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# RES IN POLAND

## OPPORTUNITIES FOR INVESTORS

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NOVEMBER 2019



# AGENDA

- 01** MARKET CHARACTERISTICS
- 02** ENERGY POLICY
- 03** SUPPORT SCHEME AND RECENT AMENDMENT TO THE RES ACT
- 04** OFFSHORE RES



01

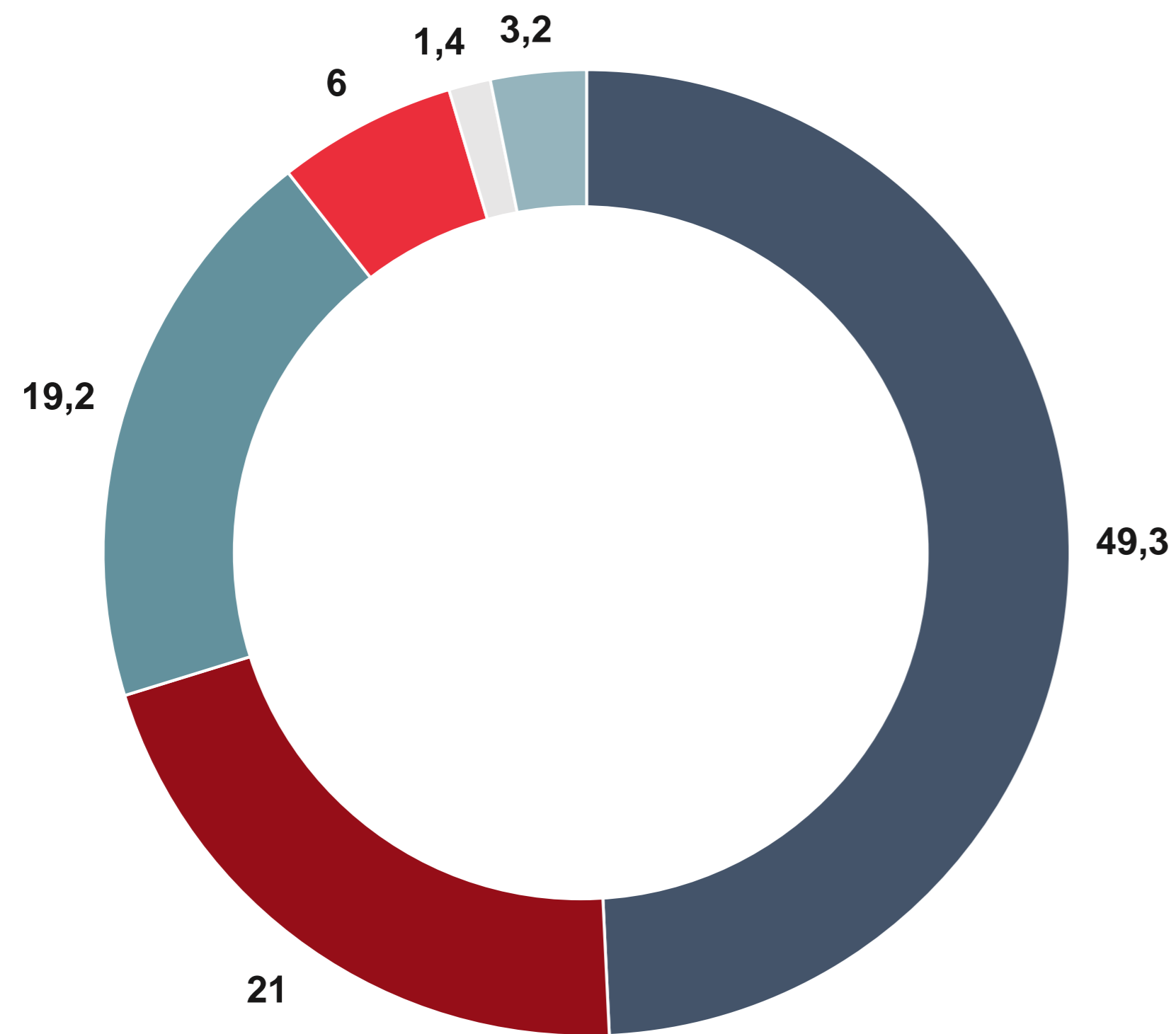
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# MARKET CHARACTERISTICS

