



**Entela Shehaj**

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**Title - Does Monitoring Methodology Matters?**

**Electricity Market monitoring, market efficiency and energy policy in Albania.**

Energy markets, typically transmission and distribution, are regulated markets. As in other regulated markets regulation exists to correct market failure, such as monopoly power and externalities, and insure competition and market efficiency. The legal framework, national and EU directives gives the role of market monitoring to the National Regulatory Authorities. Continues market monitoring by the Regulatory Authorities is an important tool to ensure that energy markets are efficient and competitive. Does monitoring methodology matters? We raise this question and try to find an answer by examining the monitoring practices by the Albanian Energy Regulator. Since its creation, in year 2008, the monitoring unit in the Albanian Regulator has conducted monitoring activities in the electricity sector every year. With the available information and data we will try to find the role of monitoring activities undertaken by the monitoring unit on market performance and energy policy. We also discuss some of the associated challenges and give some recommendations.