency, in cooperation with INSTAT, shall undertake surveys for collecting data on energy consumption by consumers in these sectors.
8. Minister shall adopt the format and deadlines of submitting energy data and information by energy suppliers and energy consumers, according to the provisions of this law.

Article 14

Measuring

1. The Agency for Energy Efficiency shall take measures that, as far as is technically possible and financially reasonable and proportionate to the potential energy savings, the final customers of electricity, natural gas, central heating and cooling of buildings and sanitary hot water have individual meters, which reflect with accuracy the actual consumption of the final energy customer and that possibly give information in the real time of use.
2. If the heating and cooling and/or sanitary hot water in a building is supplied by a central heating/cooling network of buildings or by a central source serving to a block of dwellings, a meter for heating/cooling or sanitary hot water shall be installed in the heat exchange point or in the entering point into the building.
3. Where the use of individual meters is not technically feasible or cost-effective and, where the multi-apartment buildings are supplied by the central heating/cooling network, or when the heating/cooling systems are common, the Agency for Energy Efficiency may consider cost-effective alternative methods for measuring consumption for heating/cooling or sanitary hot water production. In these cases, in order to provide transparency and accuracy of accounting the individual consumption, the Agency for Energy Efficiency shall establish transparent rules for sharing the cost of thermal energy consumption or sanitary hot water consumption in such buildings.
4. The Minister, upon proposal of the Agency for Energy Efficiency, shall adopt an instruction on measuring and rules for defining the thermal energy consumption, as stipulated by this Article, in full accordance with the legislation in force.

Article 15

Information and training

1. Agency for Energy Efficiency shall publish, in its official website or various publications, any information on energy efficiency mechanisms and financial and legal frameworks adopted with the aim of reaching the national indicative energy savings target.
2. Agency for Energy Efficiency shall take the necessary steps to inform end-use consumers on the different methods and practices that serve to enhance energy performance in particular to provide information on energy performance certificates and inspection reports, their purpose and objectives, on cost-effective ways and,

where appropriate, on financial instruments available to improve the energy efficiency in each sector respectively.

3. Agency for Energy Efficiency shall provide trainings for representatives of Government institutions, local authorities, energy auditors and energy managers, on energy efficiency legislation and for the steps for the implementation of this law.
4. Minister shall adopt an instruction on the type and frequency of the information to be provided by the Agency responsible for Energy Efficiency, as stipulated by this Article.

CHAPTER IV ENERGY AUDITS AND ENERGY SERVICES

Article 16 Energy audits

1. The energy audits are carried out by energy auditor licensed according to the requirements of this law.
2. The energy audit is completed with a written report that shall include:
 - a) an assessment of the current level of energy consumption in facilities, such as buildings, industrial establishments and other facilities under evaluation;
 - b) proposal of energy-saving measures to be taken, including economic justification;
 - c) data on the total of attainable savings;
 - d) final expert opinion of the energy auditor on the potential for increasing energy efficiency and the relevant technical solutions.
3. The auditor shall submit a copy of the energy audit report and of technical solution to the Agency for Energy Efficiency, for persons that are subject of compulsory audit or when the audit is carried out under a program financed by the Energy Efficiency Fund.
4. The energy audit shall be compulsory for:
 - a) all natural or legal persons applying for a program on the promotion and improvement of energy efficiency, which is financed by the Energy Efficiency Fund;
 - b) the Government institutions or subjects that are large energy consumers and are in whole or partly financed from the state budget;
 - c) all natural or legal persons that are not included in letter (b) of this paragraph, which are large energy consumers.
5. The compulsory energy audits shall be carried out:
 - a) every 3 (three) years for the natural and legal persons set forth in letters (b) and (c) of paragraph (4) of this Article;
 - b) every time before a building, industrial establishment and other facilities are commissioned and/or are newly built or renovated substantially.
6. Public buildings and industrial establishments that are large energy consumers and are subject of compulsory energy audit, are obliged to comply with the recommended measures and actions for the improvement of energy efficiency, within two years from acceptance of audit results.

7. The natural or legal persons, subject to the energy audit, shall be responsible for covering expenses for the audit as well as implementation of the technical solution provided by the auditor for energy saving and conservation.
8. The detailed content of the energy audit and the minimum payment for the energy auditor shall be stipulated by a regulation prepared by the Agency for Energy Efficiency and adopted by the Minister responsible for construction.