# Market characteristics

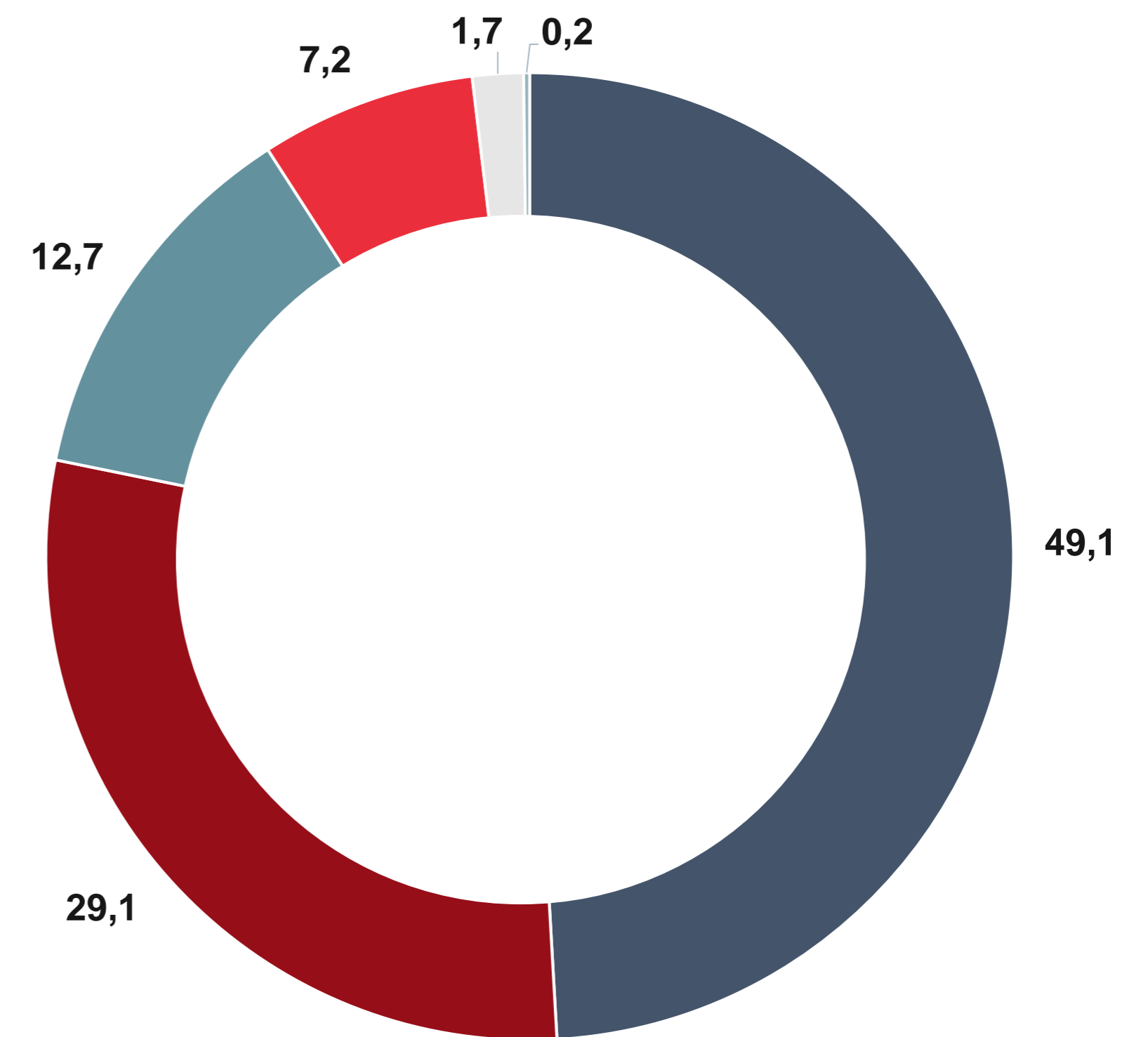
## ENERGY MIX IN POLAND

INSTALLED CAPACITY



■ Hard coal ■ Brown coal ■ RES ■ Gas ■ Industrial plant ■ PHS

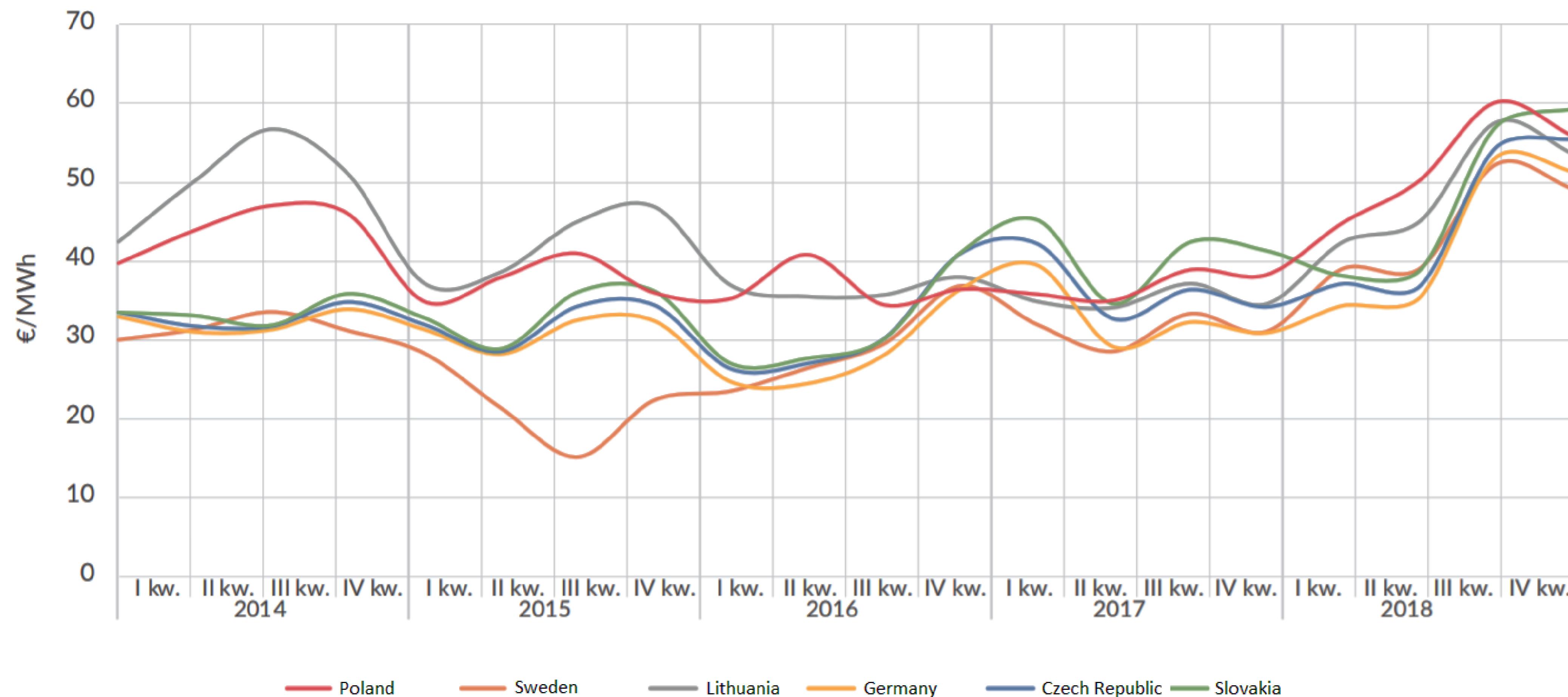
PRODUCTION



