Energy Regulatory Office

NATIONAL REPORT

OF THE PRESIDENT OF URE

2025

JULY 2025

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LIST OF ABBREVIATIONS USED IN THE REPORT

ACER, Agency	Agency for the Cooperation of Energy Regulators
Directive 2009/73/EC	Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (EU OJ L 211/94, as amended)
Directive 2019/944	Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (EU OJ L 158/125, as amended)
ENTSO-E	The European Network of Transmission System Operators for Electricity
DNC	Distribution Network Code
SFC	Storage Facilities Code
TNC	Transmission Network Code
NES	National Electricity System
NEMO	Nominated Electricity Market Operator
Amendment to the Electromobility Act	Act of 2 December 2021 Amending the Act on Electromobility and Alternative Fuels and Certain Other Acts (Journal of Laws of 2021, item 2269)
OGP Gaz-System S.A.	Operator Gazociągów Przesyłowych Gaz-System S.A.
DSO	Distribution System Operator
SSO	Storage System Operator
TSO	Transmission System Operator
RES	Renewable Energy Sources
PGNiG OD Sp. z o.o.	PGNiG Obrót Detaliczny Sp. z o.o.
President of URE	President of the Energy Regulatory Office
President of UOKiK	President of the Office of Competition and Consumer Protection
PSE S.A.	Polskie Sieci Elektroenergetyczne S.A.
PSG Sp. z o.o.	Polska Spółka Gazownictwa Sp. z o.o.
ECP	Energy Consumption Point
GCP	Gas Consumption Point
Regulation 715/2009	Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (EU OJ L 211/36, as amended)

Regulation 2015/1222	Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (EU OJ L 197/24, as amended)
Regulation 2016/631	Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators (EU OJ L 112/1, as amended)
Regulation 2016/1388	Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a network code on demand connection (EU OJ L 223/10)
Regulation 2016/1447	Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high-voltage direct current systems and direct current-connected power park modules (EU OJ L 241/1)
Regulation 2016/1719	Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline for forward capacity allocation (EU OJ L 259/42, as amended)
Regulation 2017/1485	Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (EU OJ L 220/1, as amended)
Regulation 2017/2195	Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (EU OJ L 312/6, as amended)
Regulation 2017/2196	Commission Regulation (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (EU OJ L 312/54, as amended)
Regulation 2019/943	Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (EU OJ L 158/54, as amended)
Regulation 2024/1366	Commission Delegated Regulation (EU) 2024/1366 of 11 March 2024 supplementing Regulation (EU) 2019/943 of the European Parliament and of the Council by establishing a network code on sector-specific rules for cybersecurity aspects of cross-border electricity flows (EU OJ L of 24.5.2024)
REMIT Regulation	Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (EU OJ L 326/1)
BAL NC	Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a network code on gas balancing of transmission networks (EU OJ L 91/15)
CAM NC	Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (EU OJ L 72/1)
INT NC	Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules (EU OJ L113/13)
TAR NC	Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (EU OJ L 72/29, as amended)
Electricity System Ordinance	Ordinance of the Minister of Climate and Environment of 22 March 2023 on Detailed Conditions of Electricity System Operation (Journal of Laws of 2023, item 819, as amended)
Gas Tariff Ordinance	Ordinance of the Minister of Energy of March 15th 2018 on the Detailed Rules for Development and Calculation of Tariffs and Settlements in Trade in Gaseous Fuels (Journal of Laws of 2021, item 280, as amended)
SGT EuRoPol GAZ S.A.	System Gazociągów Tranzytowych EuRoPol GAZ S.A.
TGE S.A.	Towarowa Giełda Energii S.A.

TPA	Third Party Access
EU	European Union
URE, the Office	Energy Regulatory Office
Act of 20 May 2021	Act of 20 May 2021 Amending the Energy Law and Certain Other Acts (Journal of Laws of 2021, item 1093, as amended)
Act of 5 August 2022	Act of 5 August 2022 Amending Certain Acts to Strengthen the State's Gas Security in Connection with the Situation on the Gas Market (Journal of Laws of 2022, item 1723)
Act of 7 October 2022	Act of 7 October 2022 on Special Solutions for the Protection of Electricity Customers in 2023 and in 2024 in connection with the Situation on the Electricity Market (Journal of Laws of 2023, item 1704, as amended)
Emergency Measures Act	Act of 27 October 2022 on Emergency Measures to Limit Electricity Prices and Support for Certain Customers in 2023−2025 (Journal of Laws of 2024, item 1622, as amended)
Act of 15 December 2022	Act of 15 December 2022 on Special Protection of Certain Customers of Gaseous Fuels in 2023 and 2024 in connection with the Situation on the Gas Market (Journal of Laws of 2024, item 303)
Act of 28 July 2023	Act of 28 July 2023 Amending the Energy Law and Certain Other Acts (Journal of Laws of 2023, item 1681)
Act of 17 August 2023	Act of 17 August 2023 Amending the Act on Renewable Energy Sources and Certain Other Acts (Journal of Laws of 2023, item 1762)
Act of 7 December 2023	Act of 7 December 2023 Amending Acts to Support Customers of Electricity, Gaseous Fuels and Heat (Journal of Laws of 2023, item 2760)
Act of 23 May 2024, Energy Voucher Act	Act of 23 May 2024 on the Energy Voucher and on Amending Certain Acts to Limit the Prices of Electricity, Natural Gas and System Heat (Journal of Laws of 2024, item 859, as amended)
Act of 21 November 2024	Act of 21 November 2024 Amending the Energy Law and Certain Other Acts (Journal of Laws of 2024, item 1881)
Energy Law Act, the Act	Act of 10 April 1997 – Energy Law (Journal of Laws of 2024 item 266, as amended)
Electromobility Act	Act of 11 January 2018 on Electromobility and Alternative Fuels (Journal of Laws of 2023, item 875, as amended)
Renewable Energy Sources Act, RES Act	Act of 20 February 2015 on Renewable Energy Sources (Journal of Laws of 2023, item 1436, as amended)
CHP Act	Act of 14 December 2018 on the Promotion of Electricity from High-Efficiency Cogeneration (Journal of Laws of 2024, item 639, as amended)
Capacity Market Act	Act of 8 December 2017 on the Capacity Market (Journal of Laws of 2023, item 2131)
Stocks Act	Act of 16 February 2007 on Stocks of Crude Oil, Petroleum Products and Natural Gas, the Principles of Proceeding in Circumstances of a Threat to the Fuel Security of the State and Disruptions on the Petroleum Market (Journal of Laws of 2023, item 1650, as amended)
BC	Balancing Conditions

Legal status as at 4 July 2025

1. FOREWORD

Dear All,

This National Report of the President of URE offers a comprehensive overview of the situation on the Polish electricity and gas market in 2024.

The year 2024, like previous years, was characterised by high dynamics of events. Despite a relative stabilisation of commodity and electricity prices, the energy sector still faced numerous challenges resulting from the ongoing transition of the electricity and heating sectors in Poland. In addition, a volatile geopolitical situation in the world and signals coming from the European Union itself constantly raise questions about the desired direction and pace of change.

In 2024, due to, among others, comprehensive amendments to the Energy Law Act and the Renewable Energy Sources Act of 2023, the scope of the regulator's competences was further expanded. The introduced regulations are another step on the path of energy transition, creating conditions for the development of renewable energy sources, hydrogen technologies and local initiatives.

A detailed description of the condition of the electricity and gas market in Poland and actions taken by the Polish Regulator in 2024 have been presented in this National Report of the President of URE, submitted to the European Commission and ACER. In doing so, the President of URE fulfils its reporting obligation under Polish and European law.

2. LEGAL AND REGULATORY CHANGES ON THE ELECTRICITY AND GAS MARKET

The basic legal act defining the competences of the President of URE still remains the Energy Law Act. However, over the past years, many other obligations of the regulator have also been defined in other legal provisions, including EU regulations applied directly without the obligation to implement them into the national legal system. As a result, the scope of competences of the President of URE is undergoing constant modification and expansion. To strengthen the regulatory body, on 30 October 2024 the President of URE appointed Renata Mroczek Vice-President of URE. As a consequence, the tasks of the authority have also been divided – the direct competences of the Vice-President of URE include tasks related to, among others, the liquid fuels market, renewable energy sources, energy efficiency, heat market and licence fees.

As in previous years, intensive legislative work was performed in 2024 – the President of URE participated in providing an opinion on about 97 draft legal acts of national and European law.

2.1. Legal and regulatory changes

In 2024, the amendment to the Energy Law Act, made by the Act of 21 November 2024[1], created a legal framework for the functioning and development of the hydrogen market at the national level and ensured compliance of national hydrogen regulations with the EU Hydrogen Strategy.

In this respect, hydrogen has been included in the category of fuels, and thus subjected to the legal regime of fuels. The rights and obligations of hydrogen market participants and the President of URE have been regulated[2] by introducing rules for certifying and designating hydrogen system operators, defining the scope of their obligations and ownership unbundling rules[3], as well as introducing an obligation for energy companies to provide hydrogen transmission, distribution and storage services[4].

In addition, an obligation to obtain a licence for activities related to hydrogen storage and trading has been introduced, as well as specific rules for the application, monitoring and withdrawal by the President of URE of a derogation from the obligations of the hydrogen transmission system operator and the hydrogen distribution system operator, from the obligation to remain independent in terms of legal form, and the characteristics of a geographically limited hydrogen network have been defined.

As part of the amendment to the RES Act, a definition of renewable hydrogen was introduced and renewable hydrogen transported via hydrogen networks by a hydrogen transmission system operator, a hydrogen distribution system operator or a hydrogen combined system operator was covered by guarantees of origin.

[1] The Act amended: the Act of 7 July 1994 – Construction Law, the Act of 21 August 1997 on Real Estate Management, the Act on Commodity Exchanges, the Act of 27 April 2001 – Environmental Protection Law, the Act of 3 October 2008 on the Provision of Information on the Environment and its Protection, Public Participation in Environmental Protection and on Environmental Impact Assessments, the Act of 24 April 2009 on Investments in the Liquefied Natural Gas Regasification Terminal in Świnoujście, the RES Act and the Act on Electromobility.

[2] Article 4, Article 4ca, Article. 4e[3], Article. 4j, Article 5, Article 7, Article 7a, Article 9c, Article 9h-9h[2] and Article 23 of the Energy Law Act.

[3] Article 9d of the Energy Law Act.

[4] Article 4 of the Energy Law Act.

In order to maintain consistency in the concepts and number of hydrogen stations offering only renewable hydrogen and renewable hydrogen of non-biological origin for refuelling, the Electromobility Act has also been adapted.

As a consequence of the above changes, pursuant to Article 23 of the Energy Law Act, the following have been included in the powers of the President of URE: the appointment of hydrogen transmission system operators, hydrogen distribution system operators and monitoring of the operation of the hydrogen system. The scope of registers and specifications kept by the President of URE has also been expanded to include, among others, a register of hydrogen operators and a list of entities applying for appointment as hydrogen system operators. In addition, the area covered by the obligation to obtain licences granted by the President of URE for activities consisting in hydrogen storage and trading has increased, and so has the catalogue of penalties imposed by the President of URE on hydrogen market participants.

In 2024, thanks to the Act of 27 November 2024 amending the Act on Renewable Energy Sources and Certain Other Acts[5], the development of prosumer energy was enhanced by modifying the mechanism for prosumer settlements in the net-billing system and adapting national regulations to the regulations and guidelines of the European Commission.

The most important changes adopted as part of the amendment are:

- adjustment of aid schemes concerning reliefs for energy-intensive customers in terms of the obligation to redeem certificates of origin, reductions in the RES fee and reductions in the cogeneration fee,
- supplementing the mechanism preventing the accumulation of support[6],
- introduction of the so-called conditionality mechanism, making the use of reliefs conditional on the reduction of greenhouse gas emissions[7],
- monitoring beneficiaries subject to the obligation to perform an energy audit in terms of the implementation of the recommendations arising from it,
- introduction of a compensation fee calculated by energy-intensive customers[8].

In addition, the feed-in tariff (FIT) and feed-in premium (FIP) systems have been adjusted in the area of application of the thresholds set out in Article 5(2)(b) or Article 5(4) of the Market Regulation, and regulations have been applied to enable installations up to 400/200 kW to obtain the right to guaranteed off-take of energy by the obligated supplier and to be exempted from the financial burden with respect to commercial balancing.

The Act also regulates the legal situation of users of support systems who won an auction with a capacity below 500 kW, taking into account capacity restrictions in the period from the date of entry into force of the provisions of the Act until 31 December 2025 (limit to 400 kW) and after 1 January 2026 (limit to 200 kW).

Amendments were also made to the RES Act – new sanctions for industrial customers were introduced to Article 168 and to the CHP Act – the definition of solid fuels was removed and replaced with a definition of coal fuels with an enumerative catalogue of these fuels.

In order to adapt national regulations to the amended Regulation 2022/2577, the Energy Law Act was also amended. The amendment shortens the deadline for issuing connection conditions for installations installed on a building that use solar energy to generate energy, and also – in the scope of the production licence – a 30-day deadline for its issuance has been introduced for specific RES installations.

[5] Journal of Laws of 2024 item 1847.
[6] Article 39a para. 1a of the RES Act.
[7] Article 54a para. 2 of the RES Act.
[8] Article 53a of the RES Act.

Thanks to Article 45aa of the Energy Voucher Act, the President of URE has acquired additional competences to inspect documents and request documents or information from the owner or manager of a multi-apartment building[9] regarding the equipment of the premises of a multi-apartment building with measuring instruments or devices enabling the settlement of heat costs according to consumption of heating costs and hot water consumption in these premises, as well as the use of cost settlement according to consumption and compliance with disclosure obligations[10].

Electricity sector

As the aggregator institution was introduced by the Act of 28 July 2023, in 2024 the first entity was entered on the list of aggregators – Photon Energy Trading PL Sp. z o.o. from Poznań.