Article 17 **Energy Auditor**

1. The energy auditor is a natural or legal person licensed in accordance with the legislation in force on licenses, authorizations and permits in the Republic of Albania.
2. The Council of Ministers, upon proposal of the Minister, shall approve categories, conditions, and qualification and professional experience requirements for issuing a license to a person, according to paragraph (1) of this Article.
3. An energy audit may not be performed by an auditor who:
 - a) holds a share or a quota in the company that ordered such audit;
 - b) is a member of a statutory body of the entity that ordered such audit, or is employed by or has a similar relationship to the corporation that ordered such audit;
 - c) is a relative up to the second grade of the person who might, due to his/her position in the audited persons, influence the energy auditor.
4. The energy auditor shall keep confidential all the data related to the natural or legal person, which came to his knowledge in connection with the audit performed on the energy facilities of such person. The energy auditor may not benefit from such data in any way and may not use them in favor or to the detriment of an audited subject or of a third party. The obligation of confidentiality may only be discharged in writing by the natural or legal person whose energy facility is subject to the energy audit or if another law so stipulates.
5. In addition of cases provided for by the legislation in force on licenses, authorizations and permits in the Republic of Albania, a license for energy auditing may be revoked by the Minister responsible for energy, on its own initiative or upon proposal of the Agency for Energy Efficiency, after following, in accordance with the legislation in force, a procedure, which guarantees to the licensed auditor the right to be informed, to be heard and to appeal the offence, in case:
 - a) the provisions of this law and the requirements set in the secondary legislation have been violated in the process of energy auditing;
 - b) the auditor discloses information and company's data and commercial secrets of the consumers, which have become known to it upon or in connection with the audits, provided that such disclosure appealed by the audited subject, has resulted or may result in damages;
6. Minister shall inform the energy auditor of its decision to revoke the license according to paragraph (5) of this Article, in writing.

7. A person, whose license has been revoked, may apply for a new license if the criteria to be an auditor are met, not earlier than one year from the date of the license revocation decision.

Article 18 **Energy Services**

1. Energy services may include one or more of the activities and measures for improvement of energy efficiency and energy savings according to the provisions of this law.
2. Energy services include energy auditing process, set forth in Article 16 of this law.
3. Energy services are provided by specialized energy service companies, which shall be registered at the Ministry responsible for energy and licensed in accordance with the legislation in force on licenses, authorizations and permits in the Republic of Albania. The Ministry responsible for energy will make publicly available and regularly update a list of available energy service providers.
4. The energy services are generally provided under an energy performance contract with freely negotiated terms and conditions, except when they are provided under a program funded by the Energy Efficiency Fund. Ministry, upon proposal of the Agency for Energy Efficiency, shall provide information on available energy services contracts and clauses that should be included in such contracts in order to guarantee energy savings and the rights of final customers.
5. For energy services provided under a program financed by the Energy Efficiency Fund, the Minister upon proposal of the Agency for Energy Efficiency shall approve standard contracts for such energy services.
6. The Council of Ministers, upon proposal of the Minister, shall approve categories, conditions, and qualification and professional experience requirements to issue a license to companies, according to paragraph (3) of this Article.

CHAPTER V **ENERGY EFFICIENCY FUND**

Article 19 **Establishment and Financing of the Fund**

1. The Energy Efficiency Fund shall be a legal person, having the status of a non-profit organization, and its main office in Tirana.
2. The Fund aims to provide financial support and project management for developing a market of energy efficiency improvement and supporting programs for final customers with high-cost and high-risk investments.
3. The Fund shall be used to promote energy efficiency improvement programs, energy service companies, independent energy experts, energy auditors, energy distributors, distribution system operators, retail energy sales companies and installers of efficient equipment.

4. The Energy Efficiency Fund shall be administered by the Management Board and the Executive Director. The Management Board is the highest decision-making authority of the Fund and consists of 5 members.
5. The criteria for nomination of the Management Board and the rules of Fund's operation and use shall be adopted by a Council of Ministers Decision.
6. Members of the Management Board shall be nominated by the Prime minister, upon proposal of the Minister.

Article 20

Tasks of the Management Board

The Management Board shall have the following tasks:

- a) To approve the main directions of the Fund's activity;
- b) To approve by a majority vote the statute and manual of procedures of the Fund;
- c) To approve the implementation and/or financing agreements of projects;
- d) To nominate and discharge the Executive Director, in accordance with the provisions of the Statute;
- e) To supervise the administration and activity of the Fund;
- f) To approve the organizational chart of the Fund;
- g) To approve the basic conditions and criteria of employment relationships in the Fund, including the structure and levels of salaries for employees;
- h) To approve the annual balance sheet, annual report and periodical reports on the activity of the Fund;
- i) To approve the annual budget of the Fund;
- j) To analyze and approve the review reports on the activity of the Fund;
- k) To take decisions on issues related to the activity of the Fund and to approve the necessary documents on the progress of activity.