■ Hard coal ■ Brown coal ■ RES ■ Gas ■ Industrial plant ■ PHS

# Market characteristics

## ENERGY PRICES

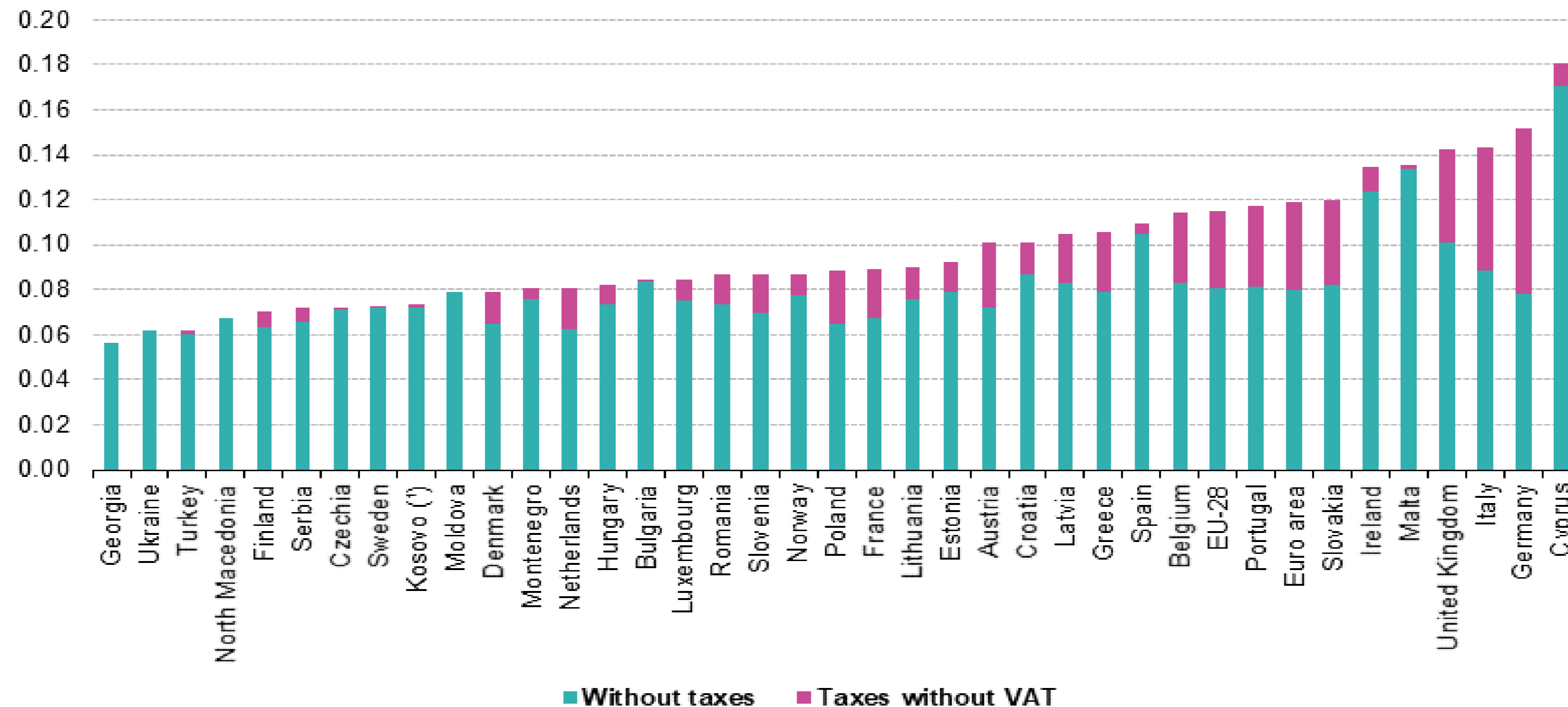


# Market characteristics

## ENERGY PRICES

**Electricity prices for non-household consumers, second half 2018**

(EUR per kWh)



