

Warsaw, 20 September 2024

ZPP comment on legislative acceleration for RES

- **The price and availability of green energy will be crucial to the operations and growth opportunities of companies in Poland.**
- **We consider the possibility of connecting new sources to the national energy system to be one of the most important issues shaping the further development of renewable and distributed energy.**
- **In this respect, some progress has already been made with the enactment of the Direct Lines Act, which enables a direct relationship between the producer and the consumer of energy - and in recent months there have been further signals on legislative initiatives for the energy transition. ZPP supports their direction and the actions of the Ministry of Climate and Environment in this regard.**

Recent times have been a period of increased efforts by the legislator to support the energy transition in Poland, which is to be welcomed. Among other things, the regulator has released a clear and transparent message to facilitate connection procedures, especially for renewable sources.

Polskie Sieci Energetyczne (Polish Power System) has already published its Transmission Network Development Plan to 2030, which clearly shows a positive shift towards green energy. Polish Power System is currently being synchronised with the plans of individual operators so that the connection policy is consistent with investment plans related to distributed energy in particular. This promising information also helps shape investment policy in other industries including energy-intensive companies.

A meeting inaugurating the work of the Connection Process Optimisation Team (one of the four working groups under the initiative at Polish Power Transmission and Distribution Association PTPiREE) was held on 5 September, with the participation of, among others, representatives of DSOs, Polskie Sieci Elektroenergetyczne S.A., industry organisations representing the RES sector and the Ministry of Climate and Environment. During the meeting, the various participants presented the recommended and planned actions to be implemented.

As agreed, the team is to develop the concept of legislative changes and sectoral agreements between parties where legislative changes will not be necessary. The intention is to produce a report summarising the outcome of the work by 31 December 2024.

Also on 5 September this year, the government presented the assumptions of the new National Energy and Climate Plan 2030, supplemented by the so-called ambitious transformation scenario. The updated document will be based on two scenarios:

- WAM scenario - ambitious transformation scenario, and
- WEM scenario - market-technical transformation scenario.

According to the published presentation, the ambitious scenario assumes that the installed capacity of RES in 2030 will be 59% of the total installed capacity of the national power system (KSE), which is expected to reach 96 GW. In the baseline scenario, this is 58% and 93 GW

respectively. For gross electricity production, the ambitious scenario envisages 56% from RES with 196 TWh production and 50% with 198 TWh production in the baseline scenario.

In June, a draft bill amending the Renewable Energy Sources Act and other related acts (UD41) was submitted for public consultation, review, and inter-ministerial agreement. The draft aims to enhance the attractiveness of investments in prosumer micro-installations and provide incentives for the adoption of energy storage technologies. With the changes to net-billing, prosumers will be able to choose in which system to bill the electricity they produce.

The Windmill Act is also to be amended. Restrictive distance regulations (10H) introduced in 2016 had the effect of significantly limiting investment in onshore wind sources, which hindered the development of wind power in Poland. The ZPP has repeatedly drawn attention to this problem, as the regulations introduced limited our country's access to what is currently the cheapest source of energy. The bill will propose the liberalization of regulations governing the placement of wind turbines on land. The 10H rule is to be abolished and replaced by a 500m minimum distance rule.

Detailed consultations are currently taking place with the investment community on specific parts of the amendment to the Act in order to move closer to a consensus between the various stakeholders, while ensuring that wind energy investments do not face unnecessary barriers.

We also note an increase in investment in smart grids - Ministry of Climate and Environment has signed three further contracts for funding of smart grid development from the European Funds for Eastern Poland 2021-2027 programme. The total value of these investments is more than PLN 200 million.

Despite the ZPP's nuanced stance on certain environmental and climate policies at the EU level, and our clearly stated call for a more cautious approach to climate neutrality – taking into account both the costs and Poland's specific circumstances – there is no doubt that the transition of the energy sector and the economy toward low-carbon solutions is inevitable. Poland must accelerate its efforts in the development of green energy. In this context, we take a positive view of the legislative acceleration on key acts for the energy transition, while continuing to count on constructive dialogue with a wide range of stakeholders to find the best possible solutions.