The above Act also introduced other significant changes to the Energy Law Act. The purpose of the amendment was to increase regulatory effectiveness with regard to development plans of energy companies involved in the transmission and distribution of gaseous fuels and energy. As a result, the powers of the President of URE have been extended, enabling it to have a greater impact on the shaping and implementation of priority investments through the introduction of development guidelines and incentive mechanisms. In accordance with the statutory obligation, on 31 July 2024 the President of URE published guidelines on the direction of network development and implementation of Priority Investments for Distribution System Operators, as well as guidelines and recommendations ensuring a single form of development plans – electricity[11], in which five main directions of network development were defined.

On 13 June 2024, Regulation 2024/1366 defining the European cybersecurity standard for cross-border electricity flows entered into force. It specifies the principles concerning: risk assessment in cyberspace, minimum common requirements and certification of products and services in the field of cybersecurity, monitoring, reporting, as well as crisis management. Legislative work on the adoption of these provisions in the Polish legal system has begun.

In connection with the obligation under Regulation 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure and repealing Directive 2014/94/EU[12], an assessment of the potential contribution of bidirectional charging to a reduction of user costs and system costs and increasing the share of electricity from renewable sources in the electricity system has been developed. Based on the information obtained from the TSO and DSOs, the President of URE highlighted that there are no charging stations, either public or private, enabling bidirectional charging in the areas of operation of individual operators[13].

As of 14 June 2024, the rules for the functioning of the balancing market (BM) have changed[14]. The changes include, among others, introduction of a new entity and facility structure, a new catalogue of balancing services and market rules for acquiring balancing capacity. A mechanism for scarcity pricing has also been introduced. Due to the introduction of new rules for the valuation of balancing and imbalance energy and new rules for the settlement of these energies, there has been an actual "liberalisation" of prices on the wholesale electricity market. It is also worth highlighting that a 15-minute period for settling balancing energy and imbalances has also been introduced.

[9] Referred to in Article 45a para. 6 of the Energy Law Act.

[10] Referred to in Article 45a para. 4a and Article 45c of the Energy Law Act.

[11] URE Bulletin – Electricity no. 189/2024, https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/inne-decyzje-informacj/4574,Inne-decyzje-informacje-sprawozdania-opublikowane-w-2024-r.html

[12] EU OJ L 234/1.

[13] https://www.ure.gov.pl/pl/urzad/informacje-ogolne/edukacja-i-komunikacja/publikacje/udzial-oze-w-systemie-elektroe/12018,Ocena-potencjalnego-wkladu-dwukierunkowego-ladowania-w-redukcje-kosztow-uzytkown.html

[14] Decisions of the President of URE of 27 September 2023 and 26 January 2024 approving the new Balancing Conditions: https://bip.ure.gov.pl/download/3/17483/bilansowanie.pdf
https://bip.ure.gov.pl/download/3/17984/PolskieSieciElektroenergetyczne.pdf

Due to the continuing unstable situation on the energy market, the freezing of electricity prices for customers was maintained. In the first half of the year, prices were maintained at the 2023 level, while in the second half of the year, the rules for freezing energy prices and provisions on the energy voucher were introduced.

Due to the still noticeable increase in the share of RES in the energy mix, it should be noted that in 2024 the President of URE issued the first licence to conduct business activity consisting in the generation of electricity in a hybrid renewable energy source installation[15], comprising a photovoltaic farm, wind turbines and energy storage.

Gas sector

As in the case of electricity, in the gas sector the support systems for household customers and customers performing important public utility tasks have also been extended. Until 30 June 2024, the maximum price of gaseous fuels for eligible customers was established at the 2022 level, that is PLN 200.17/MWh, and as of 1 July 2024 at the level of the price of gaseous fuels approved in the tariff of the energy company referred to in Article 62c para. 1 of the Energy Law Act[16].

In 2024, for the first time, the tariffs of gas infrastructure companies included the balance of the regulatory account, the mechanism of which was introduced by the Ordinance of the Minister of Climate and Environment of 23 November 2023 amending the Gas Tariff Ordinance[17]. The purpose of the introduction of this account for energy infrastructure activities in the field of gaseous fuels is to ensure stable operating conditions for operators, and on the other hand, it protects entities contracting infrastructure services against incurring unjustified costs if the operator's actual revenue exceeds the planned revenue approved in the tariff, which is the basis for calculating the fee rates.

2.2. Implementing the “Clean Energy for All Europeans (CEE)” package

On 4 July 2019, Regulation 2019/943, which replaced Regulation 714/2009, entered into force[18]. However, this does not affect the validity of the network codes and guidelines adopted so far, and work on their implementation continues, both on the TSOs and NEMOs side and on the side of the regulators and ACER. It should be noted that Regulation 2019/943 has imposed a number of new regulatory obligations on regulators and ACER.

Article 16(8) of Regulation 2019/943 imposed an obligation on the TSO to make cross-zonal capacity available to market participants at a level of not less than 70% of the capacity at a given border or critical network element, determined respecting operational security limits of the system. As the aforementioned conditions could not be fulfilled by the Polish TSO at the moment of the entry into force of the aforementioned regulation, an action plan was developed by the then Ministry of Energy, in cooperation with the President of URE and the Polish TSO, pursuant to Article 15 of the aforementioned Regulation, adopted on 17 December 2019, which defines the level of minimum cross-zonal trading capacities to be made available to market participants by the Polish TSO from the beginning of 2020 until the end of 2025. This plan also includes a timetable for the adoption of measures to achieve

[15] As defined in Article 2 para. 11a of the RES Act, significantly modified by the provisions of the Act of 17 August 2023.

[16] PGNiG OD Sp. z o.o. tariffs for trade in gaseous fuels No. 15, https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/paliwa-gazowe/4571,Taryfy-opublikowane-w-2024-r.html

[17] Journal of Laws of 2023 item 2582.

[18] Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (OJ L 211/15 as amended).

the target level of minimum capacity of 70% of the transmission capacity in accordance with Article 16(8) of Regulation 2019/943.

Regulation 2019/943, in Article 16(9), provides for the possibility of granting a derogation from the obligation to make cross-zonal capacity available in accordance with paragraph 8 of that Article where this is necessary to maintain operational security. In 2024, the decision of the President of URE of 21 December 2023 was in force[19], granting PSE S.A. such a derogation. On 10 December 2024, the decision of the President of URE for 2025 was issued[20].

On 4 July 2024, the President of URE, pursuant to Article 15(4) of Regulation 2019/943, approved the contribution to the TSO's report for 2023 on capacity allocation in accordance with the linear trajectory specified in the action plan[21].

In 2024, the regulator prepared a report on redispatching mechanisms[22], which is an obligation under Regulation 2019/943. Pursuant to Article 13(4) of the Regulation, this report has been prepared on the basis of the reports on redispatching mechanisms for 2023 received from TSO and DSOs for the first time. The report was then submitted to ACER and published on the website.

The regulator was also involved in cases proceeded by ACER under the said Regulation.

[19] https://www.ure.gov.pl/pl/energia-elektryczna/europejskiree/decyzje/11574,Decyzja-dotyczaca-przyznania-PSE-SA-odstepstwa-od-obowiazku-udostepniania-miedzy.html

[20] https://www.ure.gov.pl/pl/energia-elektryczna/europejskiree/decyzje/12313,Decyzja-zatwierdzajaca-odstepstwo-od-obowiazku-udostepniania-miedzystrefowych-zd.html

[21] https://www.ure.gov.pl/pl/energia-elektryczna/europejskiree/decyzje/12057,Decyzja-zatwierdzajaca-wklad-PSE-SA-do-sprawozdania-za-2023-r-z-udostepniania-zd.html

[22] https://www.ure.gov.pl/pl/urzad/informacje-ogolne/edukacja-i-komunikacja/publikacje/sprawozdania-prezesa-ure-dotyc/12335,Sprawozdania-dotyczace-mechanizmow-redysponowania-w-Polsce.html

3. ELECTRICITY MARKET

3.1. Network regulation and technical functioning

3.1.1. Unbundling

In the light of the current regulations of the Energy Law Act, operators for electricity and gas system (hereinafter referred to as "system operators") are designated by decision of the President of URE:

- at the request of the owner of the network or installation referred to in Article 9h para. 1 of the Act,
- ex officio in the cases specified in Article 9h para. 9 of the Act.

Pursuant to Article 9d para. 1d of the Energy Law Act (in force in 2024), a distribution system operator within the structure of a vertically integrated enterprise remains independent of other activities not related to the distribution of gaseous fuels or electricity in terms of its legal and organisational form and decision-making. Pursuant to Article 9d para. 1e of the Act, in order to ensure the independence of the distribution system operator, the following independence criteria must be met jointly:

1) persons responsible for the management of the distribution system operator may not participate in the management structures of a vertically integrated enterprise or an energy enterprise involved in the transmission, production, generation or trading of gaseous fuels or transmission, generation or trading of electricity, or be responsible, directly or indirectly, for current activities in this area,
2) persons responsible for the management of the distribution system operator are guaranteed to have the possibility to act independently,
3) the distribution system operator has the right to make independent decisions regarding the assets necessary to conduct business activity, in the field of distribution of gaseous fuels or electricity,
4) a body of a vertically integrated enterprise may not issue instructions to the distribution system operator regarding its current operations or take decisions on the construction of the network or its modernisation, including when guaranteeing funds for the implementation of the guidelines of the President of URE referred to in Article 16 para. 1a, unless these instructions or decisions relate to the operation of the distribution system operator that goes beyond the approved financial plan or other equivalent document.

In addition, the transmission system operator, distribution system operator and combined system operator may not conduct business activities related to the production, generation or trading of gaseous fuels or electricity, or perform such activities on the basis of an agreement for the benefit of other energy companies.

Detailed requirements for electricity distribution system operators are also included, among others, in Article 9d para. 1i, 3-6 of the Act.

On the other hand, pursuant to Article 9d para. 7 of the Energy Law Act, the provisions of paras. 1d, 1e and 1h-6 do not apply, among others, to a vertically integrated enterprise servicing:

- less than one hundred thousand customers connected to the electricity distribution system of that enterprise,
- an electricity distribution system with an annual electricity consumption not exceeding 3 TWh in 1996, in which less than 5% of the annual electricity consumption came from other interconnected electricity systems.

It should be noted that the above-mentioned derogations apply to a vertically integrated enterprise (as a whole), and not to individual entities forming part of it, which means that the number of customers or annual energy consumption referred to in Article 9d para. 7 items 1 and 2 of the Act should be referred to the assessment of the entire corporate group, and not to individual companies that are part of it.

There is one electricity transmission system operator in Poland − PSE S.A. On 4 June 2014 a certificate of complying with independence criteria determined in Article 9d para. 1a of the Energy Law Act for the period until 31 December 2030 was granted to PSE S.A. Compliance with independence criteria and conditions of conducting licensed activity and exercising the TSO function is monitored and periodically examined. In 2024 no irregularities in the functioning of the TSO were found.

In 2024, as in previous years, there were five large DSOs on the electricity market, whose networks are directly connected to the transmission network (so-called DSOp). They are legally obliged to separate the distribution activities carried out by the system operator from other activities not related to electricity distribution (unbundling).

In addition, at the end of 2024, there were 184 companies designated as DSOs (the so-called DSOn) operating as vertically integrated enterprises.

3.1.2. Network extension and optimisation

Monitoring investment plans of transmission system operators

The power company PSE S.A. performing business activity in the field of electricity transmission − being the only electricity transmission system operator (TSO) operating on the territory of Poland, designated by the President of URE − performs investment tasks in accordance with the development plan agreed with the President of URE with respect to meeting the current and future demand for electricity. The draft development plan of this operator is subject to reconciliation with the President of URE acting in agreement with the minister competent for energy. When reconciling the TSO draft development plan, the President of URE verifies first of all the compliance of its content with the Act and its implementing regulations and with the assumptions of the state's energy policy, cooperating with the locally competent voivodship boards, and additionally agrees on investment outlays in such an amount that the costs resulting from them may constitute the basis for tariff calculation, in compliance with the requirement referred to in Article 16 para. 10 of the Energy Law Act, according to which the plan should ensure long-term maximisation of the efficiency of outlays and costs incurred by energy companies so that outlays and costs do not cause an excessive increase in electricity prices and fee rates in particular years, while ensuring continuity, reliability and quality of supplies.

In 2024, the development plan reconciled by the President of URE in 2022 for meeting current and future electricity demand for 2023−2032 was in force, under which investment expenditures to be executed by the transmission system operator in these years were agreed at PLN 36,619.4 million (data at fixed prices of 2022).

As part of the implemented tasks regarding the monitoring of investment plans, analyses of the performance of the volumes planned for a given year are conducted annually, the results of which are used in the process of agreeing subsequent editions of development plans or their updates. As it follows from the report on the implementation of the development plan for 2024 (which enterprises are obliged to submit, pursuant to Article 16 para. 18 of the Energy Law Act), the TSO notified about the execution of planned investment outlays of PLN 2,016.6 million (that is 64.7%, with the plan assumed for that year of PLN 3,118.2 million).

Assessment of consistency of TSOs' investment plans in terms of compliance with the EU-wide network development plan

When agreeing on the draft TSO's development plan, the President of URE shall also verify its consistency with the ten-year EU-wide network development plan ("TYNDP"), developed by ENTSO-E. The consistency of both plans shall be checked at each update of any of the above-mentioned documents.