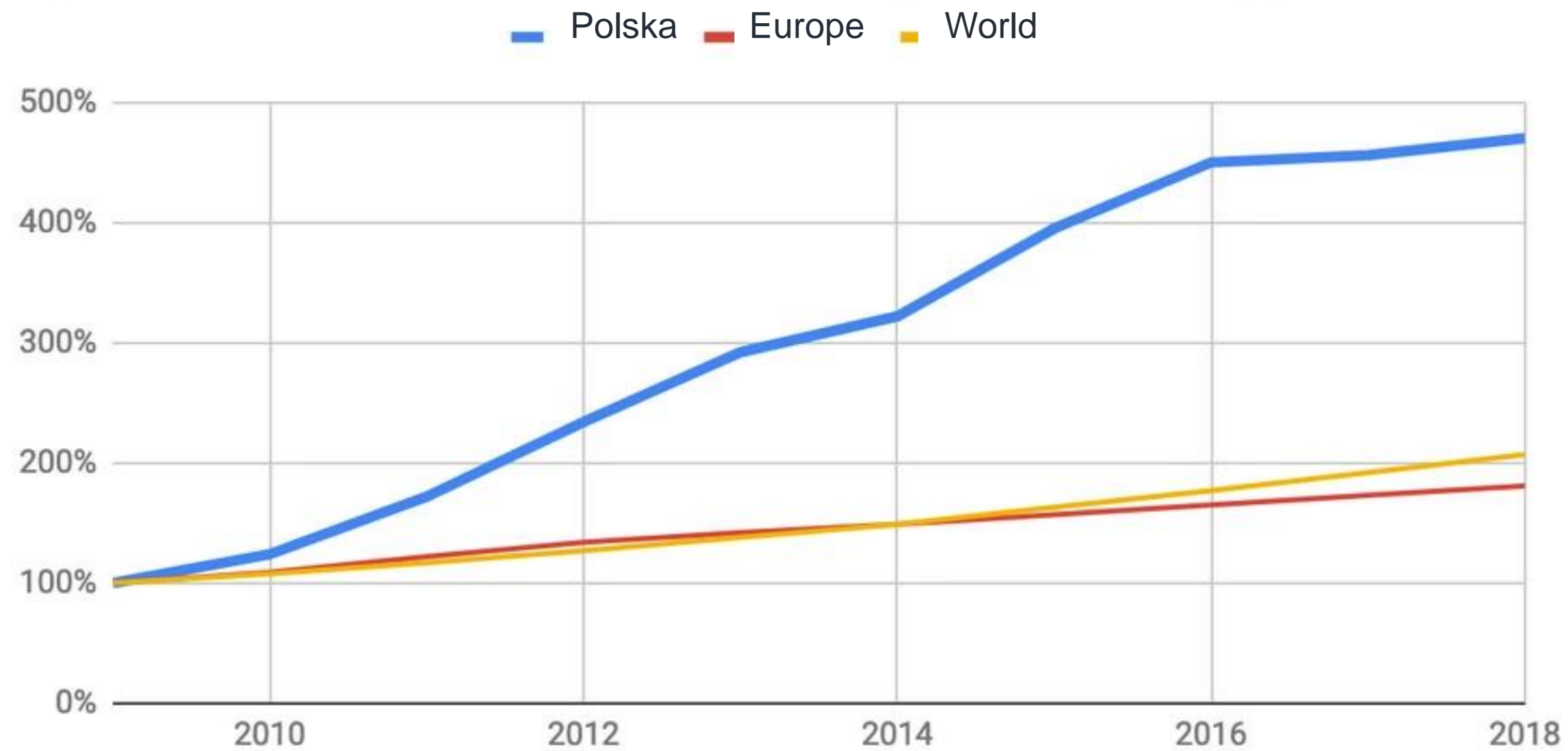
(\*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence.

Source: Eurostat (online data codes: nrg\_pc\_205)

# Market characteristics

## RES TRENDS

Renewable energy sources growth rate in comparison to 2009 – Poland, Europe, World