Article 21

Executive Director

1. The Executive Director is the highest executive authority of the Fund.
2. The Executive Director shall be nominated by a majority of Management Board's members and is accountable to it;
3. The term of the Executive Director is 5 years with the right of reelection.
4. The Executive Director shall have the following competences:
 - a) Is the legal representative of the Fund;
 - b) Directs the administrative and organizational activity of the Fund and follows the implementation of Management Board's decisions;
 - c) Administers the financial sources of the Fund;
 - d) Signs agreements with the Council of Ministers of the Republic of Albania and various donors;
 - e) Selects and appoints the staff;
 - f) Calls extraordinary meetings of the Management Board;

- g) Performs all the other duties assigned by this law, Council of Ministers Decision, statute and manual of procedures of the Fund.

Article 22

Administration of the Fund

The activity of the Fund shall be supported by an administration that operates in accordance with the statute and manual of procedures of the Fund.

Article 23

Financing of the Fund

1. The Fund may be financed from:
 - a) Funds obtained from the agreements between the Republic of Albania, Council of Ministers and various donors to finance projects, implemented by the Energy Efficiency Fund;
 - b) funds from the state budget, individuals and institutions, inside and outside the Republic of Albania, according to the relevant agreements;
 - c) funds from co-financing of beneficiaries and local government units;
 - d) incomes generated from its assets and provided services;
 - e) funds obtained from bilateral and multilateral programs and various non-profit organizations;
 - f) other sources, allowed by the legislation in force.
2. The Fund uses its incomes to cover expenses incurred during its activity, according to the procedures specified in the statute.
3. In the pursuit of its goals, the Fund shall be based on the following principles:
 - a) self-financing;
 - b) transparency in administration of patrimony;
 - c) equal treatment of all clients of the Fund;
 - d) partnership and collaboration with private sector for co-financing energy efficiency investment projects.
4. The Council of Ministers may decide to combine the Energy Efficiency Fund with other specific funds established for promotion of renewable energy sources and climate change mitigation.

Article 24

Programs financed by the Energy Efficiency Fund

1. The Energy Efficiency Fund shall be used for financing the following activities:
 - a. investments aiming at the improvement of energy efficiency in private and public buildings, industrial enterprises, agriculture and the transportation sector;
 - b. investments aiming at the improvement of energy efficiency in extraction, production and transportation or transmission of energy;

- c. improvement of energy efficiency in public lighting;
 - d. improvement of energy efficiency in water supply and waste water disposal systems;
 - e. development of demonstration projects in order to investigate and test new energy technologies or new organizational solutions for the energy sector;
 - f. energy audits carried out in public sector;
 - g. improvement of metering and informative billing;
 - h. research and development activities for increasing the energy efficiency;
 - i. awareness campaigns and education activities regarding energy efficiency.
2. The fund may provide for grants, loans, financial guarantees and/or other types of financing that guarantee results. Contributions of the state budget are provided only to finance specific projects. These contributions are used according to the rules specified in the law no. 9936, dated 26.06.2008 “On management of budgetary system in Republic of Albania”, as amended.
 3. Any fund used for financing energy services shall be subject to a competitive bidding process, pursuant to legislation in force, in order to guarantee a correct implementation of energy services, energy audits and energy efficiency improvement measures.
 4. Any financing or investment by third parties, which do not want to be part of the Energy Efficiency Fund, and aim the improvement of energy efficiency in various sectors, shall declare to the Agency for Energy Efficiency every real data on energy efficiency improvement that will be obtained from these financing or investments, in order to attach such data to the National Energy Efficiency Action Plan.
 5. Funds not spent in any financial year shall remain in the fund to be used for future energy efficiency and energy saving programs.