In 2024, the TSO implemented investment projects related to the expansion of interconnections and the increase of technical transmission capacity as part of interconnection, included in the TYNDP 2022 and incorporated in the development plan for 2025−2034, agreed with the President of URE on 20 December 2024. These were:

- construction of the 400/220/110 kV Baczyna substation along with the connection of the 400 kV Krajnik-Plewiska line and the 220 kV Krajnik-Gorzów line (TYNDP 230.1035),
- construction of the 400 kV Mikułowa-Świebodzice line along with the expansion of the 400/220/110 kV Świebodzice substation and the 400/220/110 kV Mikułowa substation (TYNDP 230.355),
- construction of the 400 kV Baczyna-Krajnik line (TYNDP 230.353),
- construction of the 400 kV Baczyna-Plewiska line (TYNDP 230.1232),
- construction of the 400 kV Ostrołęka-Stanisławów line along with the expansion of the 400 kV Stanisławów substation and the 400/220/110 kV Ostrołęka substation along with the connection to the 400(220)/110 kV Wyszków substation (TYNDP 123.373),
- construction of the 400 kV Piła Krzewina-Żydowo Kierzkowo line (TYNDP 170.1662),
- modernisation of the 400 kV Krajnik-Morzyczyn line (TYNDP 170.1663),
- modernisation of the 400 kV Morzyczyn-Dunowo-Słupsk-Żarnowiec line (TYNDP 170.1664),
- construction of the 400 kV Dunowo-Żydowo Kierzkowo line (TYNDP 170.1661),
- modernisation of the 400 kV Żarnowiec-Gdańsk I/Gdańsk Przyjaźń-Gdańsk Błonia line (TYNDP 170.1665),
- construction of the HVDC Poland-Lithuania cable interconnection (TYNDP 170.1034).

From the above list, the implementation of the following investment projects has been completed:

- construction of the 400 kV Baczyna-Krajnik line,
- construction of the 400 kV Baczyna-Plewiska line,
- construction of the 400 kV Ostrołęka-Stanisławów line along with the expansion of the 400 kV Stanisławów substation and the 400/220/110 kV Ostrołęka substation with the connection to the 400(220)/110 kV Wyszków substation,
- modernisation of the 400 kV Krajnik-Morzyczyn line,
- modernisation of the 400 kV Morzyczyn-Dunowo line.

It should also be indicated that the task "Modernisation of the 400 kV Słupsk-Żarnowiec line with the construction of a section of the 400 kV Choczewo line − cutting the Słupsk-Żarnowiec line" included in the development plan is broader in scope compared to the TYNDP, which only includes the modernisation of the existing Słupsk-Żarnowiec line.

On the basis of the assessment of the consistency of the previous versions of the TSO's investment plans with respect to compliance with the EU-wide network development plan, it can be concluded that there may be slight planning inconsistencies, resulting from, among others, the following factors: various deadlines for updating the documents covered by the TYNDP and the TSO development plan (subsequent updates will usually indicate the most recent data on the current status of the project or its completion date), a distant date of investment start-up (in the national plan, projects with a distant project start-up date are usually included in the group "investment preparation", where general information, usually only descriptive, is provided), which cannot be eliminated in advance. The identified inconsistencies are explained with the TSO, if such a need arises. In addition, the scope of the investment in TYNDP projects does not change, even though some of the investment tasks

comprising this project have already been completed. This state lasts until the entire project is completed. In such cases, the completed investments may no longer appear in the TSO's development plan.

Smart electricity grids

Systemic solutions for smart metering were introduced in 2021 by amendment to the Energy Law Act. An obligation was imposed on DSOs to install by 31 December 2028 remote reading meters connected to a remote reading system at energy consumption points constituting at least 80% of the total number of energy consumption points of final customers, including those representing at least 80% of the total number of energy consumption points of final customers in households, with metering and billing systems without current or voltage transformers, connected to a network with a rated voltage of no more than 1 kV.

The modernisation processes carried out by the DSOs, in accordance with the development plans reconciled with the President of URE, led to noticeable effects in the decrease of SAIDI and SAIFI indices for distribution companies. A significant contribution to this goal was made by the quality regulation implemented in 2015, which assumed a significant decrease in these indices over a period of several years.

In 2024, the electricity supply reliability indicators in the networks of most of the companies of the largest DSOs improved slightly. When taking into account the combined results of the 5 DSOs, it should be indicated that they are slightly better in relation to those achieved in 2023 by 2.64% for the SAIDI index and by 4.3% for the SAIFI index, respectively.

The SAIDI index (for unscheduled interruptions including disaster and scheduled interruptions) for the five largest DSOs was 202.27 min/customer in 2024 and decreased by 5.48 min/customer compared to the previous year.

The SAIFI index (for unscheduled interruptions including disaster and scheduled interruptions) for the five largest DSOs was 2.72 units/customer in 2024 and decreased by 0.12 units/customer compared to the previous year.

In 2024, the most frequent causes of outages in most companies were adverse weather conditions such as storms, heavy rains (in some regions causing floods and flooding) or heavy snowfall and gale force winds, as a result of which, among others, trees fell down, causing permanent damage to power grids, such as tearing down wires or breaking poles. This resulted in numerous and serious damage to the power grid of companies at all voltage levels and the resulting interruptions in electricity supplies to a significant part of customers. In addition, according to the companies, frequently encountered causes of network failures include the deteriorating condition of the parameters of individual elements of the distribution network related to the aging process and mechanical fatigue of the material, actions of third persons (e.g. road collisions), mechanical damage to cables during construction works performed in the vicinity of the power infrastructure, the fall of trees on overhead lines during their felling, actions of animals through, for example, damage to cable insulation, causing short circuits on power facilities, as well as incorrect operation of equipment belonging to the company's customers, manufacturing errors and insufficient quality of equipment provided by suppliers.

Due to the DSOs' implementation of only pilot projects, the regulator did not create tools exclusively dedicated to the evaluation of these investments (the total amount of outlays made in relation to the plan was evaluated, within a given group of energy assets). Nevertheless, such projects were monitored annually through individual DSO reports or on the occasion of the execution of an investment plan.

In the light of the above, in their reports on the implementation of the development plan for 2024, the five largest electricity distributors notified of:

- the predominant share of outlays (in total outlays) for investments related to network investments, that is, those serving directly to fulfil the statutory obligations of the distribution system operator and to fulfil the obligations under its licence to provide distribution services, including investments related to the connection of electricity customers and producers and the modernisation and restoration of existing assets, related to the improvement of service quality and/or the increase in demand for capacity. These investments were aimed at both the construction of new elements of the power grid and the modernisation of existing elements. At the same time, it should be noted that the modernisation tasks were in most cases related to increasing the performance parameters of the grid, enhancing its functionality and applying solutions facilitating changes in the management of the power grid operation,
- a significant factor shaping the level of expenditure realised in 2024, which was the implementation of investment activities in the area of grid connection,
- implementation of investments necessary to adapt and rebuild its network in order to implement the increasing number of connections of distributed sources (including the prosumer market), DSOn, as well as investments related to the development of e-mobility,
- continuation and at the same time intensification of activities related to the deployment in the network of devices performing switching functions and devices monitoring the state of electrical parameters of the network, in order to achieve the smart grid standard. In order to fully exploit the network automation functionalities and achieve optimum benefits resulting from the automation, actions related to the change of the current network topology were carried out in parallel, with the aim of adapting the network in the long run to the possibility of bilateral supply of MV/lV substations,
- continuation of activities intended to improve operational efficiency, further construction as well as development of IT and telecommunications systems and systematic strengthening of the infrastructure supporting distribution activities through the acquisition of means of transport, in particular specialised equipment, tools, as well as the construction and modernisation of facilities.

Nonetheless, the priority for the companies in 2024 was to connect new entities to the grid, both customers and generators, and to provide them with the highest possible level of energy security, understood as an uninterruptible supply of energy of appropriate quality (SAIDI/SAIFI indices and appropriate voltage and frequency levels).

The difference in the execution of investment expenditures compared to the agreed plans resulted, among others, from the performance of investment tasks not included in the agreed development plan, as well as a significant change in schedules or the amount of expenditures agreed in the current development plan.

Out of five large DSOs, two companies incurred expenditures slightly higher than agreed in their development plans. Other companies incurred expenditures slightly lower than those agreed. Considering the implementation of the development plan of all large DSOs, it should be emphasised that the expenditures made in relation to those agreed were incurred at the level of almost 97%.

The main differences in the development plan regarding the implementation of tasks in 2024 compared to the planned ones resulted from the need to adapt the company's activities to the market environment. Adjustments in terms of decreasing or increasing investments were made for various reasons, namely:

- slower or faster development of new settlements,
- abandonment of the construction of their facilities by investors,
- emergence of new investors expecting the connection to be completed in 2024,
- slower than planned development of services,
- delays resulting from the lack of development of project documentation, caused by difficulties in obtaining consent for the location of power grids,

– administrative barriers, delays in obtaining formal and legal documents related to the implementation of large investment tasks related to the network development,
– increase in the prices of materials and services.

The investment projects completed sought to:

– ensure the correct parameters of the electricity supplied to consumers,
– connect new entities to the grid,
– create opportunities for future connections and covering increased power demand by existing consumers,
– reduce electricity losses
– decrease of equipment failure rate,
– improve reliability of network operation.

To summarise, the actions undertaken as part of the implemented development plan of particular companies were mainly aimed at satisfying the needs of consumers, ensuring the energy security of the system, reducing the SAIDI, SAIFI and CRP ratios, and were in line with the companies' strategies.

3.1.3. Network tariffs

In 2024 the President of URE conducted proceedings regarding approval of electricity tariff for:

1) transmission system operator − for entities using the transmission service under a transmission contract,
2) distribution system operators, which on 1 July 2007 unbundled their operations − for customers connected to distribution networks at all voltage levels, that is for industrial, medium and small business customers and households,

Approval of the tariff for the transmission system operator

As of 1 January 2024, the tariff of the transmission system operator – PSE S.A., approved on 15 December 2023 by the President of URE, was in effect. In September 2024 the President of URE called on PSE S.A. to submit an application for approval of the tariff for 2025 within the scope of the company's operations. The company submitted its application at the end of September 2024 and the tariff submitted was calculated as a one-year tariff. In the course of the administrative proceedings on the PSE S.A. tariff for 2025, both selected cost items and the amounts of energy and capacity constituting the basis for the calculation of transmission fee rates were analysed. The proceedings for the approval of the tariff for 2025 ended with the issuance of a decision by the President of the URE on 17 December 2024. The tariff of PSE S.A. increased by a total of 5.3%.

Approval of tariffs for distribution system operators

As of 1 January 2024, the tariffs of distribution system operators which unbundled their operations on 1 July 2007, approved on 15 December 2023, were in force. These tariffs, as was the case in recent years, were calculated on the basis of assumptions developed for one year only. Also, DSOs' tariffs for 2025 have been calculated on the same principles.

Guidelines for calculating tariffs have been described in the document "DSO TARIFFS FOR 2025 (applies to DSOs which unbundled their business as of 1 July 2007)" and together with appendices they were provided to individual DSOs in the course of administrative proceedings.

In addition, information[23] of the President of URE on the basic assumptions adopted in the process of tariffing the distribution sector, which describes the key parameters included in the calculation of DSO tariffs for 2025, has been published on the URE website.

The calculation of DSOs' tariffs for 2025 was once again carried out taking into account some of the existing rules arising from the assumptions adopted for these companies, but also new solutions developed during consultations with representatives of the distribution sector.

Applications for approval of tariffs for electricity distribution services for 2025 were submitted by the five largest distribution system operators, namely PGE Dystrybucja S.A., TAURON Dystrybucja S.A., ENEA Operator Sp. z o.o., ENERGA-OPERATOR S.A. and Stoen Operator Sp. z o.o., at the end of October 2024. Energy companies holding licences shall submit their tariffs and any modifications thereto to the President of URE on their own initiative no later than two months before the expiry of the previous tariff period or at the request of the President of URE[24]. On 17 December 2024, the President of URE approved tariffs for electricity distribution services for the period until 31 December 2025 for the five largest DSOs.

As a result of the approved tariffs, the rates of distribution fees for final customers increased by an average of 2.3%, while in none of the five DSOs (PGE Dystrybucja S.A., TAURON Dystrybucja S.A., ENEA Operator Sp. z o.o., ENERGA-OPERATOR S.A. and Stoen Operator Sp. z o.o.) the average rates in distribution to customers of G tariff groups increased, that is for customers consuming electricity, among others for the needs of households, utility rooms related to running households, premises of a collective housing nature, etc., indicated in detail in the company's tariff. It should be noted that the rules for qualifying customers to tariff groups are uniform on a national scale.

Approval of tariffs for trading companies exercising the function of default suppliers

As of 1 January 2024, the tariffs for electricity for customers of G tariff groups approved on 15 December 2023 by the President of URE for four trading companies exercising the function of default suppliers, namely ENEA S.A., ENERGA-OBRÓT S.A., PGE Obrót S.A. and TAURON SPRZEDAŻ Sp. z o.o., were in force. In addition, in 2024, the President of URE conducted proceedings concerning the approval of tariffs for trading companies performing the tasks of default suppliers, with respect to customers of G tariff groups, which companies were exempt from the obligation to submit tariffs for approval, pursuant to Article 49 para. 1 of the Energy Law Act. Pursuant to the provisions of the amended Act of 7 October 2022, these companies were required to submit electricity tariffs for customers of G tariff groups to the President of URE for approval, for the period from 1 January 2024 to 31 December 2024, by 12 January 2024. Trading companies acting as default suppliers, that is E.ON Polska S.A. and TAURON Sprzedaż GZE Sp. z o.o., submitted applications within the legally required deadline, while the electricity tariff for G tariff group customers for the period until 31 December 2024 was approved only for TAURON Sprzedaż GZE Sp. z o.o. On the other hand, the administrative proceedings for the approval of the tariff for E.ON Polska S.A. were still pending due to the fact that the company's application in this case did not meet the requirements of Articles 44-46 of the Energy Law Act. In September 2024, the President of URE issued a decision refusing to approve the tariff established by this company.

Due to the stabilisation of the market situation observed in the first half of 2024 and a decrease of energy prices quoted on TGE S.A., at the beginning of May 2024 the President of URE called on trading companies acting as default suppliers to shorten the period of validity of the tariffs approved for 2024 until 30 June 2024 and to submit applications for approval of new tariffs for the period from 1 July 2024 to 30 June 2025 for customers of G tariff groups.

[23] https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/zalozenia-dla-kalkulacj/12453,Informacja-w-sprawie-kalkulacji-taryf-OSD-na-2025-r.html

[24] Article 47 of the Energy Law Act.