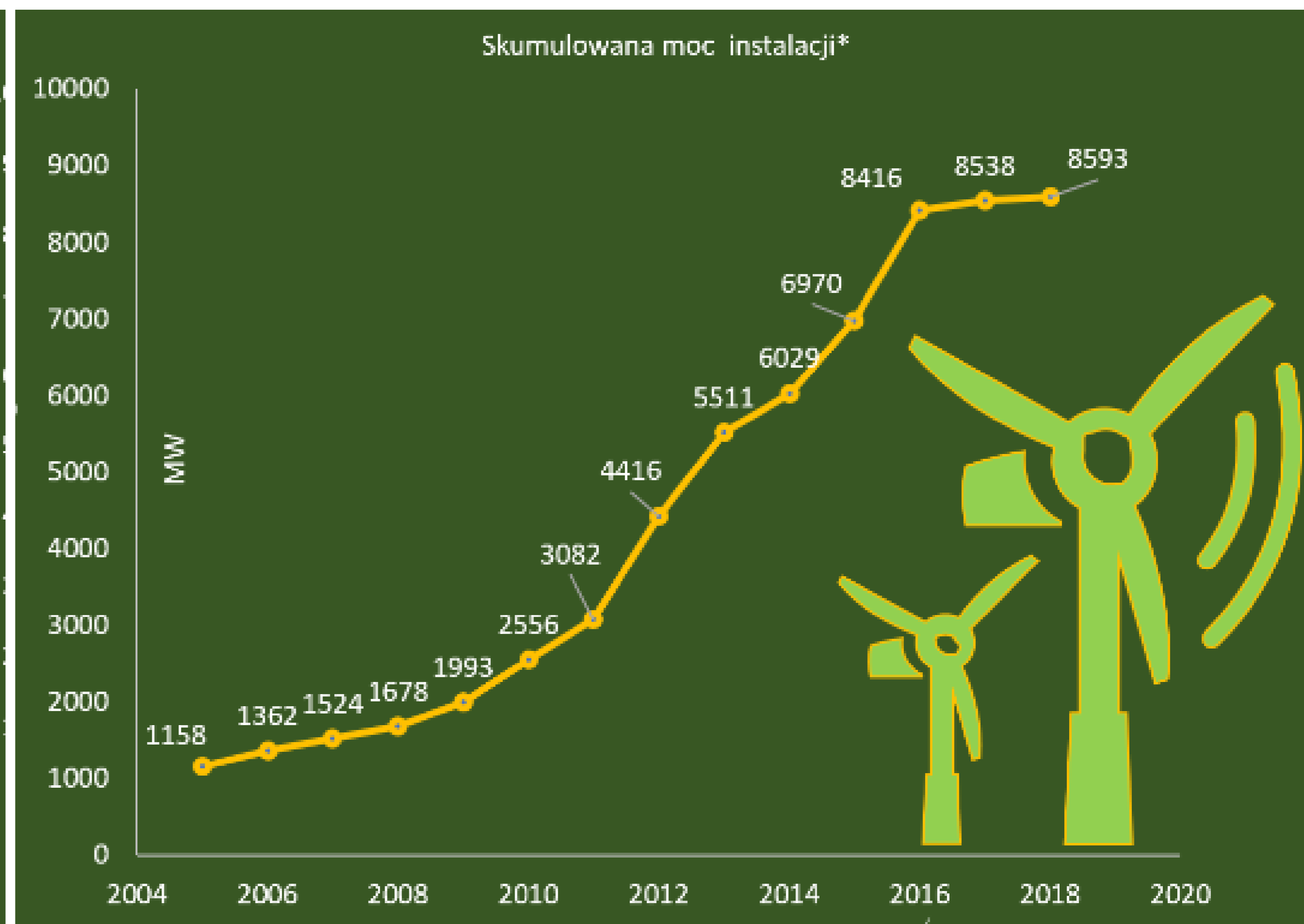
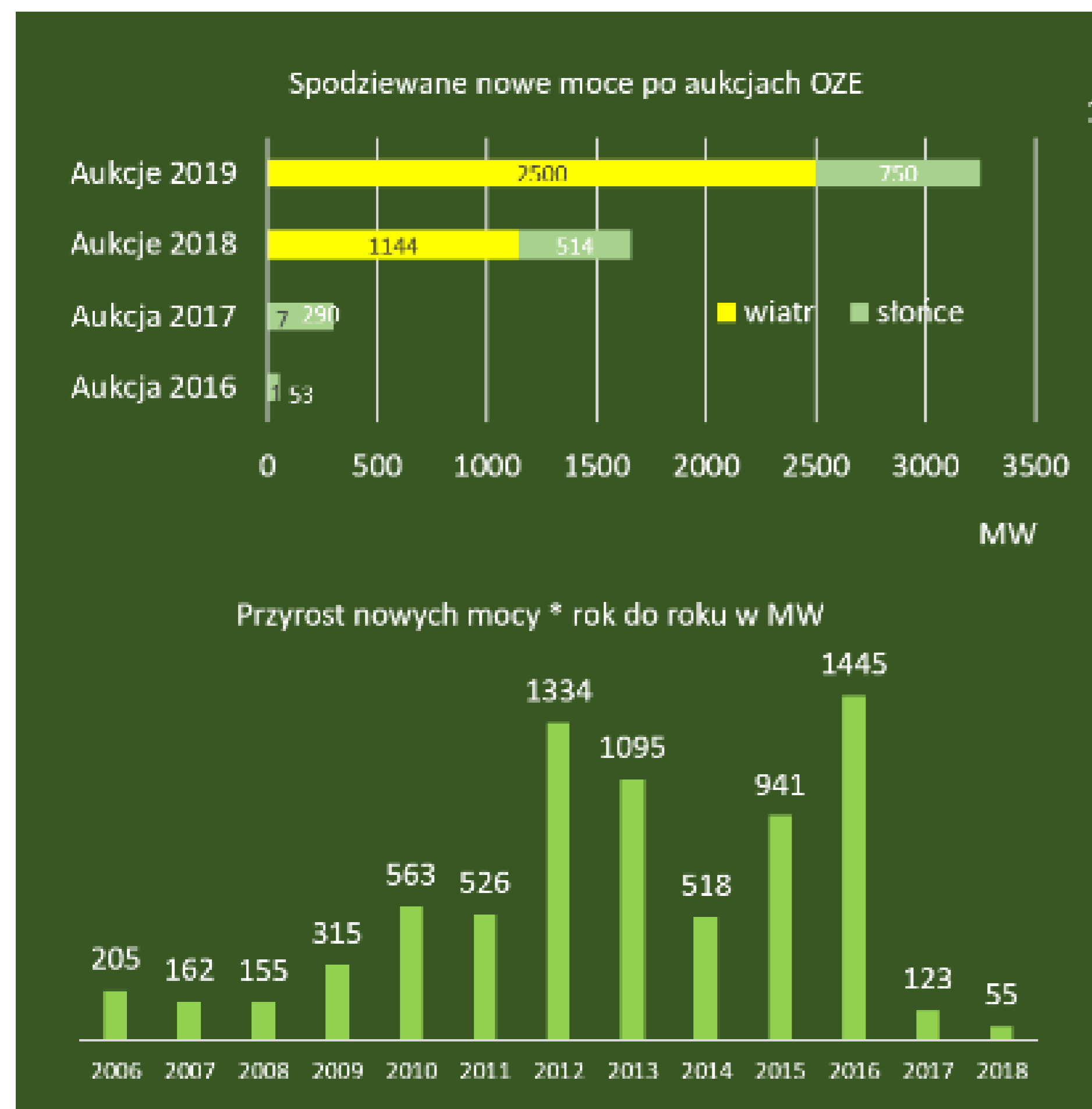


