

FACTSHEET

Renewable Energy Sector



OVERVIEW

Albania has a vast potential for Renewable Energy Sources (RES). The use of these sources for energy production represents a long-term strategy for implementation of three objectives of energy policies of the country, such as support for the overall economic development; the increase of the security of energy supply, and protection of the environment.

Our country ranks 2nd after Iceland, powered 100% by renewable energy.⁰¹

Albania has committed to a binding **54.4%** target of energy from renewable sources in gross final energy consumption

in 2030, starting with 31.2% in 2009. In 2020, according to EUROSTAT, Albania had the highest share of renewables in gross final energy consumption from the Western Balkans (45.0 %), an increase of 13.1 pp compared with 2019.

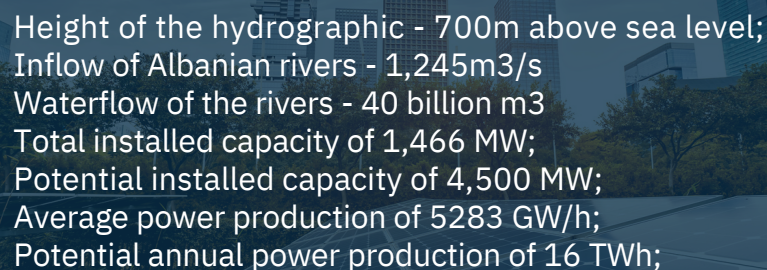
Thanks to its favorable geographic position in the Mediterranean Sea Basin, Albania has significant potential for renewable energy sources such as water, wind, sun, biomass and geothermal.

WHY INVEST IN RENEWABLE ENERGY

- ▶ The Government in its General National Plan "Albania 2030" has set Renewable Energy as the key priority, for developing a "Green Energy"- driven economy.
- ▶ Governmental support and facilitation of investments.
- ▶ High-quality experienced engineering and technical workforce.
- ▶ Proven record of successful foreign investments in the sector.

HYDROELECTRIC ENERGY

Albania is the 2nd richest country in Europe in terms of water resources, with a significant water area. As a result, it has huge potential for hydroelectric energy. Water resources are among the most important natural resources in Albania. The major rivers and hundreds of smaller rivers and streams as well as the hydrographic territory of Albania of about 700 m above sea level offer considerable potential for investments. Only 35% of hydroelectric energy potential is currently being utilized.



Height of the hydrographic - 700m above sea level;
Inflow of Albanian rivers - 1,245m³/s
Waterflow of the rivers - 40 billion m³
Total installed capacity of 1,466 MW;
Potential installed capacity of 4,500 MW;
Average power production of 5283 GW/h;
Potential annual power production of 16 TWh;

⁰¹Source: Energy Agency (IEA) and International Renewable Energy Agency (IRENA)

WIND ENERGY

Albania has an unexploited wind power potential, especially along the Adriatic Coast where many areas with high wind energy potential are situated. The main part of the territory (app. 2/3 of the whole surface) is hilly and mountainous (east of the country). The coastline is in the direction of North-South. The overall potential of eolic energy that may be produced through eolic parks has been estimated at more than 2,000 mW. In the next five years the Government of Albania aims to generate 5% of total electricity from the wind sources.



Average annual
wind speed of
6-8 m/s.



Average energy
density of
250-600 W/m².



Potential for at
least 20 eolic
electricity centrals.

SOLAR ENERGY

In the territory of our country, we have considerable potential for solar energy, where many of its areas are exposed to radiation that reaches from 1185 kWh/m² per year up to 1700 kWh/m² per year. In clear weather, every square meter of the horizontal surface of this area may absorb around 2200 kWh per year.



Average daily
solar radiation
of 4.1kWh/m².



2,400 average
sunshine hours
per year.



240-300 average
sunshine days
per year.

PETROLEUM AND GAS ENERGY

Albania has a significant volume of oil reserves, producing more than 1.4 million tons/ year. Inter-national oil & gas exploration companies are already established in Albania. The Albanian oil, gas, and by-products market is a free, open, and liberalized market and the Government of Albania plays only a regulatory role.



Albania oil
reserves 1.4
mln ton/year








Estimated oil
reserves 500
mln barrels



Patos-Marinza
oil reserves
200mln barrels

SECTORIAL INCENTIVES

-  Based on DCM No.822 dated 07.10.2015 investors who will implement a project in solar energy can sell the produced energy on the open market;
-  The obligatory connection with transmission or distribution networks;
-  The payment of only direct costs of the connection to transmission or distribution networks;
-  Long-term agreement (15 years) for electricity produced from plants of a capacity of 15 MW and over;
-  Due to the potentially high sources of solar energy (over 1700 KW/ m2/ year) is limited regions, the untapped potential for PV installation on infertile land is up to 1900 mW.

STRATEGIC INVESTMENT PROCEDURES



MINING

Albania is known for its mineral resources. Most of them have been discovered and mined from ancient times up to date. There are also other deposits for which a careful study and evaluation of geological reserves should be conducted. The mining activity is mainly focused on the extraction of minerals of chromium, copper, iron-nickel, and nickel-silicate.



CHROMIUM ORE

235 Active Mining Exploitation licenses ¹

932, 686 tons produced ²

3 Main Regions:

- North-eastern Region
(Tropoja and Kukës Ultrabasic Massifs);
- Central Region
(Bulqiza and Lura Ultrabasic Massif);
- South-eastern Region
(Shebenik-Pogradec Ultrabasic Massif).



COPPER

15 Mining Exploitation Licenses ³

6 Main Districts:

Korça, Mirdita, Puka, Shkodra, Kukës and Has.



IRON-NICKEL (LATERITE) AND NICKEL-SILICATE (SAPROLITE)

Iron-nickel and nickel-silicate are located near the east border of our country, from the North-east to the South-east area.

Locations:

- **North-east region** (Kukës): Trull Surroi, Mamëz, Nome deposits;
- **East Central region** (Librazhd-Pogradec regions): Përrenjas, Skorskë, Xixillas, Bushtricë, Gur i Kuq, Cërvenakë, Guri Përgjegjur, Hudënisht and Gradisht deposits;
- **West Central region** includes deposits of the group of laterite-redeposited type

Liqeni i Kuq, Xhumagë, Debrovë, that have lower qualitative properties than the other groups.

- South-East region deposits, iron-nickel and nickel-silicate deposits of Devolli region: Bitinckë, Kap-shticë, Stranë, Kokogllavë, and a few less studied objects such as Vërniku, Shkoza etc.

¹ February 2023

² 2022

³ February 2023



ALBANIAN INVESTMENT DEVELOPMENT AGENCY