On 13 June 2024, the Energy Voucher Act came into force, which introduced amendments to the Act of 7 October 2022 and the Act on Emergency Measures.

The amended provisions of the Act of 7 October 2022 obliged trading companies selling energy to customers from G tariff groups to submit applications for a modification in tariffs approved by the President of URE for 2024, with the validity period extended until 31 December 2025. Also, trading companies performing the tasks of a default supplier, with respect to customers of G tariff groups, which companies are exempt from the obligation to submit tariffs for approval in accordance with Article 49 para. 1 of the Energy Law Act, have been obliged to apply to the President of URE for approval or change of the tariff for electricity for these customers for the period from 1 July 2024 to 31 December 2025.

All trading companies performing the tasks of a default suppliers and obliged to submit applications for approval of tariffs or changes to the applicable tariffs in respect of customers of G tariff groups submitted appropriate applications within the time limit required by law.

As a result of the administrative proceedings, on 28 June 2024, the President of URE approved and then published in the Public Bulletin of URE (BIP URE) changes in tariffs for electricity for customers of G tariff groups for five default suppliers (PGE Obrót, TAURON Sprzedaż, ENEA, ENERGA Obrót, TAURON Sprzedaż GZE), for the period until 31 December 2025. These proceedings were concluded in October 2024 with the issuance by the President of URE of a decision refusing to approve the tariff for electricity established by this company due to its non-compliance with the principles and regulations referred to in Articles 44-46 of the Energy Law Act. The energy prices approved by the President of URE in changes in suppliers' tariffs with the validity period extended until 31 December 2025 were lower by 15.8% compared to the tariffs approved for 2024.

Approval of tariffs for so-called industrial energy companies

In addition to tariffs for the TSO, DSOs and trading companies acting as default suppliers, the President of URE also approves electricity tariffs for so-called industrial energy companies, namely companies that had no obligation to unbundle their electricity distribution and supply activities. These tariffs are approved with regard to the activity related to electricity distribution, with respect to customers of all tariff groups at all voltage levels, while with regard to the activity related to electricity supply − only with respect to customers qualified to G tariff groups connected to the network of the given company.

3.1.4. Security and reliability regulation

Rules of network security and reliability

Pursuant to the Energy Law Act, energy enterprises engaged in the transmission and distribution of electricity to customers are obliged to:

- maintain the operability of equipment, installations and networks to supply fuel or energy in a continuous and reliable manner, while meeting applicable quality requirements, and
- provide all entities, on the basis of equal treatment, with transmission services consisting in the transmission of fuel or energy from a supplier of gaseous fuels, electricity or heat selected by these entities, under the terms and to the extent specified in the Act.

The provision of transmission services shall not compromise the reliability of electricity supply and the quality of such electricity below the level specified in separate regulations and shall not result in an adverse change in prices and the scope of supply of fuel or energy to other entities connected to the network. The above issues regulating the standards of energy supply to customers arise from supplementary provisions to the Act, contained in the Electricity System Ordinance, which in turn have been reflected in the transmission or distribution network codes of individual network operators. The transmission system operator and distribution system operators are obliged to develop a transmission network code (TNC) or a distribution network code (DNC), respectively[25]. The aforementioned codes are subject to approval by the President of URE, and the methods, conditions, requirements and rules contained therein are binding for the network operators and the users connected to the network of these operators, and constitute a part of the contract for the provision of electricity transmission or distribution services

The reliability of network operation (understood as the ability of the transmission or distribution network to deliver or receive capacity and electricity under specified conditions, place and time) is a derivative of energy security, which is mainly determined by: the amount of capacity reserve in the power system and the competences and rights of system operators. System operators, each within their own area of operation, are responsible for energy security on the electricity markets:

- on the system market – TSO,
- on local markets – DSOs.

Codes prepared for the electricity networks specify detailed conditions for the use of these networks by system users and the conditions and manner of operation, exploitation and development planning of these networks. They concern, among others, the requirements regarding the security of operation of the electricity grid and the conditions that must be met for its maintenance, as well as the indicators characterising the quality and reliability of electricity supply and the security of operation of the power grid. The quality parameters of electricity are specified in the transmission network code.

Electricity storage facilities integrated into the grid of the electricity system operator

Article 36(1) of Directive 2019/944 provides that “Distribution system operators shall not own, develop, manage or operate energy storage facilities”. Article 36(2) of that Directive allows Member States, by way of derogation from paragraph 1, to allow distribution system operators to own, develop, manage or operate energy storage facilities, where they are fully integrated network components and

[25] This obligation does not apply to entities referred to in Article 9d para. 7 of the Energy Law Act.

the regulatory authority has granted its approval[26]. These provisions have been implemented into the Energy Law Act in Article 9d[1] paras. 1-8 under Polish legislation.

The restrictions related to the disposal of energy storage facilities by electricity system operators (ESOs) arise from the assumption of the EU legislator which assumed the need to maintain competitiveness on the electricity market in an economically effective and non-discriminatory manner[27]. The regulations blocking ESOs' access to the use of energy storage facilities are intended to protect the electricity market against potential monopoly and to stimulate investment in local energy, which is largely focused on renewable sources[28]. Therefore, the energy storage as a fully integrated component of the grid is to perform the functions and tasks of the grid, not the storage facility. According to the adopted regulations, ESOs should, as a rule, purchase storage services from external entities.

In 2024, the President of URE issued decisions recognising the energy storage facility as a fully integrated component of the network and agreed that the electricity system operator owns, develops, manages and operates it[29]. The decisions were issued at the request of TAURON Dystrybucja S.A., Stoen Operator Sp. z o. o., ENEA Operator Sp. z o. o. and PGE Dystrybucja S.A. for a total of 32 electricity storage facilities. They apply to energy storage facilities with a capacity of up to 150 kW, which are to be connected to the low-voltage grid, and two storage facilities with a capacity of up to 8 MW, which are to be connected to the medium-voltage grid. The security of network operation is to be the sole purpose of operation of all these storage facilities, including ensuring continuity of power supply, quality parameters of electricity and technical local balancing[30]. The installation of these energy storage facilities will also enable more efficient use of renewable sources and will allow to avoid investments related to the expansion of grid infrastructure.

In addition, in 2024 the President of URE issued five decisions refusing to recognise the energy storage facility as an integrated component of the network and discontinued one such proceeding at the request of a party.

Congestion management

Approval of rules for access to the cross-border infrastructure, including the rules on capacity allocation and congestion management

The rules on capacity allocation and congestion management of interconnectors are governed by Regulation 2019/943 and Regulation 2015/1222 (on short-term allocation and congestion management) and Regulation 2016/1719 (on long-term allocation).

In 2024, transmission capacities were calculated and allocated separately for: the synchronous profile (covering interconnections with Germany, the Czech Republic and Slovakia), the DC interconnection with Sweden, the DC interconnection with Lithuania and the interconnection with Ukraine (Zamość-Dobrotwór radial interconnection and Rzeszów-Chmielnicka synchronous interconnection). On each of these interconnections, a calculation methodology based on net transfer capacity (NTC)[31], was used, taking into account the balancing conditions, whereas:

– for the synchronous profile, NTC values were determined for import and export for the purposes of the annual auction, monthly auctions (open auctions, explicit auctions) and as part of intraday procedures,

[26] Similarly, transmission system operators – Article 54 of Directive 2019/944.
[27] Article 1 of Directive 2019/944.
[28] See item 62 and 63 of the preamble of Directive 2019/944.
[29] Pursuant to Article 9d[1] para. 2 of the Energy Law Act.
[30] See Article 3 item 11ba of the Energy Law Act.
[31] Capacity calculation methodology based on the principle of estimating and defining ex ante the maximum exchange of energy between bordering bidding zones.

- for the synchronous profile within the daily horizon, the Flow Based Approach (FBA) methodology was used[32]. As of May 2024, the implementation of this methodology under the intraday procedure began,
- for connections with Sweden and Lithuania, NTC values for exports and imports were determined for the purposes of daily auctions and as part of the intraday procedure (continuous trade),
- for the Zamość-Dobrotwór radial connection, only NTC values for imports were determined for the purposes of monthly tenders (open explicit auctions),
- for the Rzeszów-Chmielnicka synchronous connection, as of 15 May 2023, NTC values were determined for the purposes of monthly tenders (explicit open auctions).

Short-term capacity allocation at all NES borders with EU Member States was carried out under the pan-European single day-ahead coupling and single intraday coupling mechanisms (implicit auctions), in accordance with Regulation 2015/1222.

In the long-term horizon for the synchronous profile, the provision of cross-border capacity took place in accordance with the allocation rules for the long-term horizon approved by ACER Decision No. 03/2017 of 2 October 2017, as amended. The allocation was carried out as part of coordinated explicit tenders organised by the Auction Office Joint Allocation Office S.A. (JAO).

Transmission capacity on the Poland-Ukraine interconnection (Zamość-Dobrotwór) was allocated as part of explicit auctions organised in a monthly time horizon.

On the Rzeszów-Chmielnicka interconnection, PSE S.A. has been making transmission capacity available since mid-May 2023. Initially, the transmission capacity was allocated through a process of monthly unilateral tenders, and then, as of 18 January 2024 (the date of the first delivery), the transmission capacity was allocated through coordinated auctions organised by the JAO Auction Office.

Revenues from transmission capacity allocation on interconnections with the EU states and their utilisation in 2024

The volume of revenues from the cross-zonal capacity allocation on the interconnections with the EU member states in the period from 1 January to 31 December 2024 amounted to PLN 879,021,200. Under Regulation 2019/943, regulators are required to publish a detailed report on the use of congestion revenues. In fulfilment of the indicated obligation, the President of URE published the 2024 report on 28 February 2025[33].

System balancing services

The rules for the operation of the energy system balancing mechanism (the so-called balancing market – BM) have been defined by the power transmission system operator in the TNC and in the Balancing Conditions (BC), developed on the basis of Article 18 of Regulation 2017/2195. Both the TNC and the BC are subject to approval by the President of URE.

In 2024, the second stage of the Balancing Market (BM) reform in Poland was implemented. On 14 June 2024, new BC, approved by the President of URE in the decisions of 27 September 2023 and 26 January 2024, entered into force. The TNC was also amended, accordingly.

The purpose of the second stage of the BM reform was to enhance market mechanisms in such a way as to induce its participants to increase flexibility and adjust energy production or consumption to the current needs of the power system through appropriate price signals.

[32] Capacity calculation methodology in which energy exchanges between bidding zones are limited by power spread factors and available margins on critical network components.

[33] https://www.ure.gov.pl/download/9/15293/informacjadotyczcawykprzychzalokza2024.pdf

The real-time energy pricing mechanism has been modified by shortening the balancing and imbalance settlement periods to 15 minutes (from one hour). The valuation of the operating reserve and the costs related to the maintenance of sources stabilising the system have been included in the price of energy.

The reform also changed the entity structure of the BM, including the division into Balancing Service Providers and Balancing Responsible Parties. In addition, entities with a minimum generation capacity of 0.2 MW were allowed to participate in the BM, while previously participants had to have at least 1 MW of capacity. A possibility of smaller market participants combining into larger groups jointly participating in the market has also been introduced.

The changes also concerned the facility structure of the BM and the catalogue of balancing services. New categories of facilities (Balancing Units and Scheduling Units) have appeared, as well as new balancing services enabling not only the acquisition of electricity, but also balancing capacity.

The reform also applied to the process of planning the operation of the national electricity system and the rules for reporting commercial and technical data to TSO by market participants.

Due to the changes introduced on the balancing market, the data characterising the operation of the market in 2024 have been broken down into the period from 1 January to 13 June 2024 and to the period from 14 June to 31 December 2024.

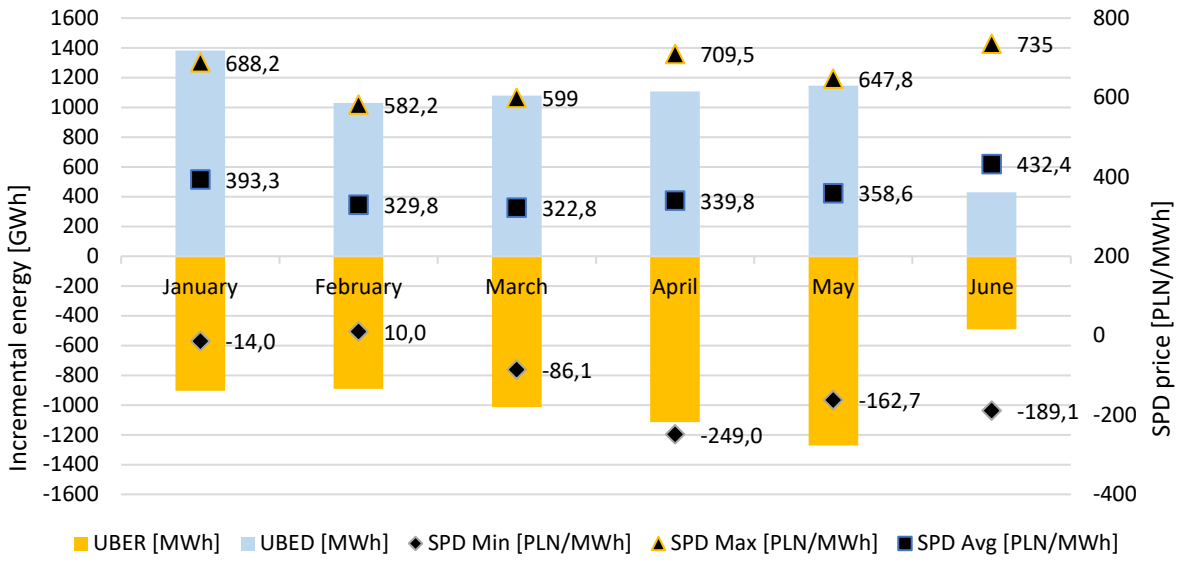
By 13 June 2024, 149 entities participated in balancing market processes, including 29 generators, 9 final customers, 11 network customers, 91 trading companies, 3 power exchanges, 5 DSOs and PSE S.A. as TSO. Technical and commercial data were reported by 53 market operators and concerned 361 scheduling units.