Based on IRENA

Year 2009 = 100%

# Market characteristics

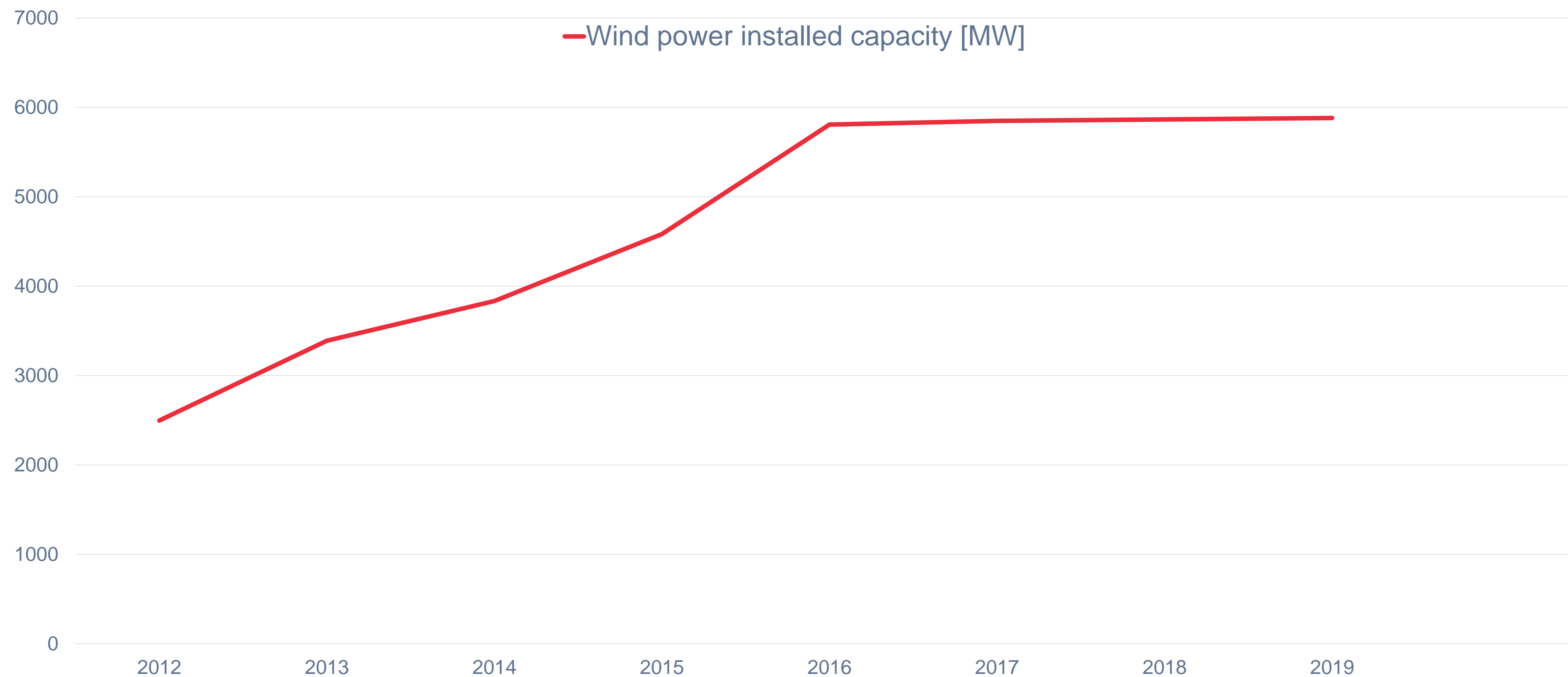
## RES TRENDS





# Market characteristics

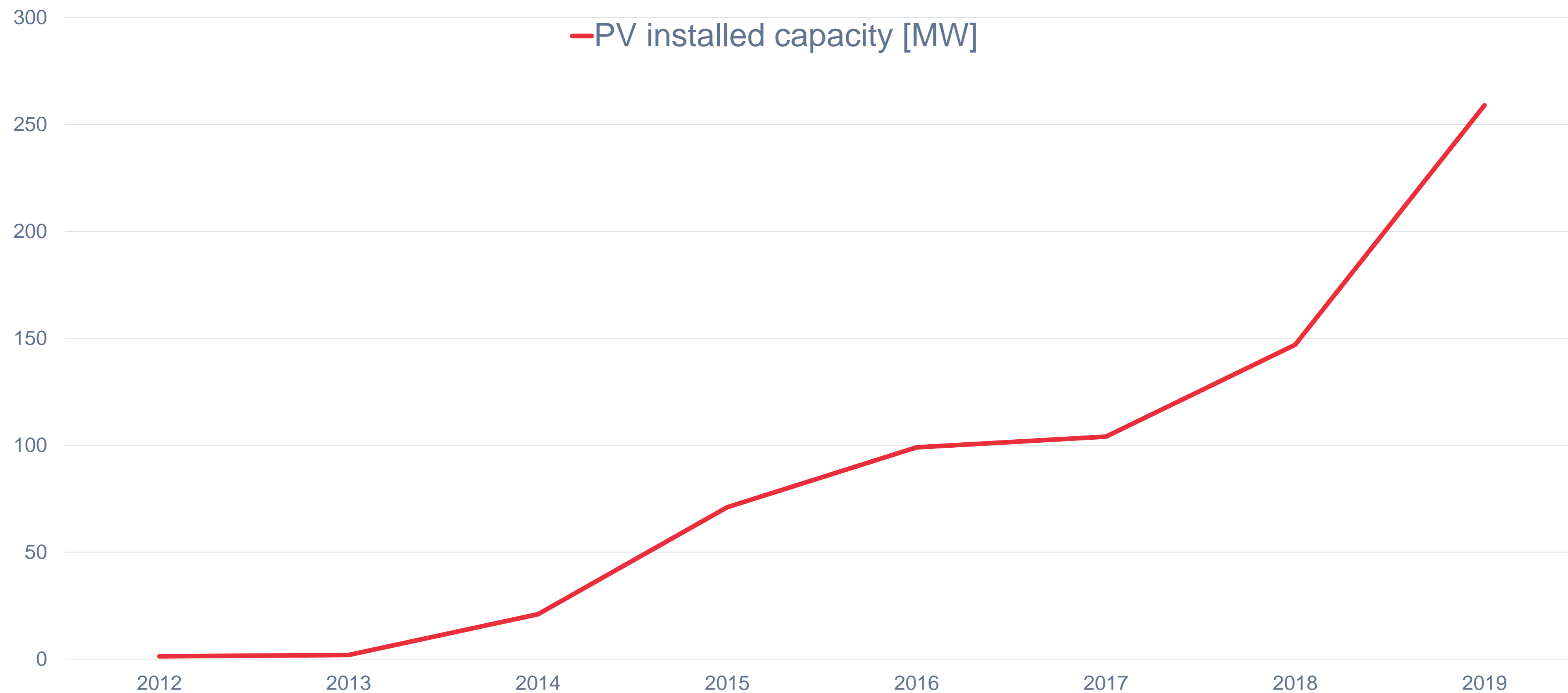
## RES TRENDS



Based on data published on: [ure.gov.pl](http://ure.gov.pl)