CHAPTER VI AGENCY FOR ENERGY EFFICIENCY

Article 25 Agency responsible for energy efficiency

1. The Council of Ministers, upon proposal of the Minister, shall establish Agency for Energy Efficiency, which is responsible for promotion and implementation of energy efficiency measures and policies and energy saving, in accordance with the duties and responsibilities set forth in paragraph (3) of this Article.
2. The Agency for Energy Efficiency shall be a legal public person, funded from the state budget and other financial sources out of the state budget, including foreign sources, under various programs or projects for promotion of energy efficiency and savings.
3. The Agency for Energy Efficiency shall have the following main tasks and responsibilities:
 - a) To develop, implement and monitor the policy and the programs for the efficient use of energy in each sector, including residential, service, industry, transport and agriculture sectors;

- b) To develop and monitor the National Energy Efficiency Action Plan;
- c) To submit every year to the Minister a detailed report regarding the implementation of the National Energy Efficiency Action Plan;
- d) To cooperate with central and local public authorities, industrial establishments and other non-profit organizations for creating and updating the necessary energy database, including the computing of the energy efficiency indicators, and for the implementation of the actions for promotion of the energy efficiency;
- e) To develop and propose to the Minister the necessary secondary legislation for the promotion of energy efficiency, as provided for by this law;
- f) To develop technical standards, norms and regulations in view of increasing energy efficiency for devices, equipments, machine-tools used for energy production, transport, distribution and consumption in each sector, including residential, service, industry, transport and agriculture sectors;
- g) To technically evaluate and to advise investment projects in the field of energy efficiency that applied for finances from the state budget and from other internal and external sources for the development of the energy system;
- h) To develop template contracts used for different energy services and for the implementation of various financial mechanisms for the promotion of energy efficiency;
- i) To co-ordinate the energy efficiency programs funded by international institutions or organizations based on Government agreements;
- j) To co-operate with the domestic and international institutions and organizations in view of efficiently using energy and reducing the negative impact on the environment;
- k) To advice the authorities of the local public administration, the administrators of public buildings, of those with the destination of dwelling for the development and enforcement of the energy efficiency projects;
- l) To accredit institutions that carry out the tests and the measurements in order to certify that the national energy efficiency standards are met;
- m) To develop and co-ordinate the training programs, as well as the attestation of the staff with tasks in the field of energy management;
- n) To advise the energy efficiency programs undertaken by the consumers;
- o) To support and advise for conduction of the public awareness campaigns and other educative activities regarding the promotion of energy efficiency and energy saving;
- p) To verify and approve the reports compiled by an energy audit process.

CHAPTER VII FINAL PROVISIONS

Article 26 Sanctions

1. The following offences, when they do not constitute a criminal act or offence, shall be considered administrative offences and shall be penalized as following:

- a. Any energy company, who has failed to report or has submitted false report or data, as required by the provisions of paragraph (3) of Article 13 of this law, shall be penalized with a fine from 300 000 to 1 000 000 Lek.
 - b) Any large energy consumer, who has failed to report or has submitted false report or data, as stipulated by the provisions of paragraph (5) of Article 13 of this law, shall be penalized with a fine of 100 000 Lek.
 - c) Any other energy consumer, who has failed to report or has submitted false report or data, as stipulated by the provisions of paragraph (6) of Article 13 of this law, shall be penalized with a fine of 50 000 Lek.
 - d) Energy auditors, who do not comply with the requirements of provisions 17(3) and 17(5), shall be penalized with a fine from 100 000 to 500 000 Lek.
2. The review of administrative offences, the process of appealing and the enforcement of decisions of the Agency for Energy Efficiency, shall be made in accordance with law no. 10279, dated 20.05.2010 “On administrative offences”.
 3. The incomes generated from the administrative offences, applied pursuant to paragraph (1) of this Article, shall be paid to the state budget.

Article 27 **Secondary legislation**

1. The Council of Ministers is in charge to approve the secondary legislation according to Articles 6(1 and 4), 7(3), 9(1), 10(4), 13(1), 17(2), 18(6), 19(1), 20 and 25 (1), within 12 months from the date this law becomes effective.
2. Minister responsible for energy is in charge to adopt the secondary legislation according to Articles 8(1 and 3), 13(8), 14(4), 15(4), 18(5) and 21(6), within 12 months from the date this law becomes effective.
3. The Minister and the Minister responsible for construction is in charge to adopt the secondary legislation according to Article 16(8), within 12 months from the date this law becomes effective.

Article 28 **Transitory provisions**

1. Until the establishment of the Agency for Energy Efficiency, the Ministry shall be in charge of fulfilling the obligations prescribed by this law.
2. Until the adoption of the secondary legislation, the existing rights and duties of the market actors shall continue to be exercised by them, as stipulated by this law.

Article 29 **Abrogation of other acts**

Law no. 9379, dated 28.04.2005 “On energy efficiency”, and any legal provisions which are inconsistent with the provision of this law shall be abrogated.

This law shall enter into force 15 days after its publication in the Official Journal.