As of 14 June 2024, 171 entities participated in balancing market processes: 13 balancing service providers and 158 balancing responsible parties, including 149 entities conducting commercial balancing of resources, 3 operating an exchange or acting as an exchange clearing house or acting as a NEMO/CCP NEMO, 5 being a distribution system operator and PSE S.A. as TSO. Technical and commercial data were reported by 52 market operators and concerned 97 scheduling units and 234 balancing units.

Information on the volume and prices of balancing energy on the Balancing Market is one of the areas subject to monitoring by the President of URE. These data are shown in the figures below. It should be considered that the six-month validity of the new BC in 2024, the scope of changes introduced by the BM reform and the need for its participants to adapt to the new conditions of operation on the market mean that comparing data from both halves of 2024 is not reliable.

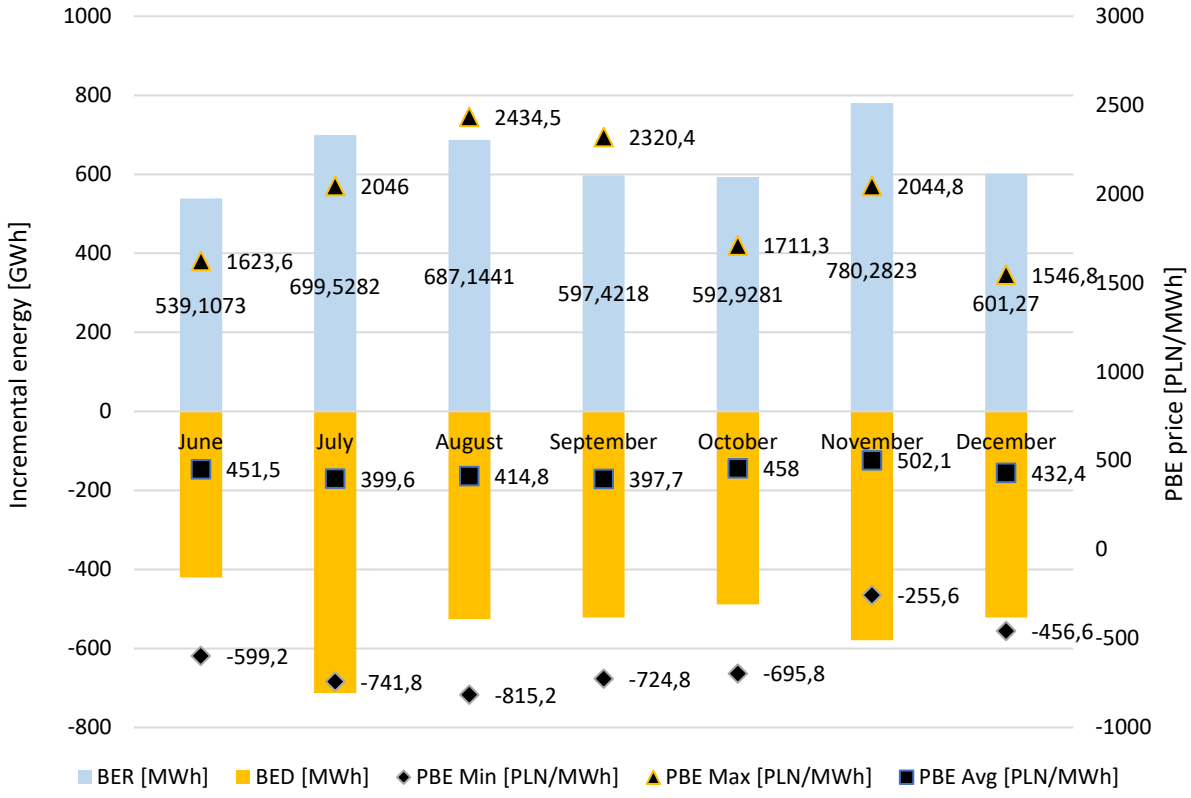
The figures below present information on the volume of balancing energy and energy prices on this market in particular months of 2024.

Figure 1. Prices of balancing energy (SPD) and unscheduled balancing energy received from BM (UBER) and delivered to BM (UBED), in the period 1 January – 13 June 2024



Source: URE on the basis of data acquired from PSE S.A.

Figure 2. Prices of balancing energy (PBE) and unscheduled balancing energy received from BM (UBER) and delivered to BM (UBED), in the period 14 June – 31 December 2024



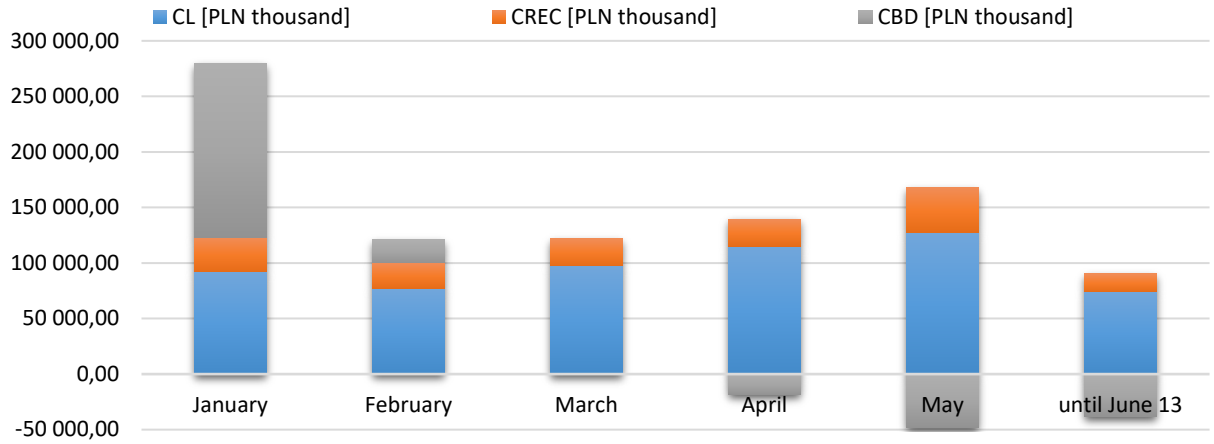
Source: URE on the basis of data acquired from PSE S.A.

For most hours of the period from 1 January to 13 June 2024, there was an overcontracting of market participants (too much energy contracted to be generated or purchased in relation to the demand of customers), as opposed to the period from 14 June to 31 December 2024, when there was an undercontracted market (insufficient amount of contracted energy). The change is unfavourable for the balancing of the power system.

The costs of limitations (CL) for the period from 1 January to 13 June 2024, determined in accordance with the definition of CL in the BC, amounted to PLN 583.5 million, while for the period from 14 June to 31 December 2024 they amounted to PLN 696.2 million. Detailed data are shown in the figures below.

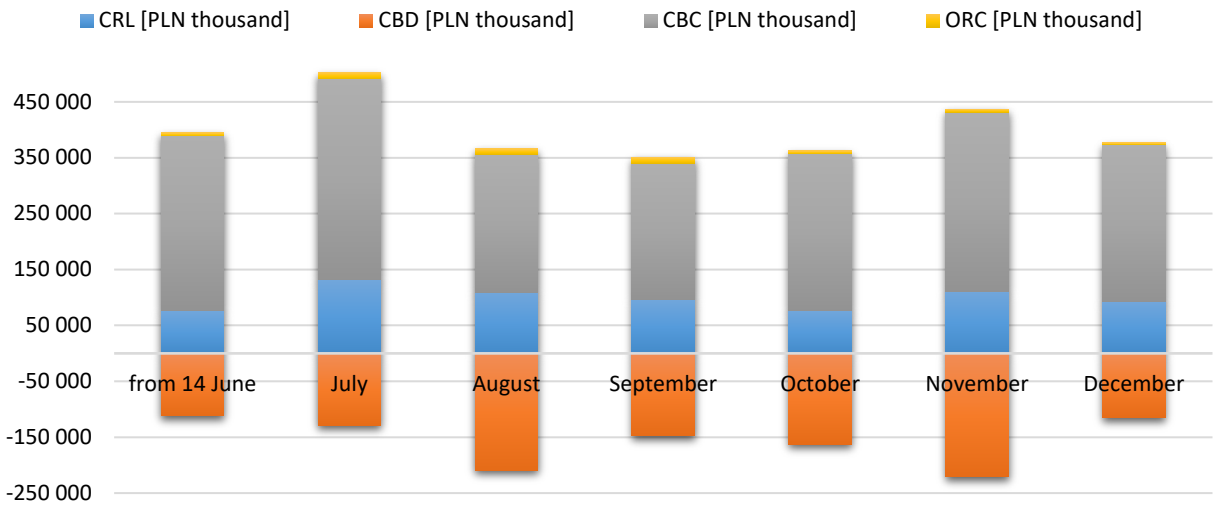
In addition, the figures present data on: costs of balancing customer demand (CBD), costs resulting from the reallocation of USE energy sales contracts (CREC) and costs of balancing capacity (CBC) and operating reserve costs (ORC).

Figure 3. Costs of balancing customer demand (CBD), costs of removing limitations (CRL) and costs resulting from USE reallocation (CREC) in the period from 1 January to 13 June 2024 [PLN thousand]



Source: URE on the basis of data acquired from PSE S.A.

Figure 4. Costs of balancing customer demand (CBD), costs of removing limitations (CRL), costs of balancing capacity (CBC) and costs of operating reserve (ORC) in the period from 14 June to 31 December 2024 [PLN thousand]



Source: URE on the basis of data acquired from PSE S.A.

Cybersecurity

Regulation 2024/1366 which entered into force on 13 June 2024 was published in the Official Journal of the European Union on 24 May 2024. This regulation sets out a European standard for cybersecurity of cross-border electricity flows and defines, among others, rules on:

- cyber risk assessment,
- minimum common cybersecurity requirements,
- certification of products and services in terms of cybersecurity,
- monitoring the implementation of the provisions of that Regulation,
- reporting,
- crisis management.

Pursuant to Article 4(1) of Regulation 2024/1366, as soon as possible and in any event by 13 December 2024, each Member State shall designate a national governmental or regulatory authority responsible for carrying out the tasks assigned to it in this Regulation ('competent authority'). Until the competent authority has been assigned with carrying out the tasks under this Regulation, the regulatory authority designated by each Member State pursuant to Article 57(1) of Directive (EU) 2019/944 shall carry out the tasks of the competent authority in accordance with this Regulation.

In 2024, legislative work was undertaken on the adoption of provisions enabling the application of Regulation 2024/1366 in the Polish legal system. As part of the tasks of the competent authority, the President of URE presented ENTSO-E and the organisation associating distribution system operators in the EU (EU DSO) with a list of national regulations relevant to cybersecurity aspects in cross-border electricity flows[34].

Pursuant to Article 48(3) of Regulation 2024/1366, in February 2025 the President of URE prepared a Provisional List of High Impact and Critical Impact Entities – based on the recommended Provisional Electricity Cybersecurity Impact Index[35], developed by ENTSO-E in cooperation with EU DSO, and then notified the entities indicated in the list of the fact that they had been identified as high impact or critical impact entities.

3.1.5. Monitoring the balance of supply and demand

Monitoring investment plans of energy companies in new generation capacity

In 2024, performing the tasks arising from the Energy Law Act with respect to monitoring the security of electricity supply, the President of URE examined investment plans for the years 2024−2038 of electricity generators fulfilling the obligation to prepare 15-year forecasts, pursuant to Article 16 para. 20 and 21 of the Energy Law Act. According to these provisions, an energy company generating electricity from sources with a total installed capacity of not less than 50 MW prepares and submits to the President of URE forecasts for a period of 15 years, covering in particular: the amount of electricity generated, projects for modernisation, expansion of existing sources or construction of new ones, as well as technical and economic data concerning the type and size of these sources, their location and the type of fuel used to generate electricity.

The survey was carried out using questionnaires developed by URE, which were completed and submitted by 106 energy companies and 15 groups.

By 2038, the surveyed energy companies plan to put into operation a total of over 32.5 GW of new generation capacity. The largest investments are planned in generation units based on offshore wind

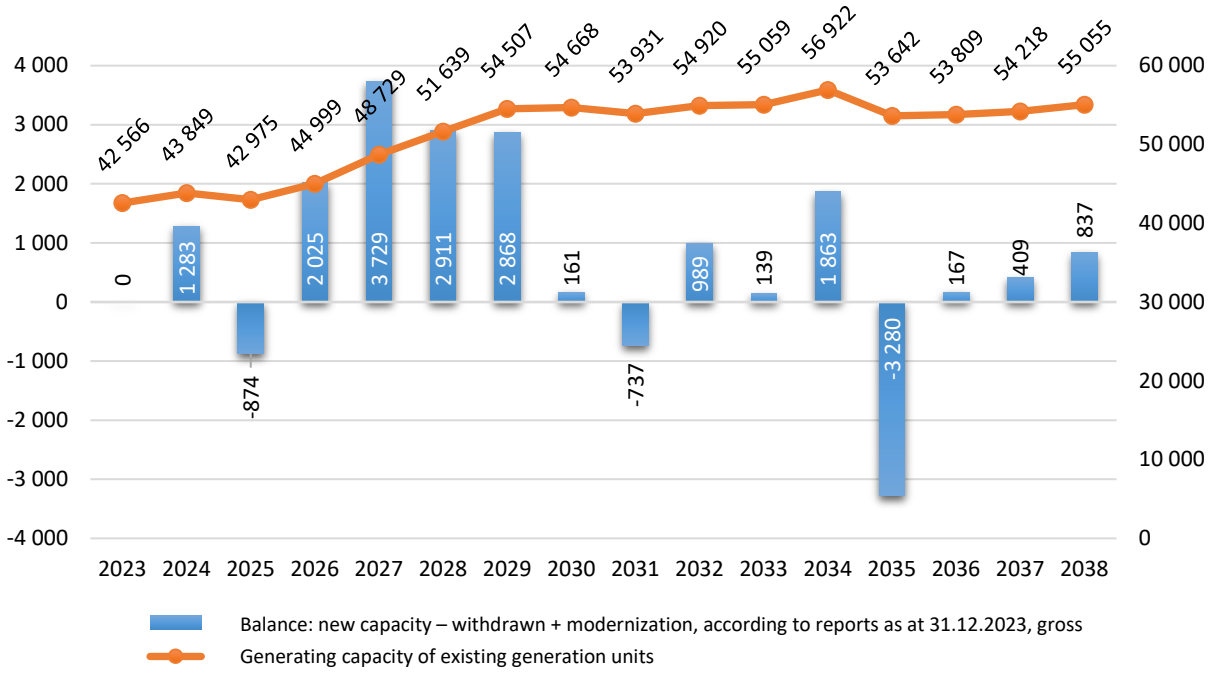
[34] Article 48(5) of Regulation 2024/1366.
[35] https://member.eudsoentity.eu/publications/download/130

farms (11.1 GW), natural gas (7.1 GW) and PV (6.8 GW). The availability of some of the new capacities will therefore depend on weather conditions and at the same time be significantly lower than the availability of conventional coal-fired units being withdrawn from the system.