# Market characteristics

## RES TRENDS

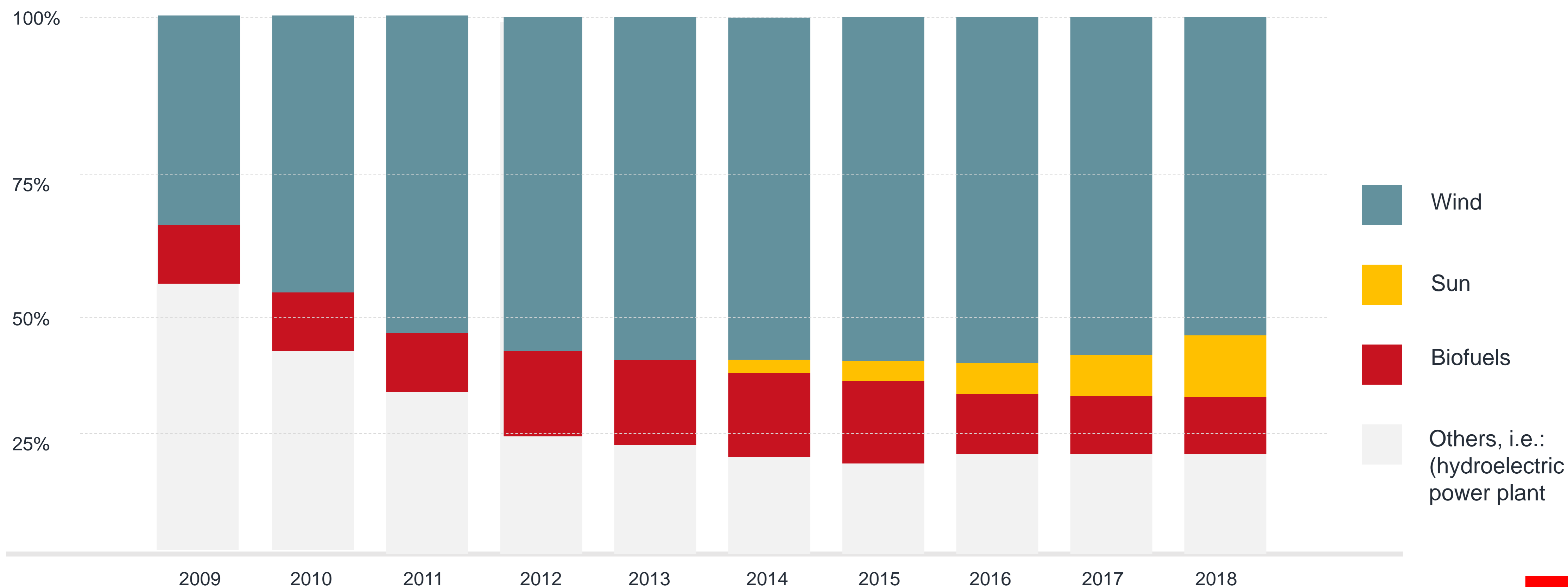


Based on data published on: [ure.gov.pl](http://ure.gov.pl)

# Market characteristics

## RES TRENDS

Mix of renewable energy sources in Poland



Based on IRENA

**02**

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# **ENERGY POLICY**

# Energy Policy of Poland until 2040

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21% RES share in final energy consumption in 2030



Increase in the use of RES



Development of offshore system



Reducing emissions



60 % coal share in generation in 2030



Increasing the share of RES in transport to 14% in 2030

**03**

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# **SUPPORT SCHEME AND RECENT AMENDMENT TO THE RES ACT**

# Main support scheme

## AUCTIONS

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Auctions are organised by **the President of Energy Regulatory Office**



RES producers that offer generation of energy **at the lowest price win** the auction



**Investment aid** obtained for RES installation reduces the price offered during the auction

# Main support scheme

## AUCTIONS



RES producer who won the auction obtains **the right to cover the negative balance**



Producer of energy from RES installations below 500 kW enter into energy sale contract with so called "obliged seller"



**Negative balance – difference between the price offered by the producer in the auction offer and electricity market price**



Electricity market price is calculated as the average daily electricity price, defined as arithmetical average calculated on the basis of volume weighted average exchange session transactions' prices of electricity in all supply hours of the day- it is calculated and published by TGE (Polish Power Exchange)