At the same time, in the same period, the surveyed generators plan to decommission units with a capacity of approximately 20 GW. Mainly hard coal and lignite-based generating units will be withdrawn from the system. The main reason for the withdrawal of coal technologies was indicated as technological wear and lack of economic efficiency.

Summarising the changes in the structure of fuel technologies, between 2024 and 2038 the share of hard coal generation units will decrease to the greatest extent (from approximately 21 GW to approximately 8.6 GW), while offshore wind farms and gas-fired units will record the largest increase (from 0 GW to 11.1 GW and from approximately 3.5 GW to approximately 10.6 GW, respectively).

Figure 5. Generators' investment plans for 2024–2038: generation capacity balance

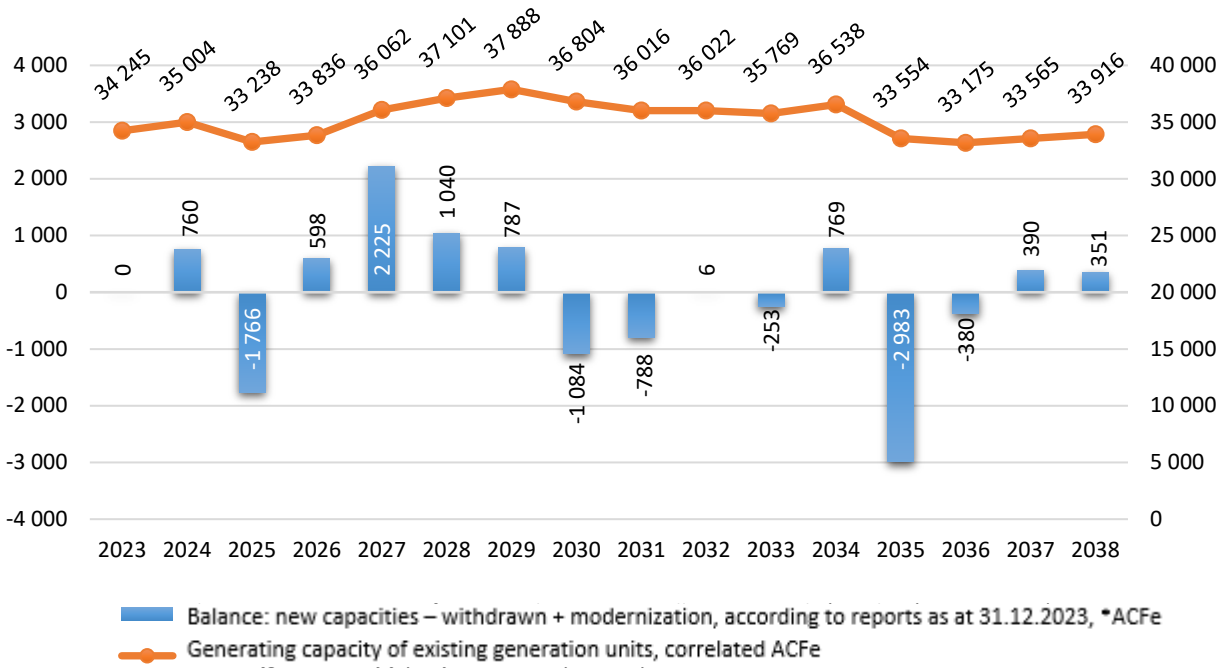


Source: URE based on survey data.

In order to reliably assess the actual balance of generation capacity resulting from the actions taken by the surveyed generators, the so-called availability correction factors (ACF) should be applied, which indicate the availability of sources depending on the fuel technology used. In the analysis in question, these factors for wind and solar energy sources have been additionally adjusted to the level of actual availability for the transmission system operator in 2023.

The use of these factors means that out of the planned nominal additional 32.5 GW of capacity, we obtain approximately 18.1 GW of available capacity. Until 2034, we do not observe a significant increase in available capacity, and after 2034 a real decrease is noticeable despite a significant increase in installed capacity.

Figure 6. Generators' investment plans for 2024–2038: generation capacity balance using ACFe



Source: URE based on survey data.

Activities related to the capacity market

Under the capacity mechanism, capacity providers in 2024 received additional revenues for electricity generation readiness and demand reduction providers received Demand Side Response (DSR) payments, and energy storage facilities also received support.

Table 1. Funds paid to capacity providers for the performance of capacity contracts in 2021–2024[36]

Year	Net Payouts [PLN million]
2021	5 328.1
2022	5 290.8
2023	5 469.1
2024	6 215.8
Total	**22 303.7**

Note: The data for the years 2021–2023 differ from the data in the National Report of the President of URE 2024 – they come from a different data source.

Source: URE based on PSE S.A. data.

The implementation of the capacity market processes in 2024 progressed on time and without disruptions. Four additional auctions for deliveries in each quarter of 2025 were held on 14 March 2024, while the main auction for delivery year 2029 took place on 12 December 2024.

[36] The data presented in the table are the sum of remuneration commissioned to be paid by Zarządca Rozliczeń S.A. to capacity providers, taking into account the annual indexation of the prices of capacity obligations in long-term contracts and bonuses paid for the supply of capacity in excess of the adjusted capacity obligation, reduced by remuneration refunds arising from the provisions of the Capacity Market Act (failure to make a demonstration, failure to meet the emission limit and correction of information being the basis for calculating the reduction of remuneration in connection with the support under aid schemes other than the capacity market) and refunds of bonuses due to failure to meet the emission limit.

The volume of capacity obligations offered in the main auction by capacity providers for the delivery year 2029 exceeded the demand for capacity in the main auction by 113% (volume offered – 11,545 MW, demand – 5,424 MW). Thanks to such a large surplus of capacity offered over demand, the auction ended only in the seventh round with the clearing price 51% lower than the maximum price (auction clearing price 264.90 PLN/kW/year, maximum price in the main auction 537 PLN/kW/year).

Such a high supply of capacity was influenced by an increase in the maximum price by 19% compared to the auction for 2028. Such a considerable increase was a clear signal for potential providers that investments in new capacities will be necessary to maintain the security of electricity supply in the future. As a result, the total capacity offered by the new capacity market generation units, which obtained certificates entitling them to participate in this auction as part of the certification for the main auction, amounted to approximately 6.5 GW, which was an increase of 76% compared to the previous year.

In fulfilment of its obligations under the Capacity Market Act, in 2024 the President of URE:

- announced the final results of the main auction for the delivery year 2028[37],
- announced the final results of the additional auctions for each quarter of the 2025 delivery year[38],
- submitted a request to the Minister of Climate and Environment regarding the volume of demand for capacity in the main auction for the delivery year 2029 and in additional auctions for the delivery year 2026,
- gave its opinion to the Minister of Climate and Environment on the parameters of the main auction for the delivery year 2029 and the parameters of the additional auctions for the delivery year 2026,
- indicated selected hours of the day falling within the hours of peak capacity demand in the system determined separately for the quarters of the delivery year 2025[39],
- calculated the capacity fee rates for 2025[40],
- calculated the unit rate of the penalty for non-compliance with the capacity obligation applicable in 2025[41].

In accordance with the requirements of the Capacity Market Act, the President of URE received from PSE S.A. information on:

- the course of general certification in 2024, the certification for auctions for delivery year 2029, the course of additional auctions for delivery year 2025 and the course of the main auction for delivery year 2029,
- parameters for the main auction for delivery year 2029 and for additional auctions for delivery year 2026.

The President of URE approved the following modifications to the Capacity Market Rules[42]:

- the decision of 5 February 2024 introduced (i) changes adapting the Capacity Market Rules to the provisions of the Capacity Market Act, taking into account the provisions of the Act of 28 July 2023[43] and (ii) clarification of provisions and clarification of interpretation doubts related to the following processes: certification, replacement of planned demand side response units, performance of the capacity obligation, settlements and rules of cooperation with DSOs,
- the decision of 31 July 2024 introduced (i) changes adapting the Capacity Market Rules to the BC and (ii) clarifying the rules of cooperation with DSOs for the purposes of considering the application for the determination of an individual availability correction factor,

[37] Information no. 2/2024 - Information of the President of URE – Energy Regulatory Office
[38] Information no. 23/2024 - Information of the President of URE – Energy Regulatory Office
[39] Information no. 55/2024 - Information of the President of URE – Energy Regulatory Office
[40] Information no. 56/2024 - Information of the President of URE – Energy Regulatory Office
[41] Information no. 71/2024 - Information of the President of URE – Energy Regulatory Office
[42] Capacity Market Rules – Capacity market - BIP – Energy Regulatory Office (ure.gov.pl)
[43] Act of 28 July 2023 amending the Energy Law Act and certain other acts (Journal of Laws of 2023 item 1681).

- the decision of 20 September 2024 introduced changes to the Capacity Market Rules arising from the needs reported by capacity providers, and from the experience gained so far related to the issue of meeting the emission limit by capacity market units at the stage of certification for auctions, replacement of planned demand side response units and statements on meeting the emission limit submitted after the end of the delivery year,
- the decision of 23 December 2024 introduced amendments to the Rules modifying the application for entry in the register, specifying the deadline for submitting applications for issuance of connection conditions for planned physical generating units, clarifying the rules allowing for the classification of a capacity market unit as a confirmed demand side response capacity market unit using a valid confirmation of the performance of the demand side response test, and optimising the cooperation between the operator and the DSO connected to the transmission network.

General certification in 2024

As part of the general certification, owners of physical generating units, both existing and planned, as well as planned demand response units, submit applications to the transmission system operator for their entry in the register. This is a condition for joining the certification for the main or additional auction in a given year and setting up a capacity market unit, without which it is not possible to participate in auctions.

Due to the repeal of Article 11[44] of the Capacity Market Act, participation in general certification was voluntary.

In 2024, 2,984 applications for entry in the register were submitted as part of general certification, that is 72% more than in 2023. The net generating capacity of physical units entered in the register amounts to 97.8 GW (an increase of 41% compared to the previous year)[45].

Certification for the main auction in 2023 for delivery year 2028 and certification for the main auction in 2024 for delivery year 2029

Table 2. Data on the issuance of certificates as part of the certification for the main auction in 2023 for delivery year 2028 and in 2024 for delivery year 2029

Capacity Market Units	2023 [items]	2024 [items]
Existing generation units, including:	**107**	**120**
– electricity storage facilities	13	12
– other	94	108
Modernised generation units, including:	**11**	**12**
– electricity storage facilities	2	1
– other	9	11
New generation units, including:	**74**	**191**
– electricity storage facilities	69	177
– other	5	14
Demand Side Response Units	**99**	**136**
Units consisting of foreign physical units	**68**	**71**
TOTAL	**359**	**530**

Source: URE.

[44] Article 10 item 3 Act of 28 July 2023 amending the Energy Law Act and certain other acts (Journal of Laws of 2023 item 1681).
[45] General certification 2024

Table 3. Capacity obligations in the main auction and the secondary market for 2028 and 2029 offered as part of the certifications carried out in 2023 and 2024

Capacity Market Units	2023 [MW]	2024 [MW]
Existing generation units, including:	**1 960**	**2 059**
– electricity storage facilities	735	911
– other	1 225	1 148
Modernised generation units, including:	**1 315**	**1 540**
– electricity storage facilities	239	118
– other	1 076	1 421
New generation units, including:	**3 696**	**6 486**
– electricity storage facilities	3 139	4 914
– other	557	1 572
Demand Response Units	**1 984**	**1 816**
Units consisting of foreign physical units	**1 590**	**1 667**
TOTAL	**10 545**	**13 568**

Source: URE.

Additional auctions for Q1, Q2, Q3 and Q4 of the 2025 delivery year (held on 14 March 2024)

Table 4. Additional auction data for all quarters of the delivery year 2025

Quarter of delivery year 2025	Number of successful bids in the additional auction	Total volume of capacity obligations arising from the concluded capacity contracts for a given delivery quarter [MW]	Clearing price [PLN/kW/year]
I	85	3 144.653	389.38
II	56	1 142.555	143.72
III	32	524.569	143.73
IV	48	830.866	169.00

Source: URE.

Main auction for delivery year 2029 (held on 12 December 2024)

Table 5. Main auction data for delivery year 2029

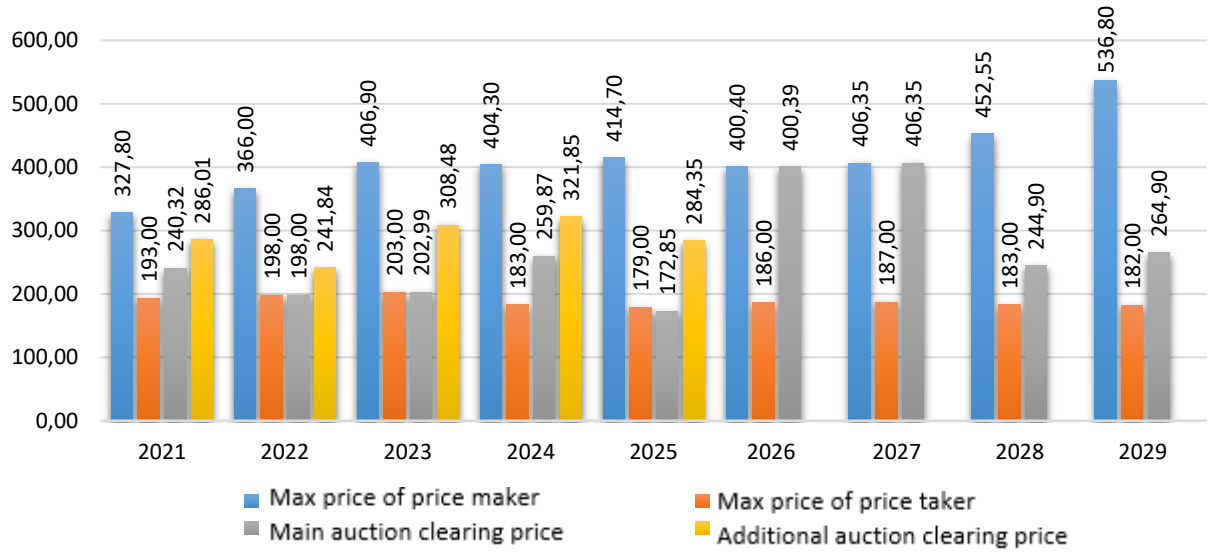
	Successful bids in the main auction	Total volume of capacity obligations arising from the concluded capacity contracts for a given delivery year [MW]	Clearing price [PLN/kW/year]
Polish units	181	6 469.577	264.90
Total foreign units, including:	64	1 584.000	x
- *synchronous profile zone*	*13*	*1 028.000*	*247.87*
- *transmission system of the Kingdom of Sweden*	*51*	*556.000*	*264.90*
TOTAL	**245**	**8 053.577**	**x**

Source: URE.

A total of 20,159 MW was contracted for the delivery year 2029, including 8,054 MW in the main auction for delivery year 2029 and 12,105 MW as a result of long-term contracts in the auctions for the period 2021–2028.

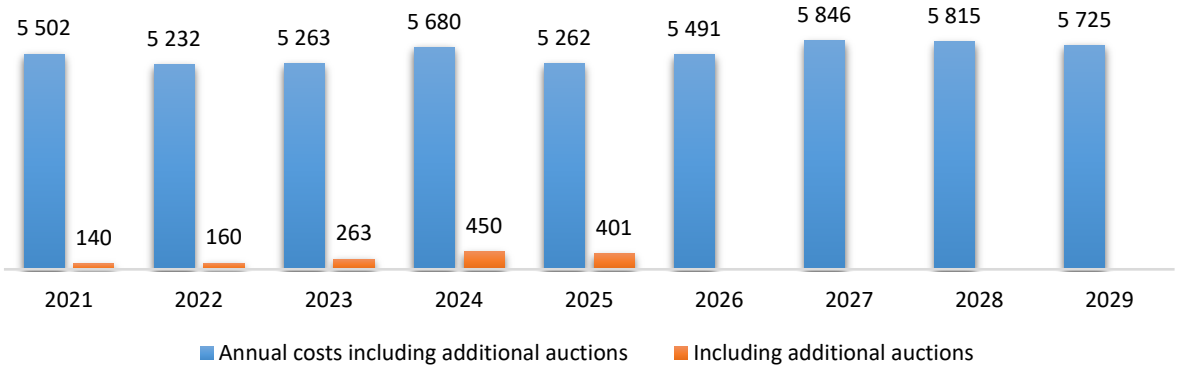
The total amount of capacity obligations resulting from the conclusion of capacity contracts for more than one delivery year in the main auction held for the delivery year 2029 is 2,727 MW.

Figure 7. Prices in auctions 2021–2029 [PLN/kW/year]



Source: URE on the basis of information provided by PSE S.A.

Figure 8. Annual costs of capacity contracts for 2021–2029 [PLN million][46]



Source: URE on the basis of information provided by PSE S.A.

The costs of the capacity market in 2025–2029 will be increased by the costs of purchasing capacity obligations as part of additional[47], supplementary[48] (in 2025–2028) and overtime auctions, which may be carried out if, after the main auction, the operator finds that medium- or long-term security of electricity delivery to final customers will not be ensured[49].

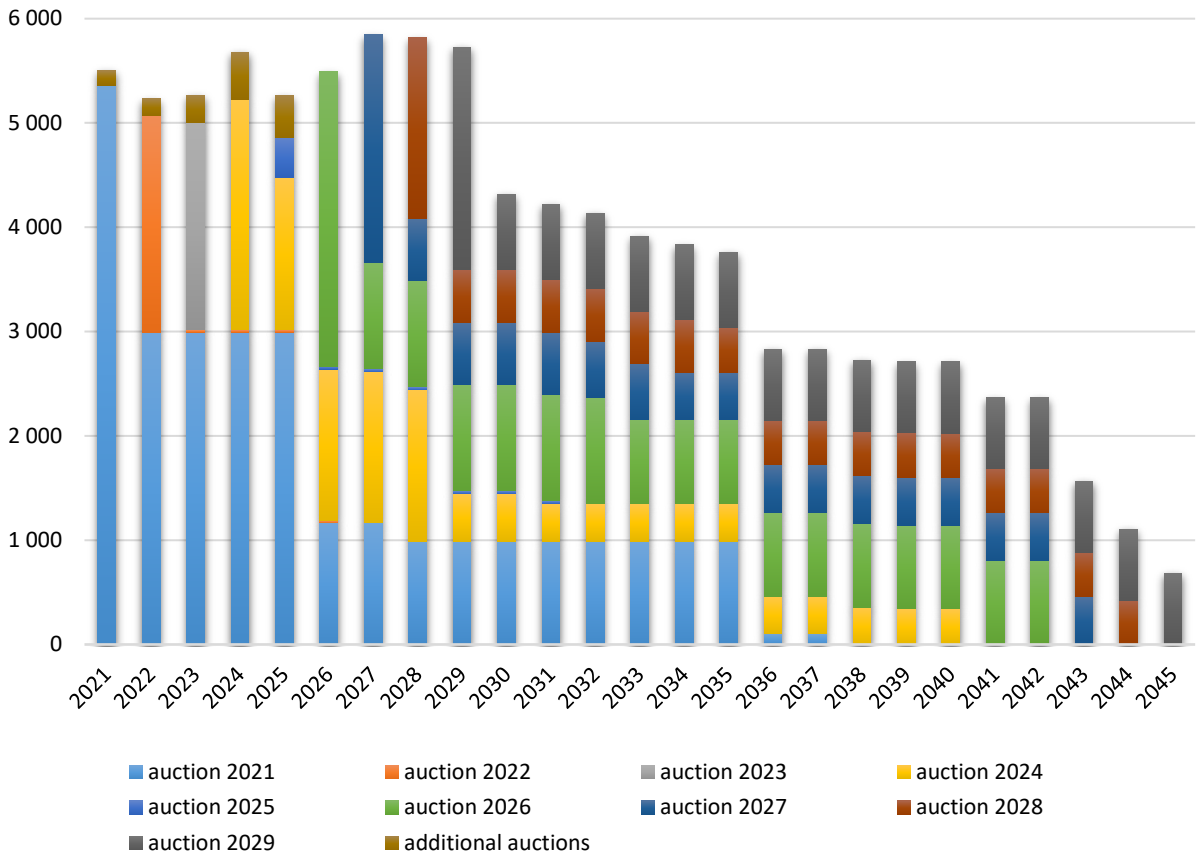
[46] The costs of capacity contracts presented in the chart are the product of capacity obligations resulting from contracts concluded as a result of auctions on the capacity market and their clearing prices, they do not take into account annual price indexation in long-term contracts. The costs differ from those presented in the *National Report of the President of URE 2024* due to the correction resulting from the termination of certain contracts.

[47] Pursuant to Article 29 para. 4 of the Capacity Market Act, *additional auctions are carried out in the year preceding the year in which the supply periods of each of these auctions fall, with additional auctions for all supply periods taking place at the same time*.

[48] Act of 24 January 2025 amending the Capacity Market Act (Journal of Laws of 2025 item 159).

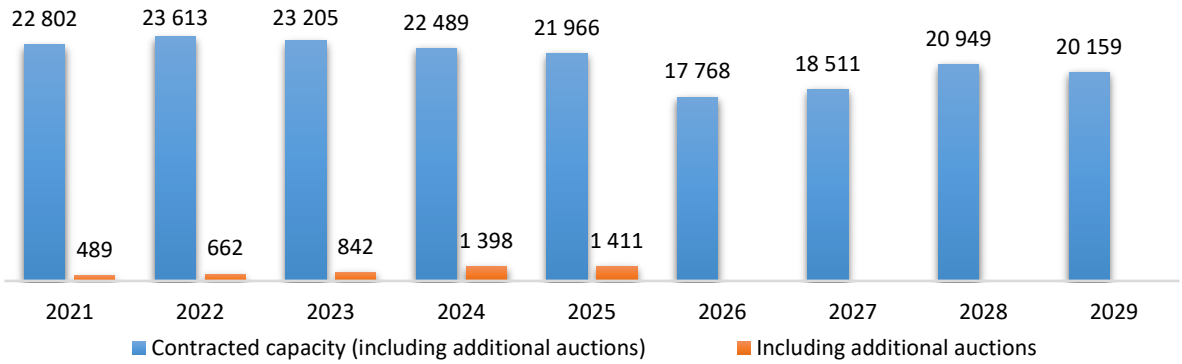
[49] Act of 21 February 2025 amending the Capacity Market Act and certain other acts (Journal of Laws of 2025 item 290).

Figure 9. Annual costs of capacity contracts for 2021–2045, concluded as a result of capacity auctions held in 2018–2024 [PLN million][50]



Source: URE on the basis of information provided by PSE S.A.

Figure 10. Contracted capacity for 2021–2029 [MW][51]

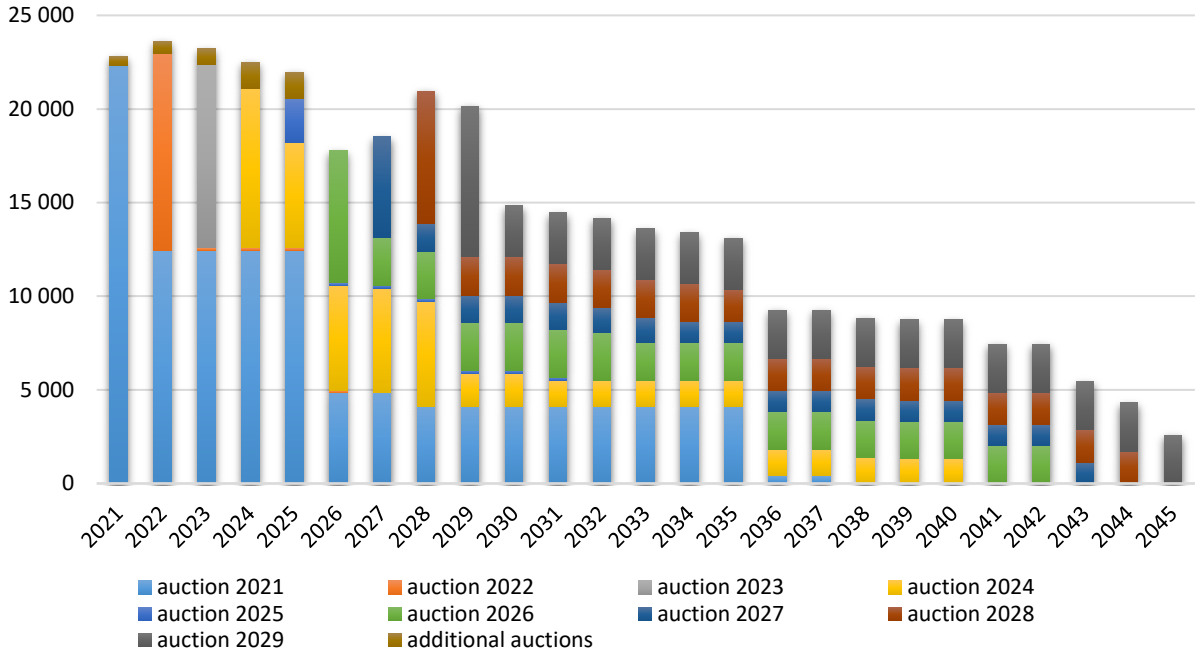


Source: URE on the basis of information provided by PSE S.A.

[50] The costs of capacity contracts presented in the chart are the product of capacity obligations resulting from contracts concluded as a result of auctions on the capacity market and their closing prices, they do not take into account annual price indexation in long-term contracts. The costs differ from those presented in the *National Report of the President of URE 2024.* due to the correction resulting from the termination of certain contracts.

[51] The capacity volumes differ from those presented in *the National Report of the President of URE 2024.* due to the correction resulting from the termination of certain contracts.

Figure 11. Capacity contracted for the years 2021–2045, as a result of capacity auctions held in 2018–2024 [MW][52]



Source: URE on the basis of information provided by PSE S.A.