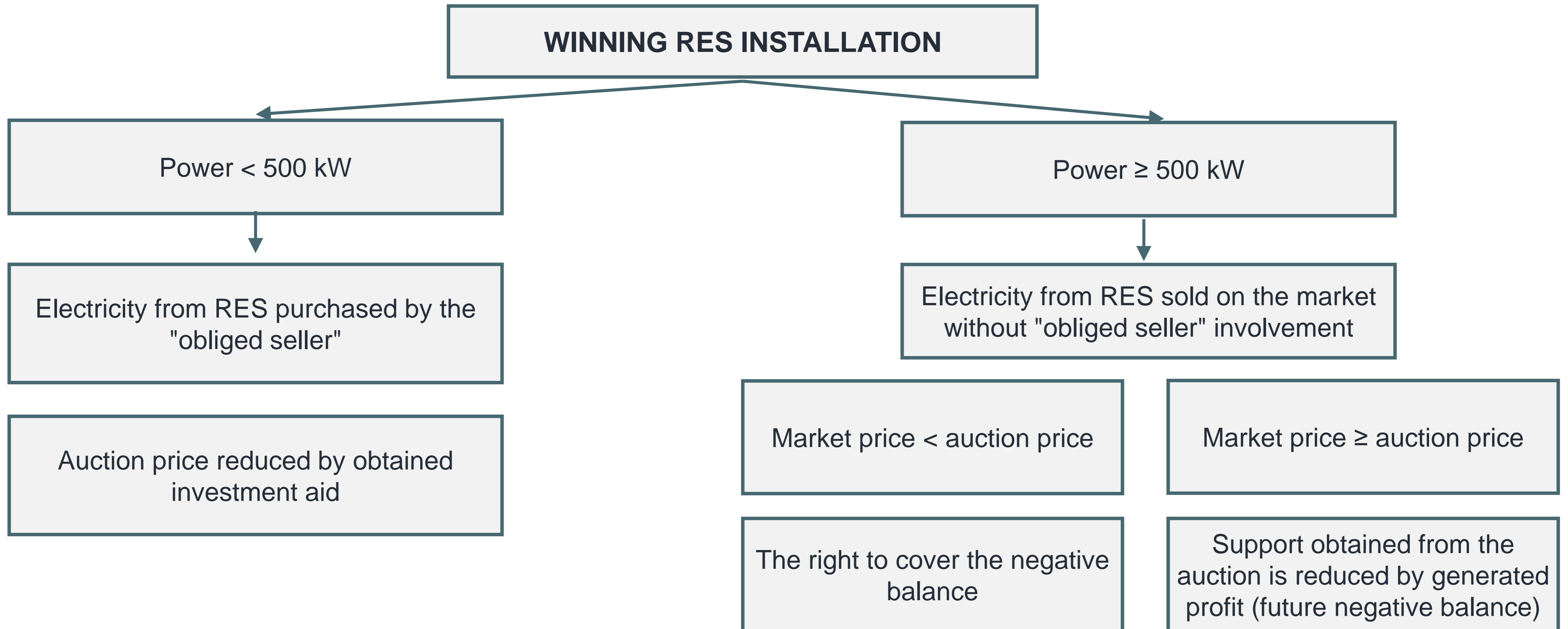


The negative balance is covered by **Zarządca Rozliczeń S.A.**, sole shareholder company of the State Treasury



# Main support scheme

## AUCTIONS



# Main support scheme

## AUCTIONS

Auction scheme is based on so called "baskets" to which different technologies belong.

Basket 1	Basket 2	Basket 3	Basket 4	Basket 5
<ul style="list-style-type: none"> <li>biogas installations</li> <li>biomas firing installations</li> </ul>	<ul style="list-style-type: none"> <li>water systems</li> <li>geothermal installations</li> <li>liquid bio fuels installations</li> <li>offshore wind power</li> </ul>	<ul style="list-style-type: none"> <li>agricultural biogas installations</li> </ul>	<ul style="list-style-type: none"> <li>onshore wind power</li> <li>PV</li> </ul>	<ul style="list-style-type: none"> <li>hybrid RES installations</li> </ul>

Auctions are held separetly for each installation with installed capacity:

1. not higher than 1 MW
2. higher than 1 MW

# Main support scheme

## AUCTIONS

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1

At least 3 valid offers must be placed to deem the auction settled

2

Producer shall provide bank guarantee  
– PLN 60 for each 1 kW

3

Auction is held on an Internet platform

# Recent improvements

## AMENDMENT TO THE RES ACT

Change of the deadline for selling the electricity generated by a RES installation for the first time from 36 months to 42 months after the closure of a given auction and for:

- solar power plants – from 18 months to 24
- onshore wind power – from 30 months to 33

Introducing a right to postpone the deadline for feeding the electricity into the grid for the first time under existing grid connection agreements by 30 June 2021 (producer's request needed, made within 3 months from the entry into force of the RES Act Amendment – 29 November 2019 and pertains only to auctions in 2019 and 2020)

# Recent improvements

## AMENDMENT TO THE RES ACT

Starting from 1 January 2020 a generation licence applicant will have to:

- provide the evidence that devices forming the RES installation comply with requirement set forth in the RES Act related to the manufacture date of such devices, or
- have a valid confirmation of conformity with a certified type of device or declaration of compliance with applicable norms that such devices shall not have been manufactured earlier than 72 months before the first electricity generation

Extension of duration of the auction support scheme – from 31 December 2035 to 30 June 2039 – subject to the Commission's clearance

# Recent improvements

## AMENDMENT TO THE RES ACT

Allowing, under specified conditions, to make one-time modifications to the bid after winning the auction that refer to:

- the planned date of selling the electricity for the first time
- the volume of the electricity that is planned to be sold through the auction
- the total installed capacity of the RES installation

The amendment specifies the maximum volumes and values that can be sold in the auctions in 2019

New onshore wind and solar power plants with a total installed capacity:

- up to 1 MW a volume of 11,445,000 MWh with a value of PLN 4,213,650,000.00 is provided, and
- higher than 1 MW a volume of 113,970,000 MWh with a value of PLN 32,577,000,000.00 is provided

**04**

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# OFFSHORE RES

# Offshore wind energy





# Offshore wind energy

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1

First offshore wind farm is set to start working in 2027

2

Draft of act dedicated to offshore wind farms should be published in November

3

Support scheme should involve contracts for energy take off and connection infrastructure development



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## Get in touch

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