Table 6. Summary of auction results for 2021–2029[53]

	2021	2022	2023	2024	2025	2026	2027	2028	2029
Capacity delivery [MW]	25 505	12 534	13 301	11 914	2 851	7 000	5 000	8 000	12 000
Demand for capacity in the main auction [MW]*	22 732	10 544	10 708	9 088	2 526	7 991	6 237	5 791	5 424
Capacity contracted at the main auction [MW]	22 313	10 492	9 779	8 507	2 367	7 051	5 379	7 071	8 054
Maximum price of the price maker [PLN/kW/year]	327.80	366.00	406.90	404.30	414.70	400.40	406.40	452.60	536.80
Maximum price of the price taker [PLN/kW/year]	193.00	198.00	203.00	183.00	179.00	186.00	187.00	183.00	182.00
Auction clearing price [PLN/kW/year]	240.32	198.00	202.99	259.87	172.85	400.39	406.35	244.90	264.90
Annual costs [PLN million]**	5 502	5 232	5 263	5 680	5 262	5 491	5 846	5 815	5 725
Annual costs according to OSR [PLN million]	3 979	3 819	3 529	3 789	3 909	3 959	3 839	-	-
Total contracted capacity [MW]**	22 802	23 613	23 205	22 489	21 966	17 768	18 511	20 949	20 159

* The demand for capacity is determined for each year by the ordinance on the parameters of the main auction.
** Additional auctions and long-term contracts are included.

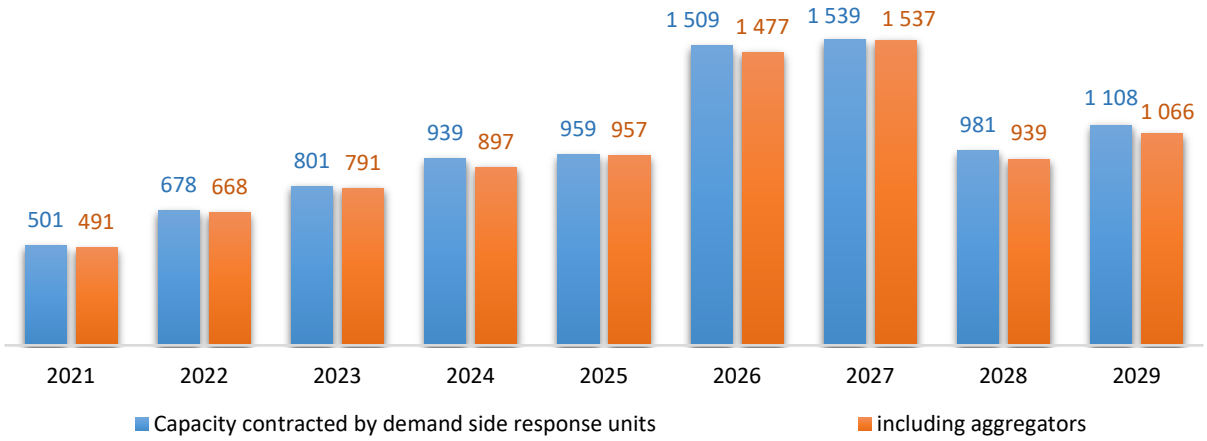
Source: URE.

As a result of the auctions on the capacity market for the years 2021–2029, contracts were concluded under which the construction of new generating units and energy storage facilities with a capacity of approximately 12.9 GW will be financed, of which 6.5 GW are units for which investment decisions on launching were made after the implementation of the capacity market. In the same period, contracts were concluded under which 14.3 GW of generation capacity will be modernised.

[52] The capacity volumes differ from those presented in *the National Report of the President of URE 2024* due to the correction resulting from the termination of certain contracts.

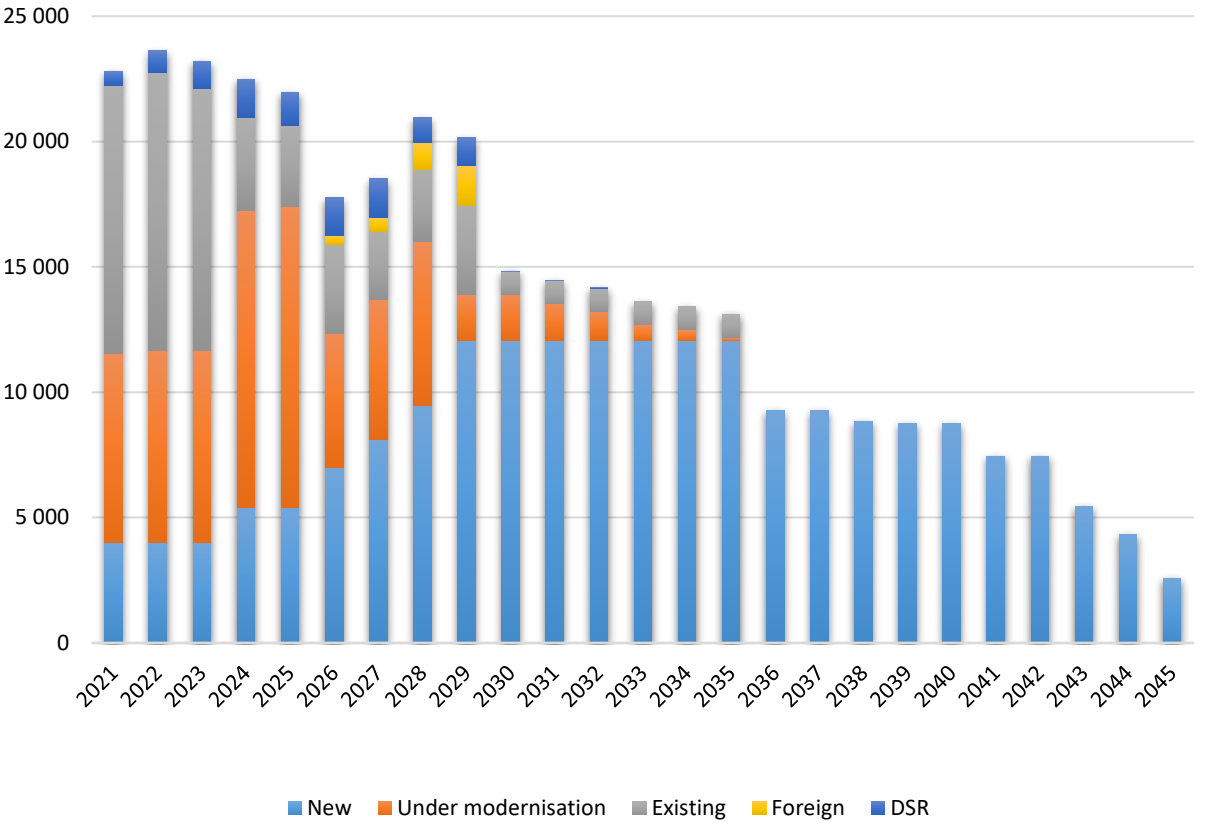
[53] Annual costs and capacity volumes differ from those presented in *the National Report of the President of URE 2024* due to the correction resulting from the termination of certain contracts.

Figure 12. Share of aggregators in the capacity contracted by demand side response units in the main auctions for 2021–2029 [MW][54]



Source: URE on the basis of Information of PSE S.A. on the course of main auctions for the years 2021–2029.

Figure 13. Auction results for 2021–2029 by unit type [MW][55]

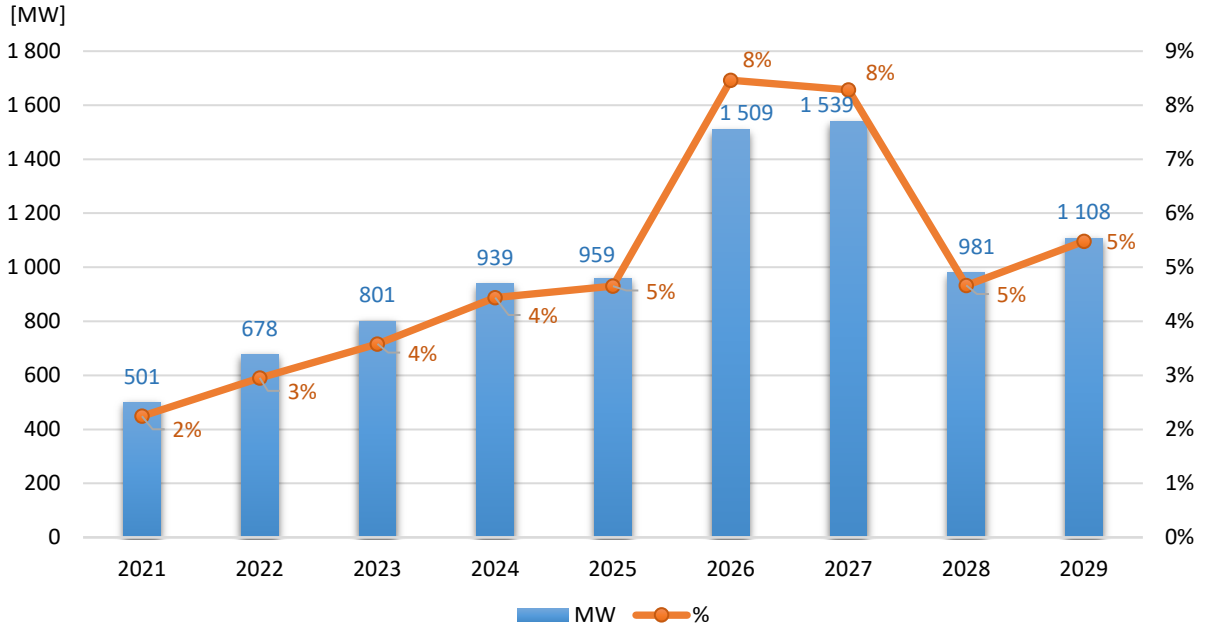


Source: URE on the basis of information of PSE S.A. Capacity volume for the years 2021–2024 includes main and additional auctions.

[54] The capacity volumes differ from those presented in *the National Report of the President of URE 2024* due to the correction resulting from the termination of certain contracts.

[55] The capacity volumes differ from those presented in *the National Report of the President of URE 2024* due to the correction resulting from the termination of certain contracts.

Figure 14. Share of DSR in contracted capacity in main auctions for 2021–2029



Source: URE based on information from PSE S.A.

Other activities in the area of the capacity market

European Resources Adequacy Assessment 2023 (ERAA 2023)

The purpose of the ERAA analysis is to provide a coherent and comparable basis for identifying problems with the availability of capacity in the electricity systems of European transmission system operators. This assessment is carried out for parallel scenarios (with and without capacity markets) and covers a horizon of 10 consecutive years. It allows for the identification of long-term, structural problems in ensuring coverage of electricity demand and additionally provides information on the need for capacity markets within the EU. The European resource adequacy assessment shall be carried out annually by ENTSO-E and submitted to ACER for approval.

The ERAA 2023 was approved by ACER Decision 06/2024[56] of 2 May 2024.

The Agency, in cooperation with the regulatory authorities of the Member States, assessed the ERAA 2023 in terms of its compliance with the requirements of Regulation 2019/943 and the methodology for assessing resources adequacy at European level, approved by ACER Decision 24/2020[57], and as a result it was considered that it could provide an objective basis for the assessment of resources adequacy in accordance with the requirements of Regulation 2019/943.

[56] https://www.acer.europa.eu/sites/default/files/documents/Individual%20Decisions/ACER_Decision_06-2024_ERAA_2023.pdf

[57] https://www.acer.europa.eu/sites/default/files/documents/Individual%20Decisions/ACER%20Decision%2024-2020%20on%20ERAA_1.pdf

3.1.6. Cross-border issues

Monitoring technical cooperation between the EU and third country operators

In 2024, the technical possibilities of interconnection exchange were determined separately for: the synchronous profile (interconnection with Germany, the Czech Republic and Slovakia), the interconnections with Sweden and Lithuania, the radially operating 220 kV Zamość-Dobrotwor line (Ukraine) and the synchronous Rzeszów-Chmielnicka interconnection (Ukraine).

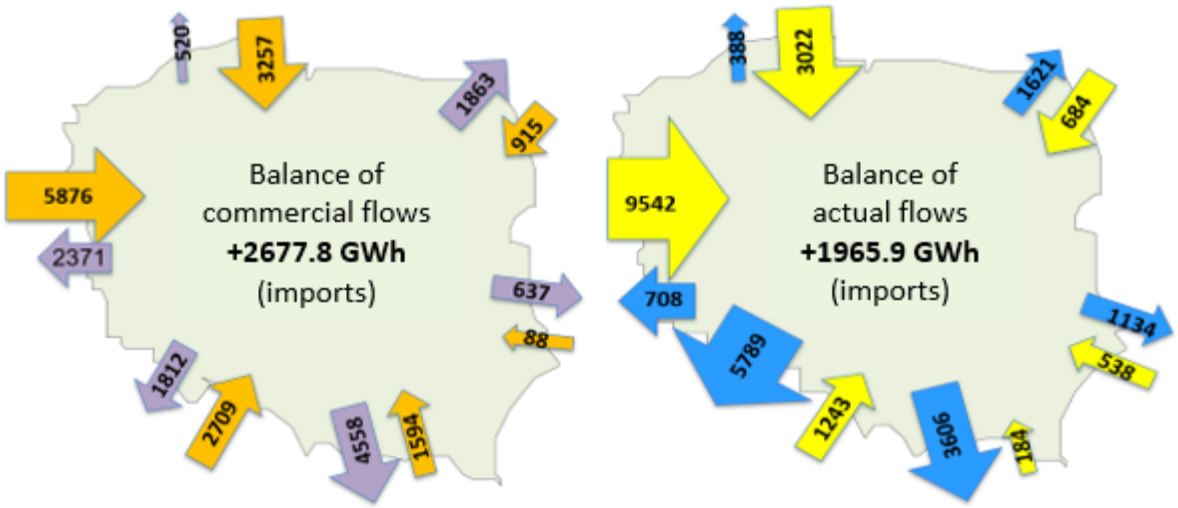
The applicable rules for capacity calculation, allocation and congestion management are described in Chapter 3.1.4. “Approval of the rules for access to cross-border infrastructure, including capacity allocation and congestion management”.

In 2024, as in previous years, inter-operator remedial actions were taken, namely measures of an *ad hoc* nature to ensure the safe operation of the interconnected systems. These measures included only bilateral redispatching (no multilateral redispatching was required), and its scale with the German TSO 50 Hertz was similar to the previous year.

Monitoring coordinated interconnection exchange

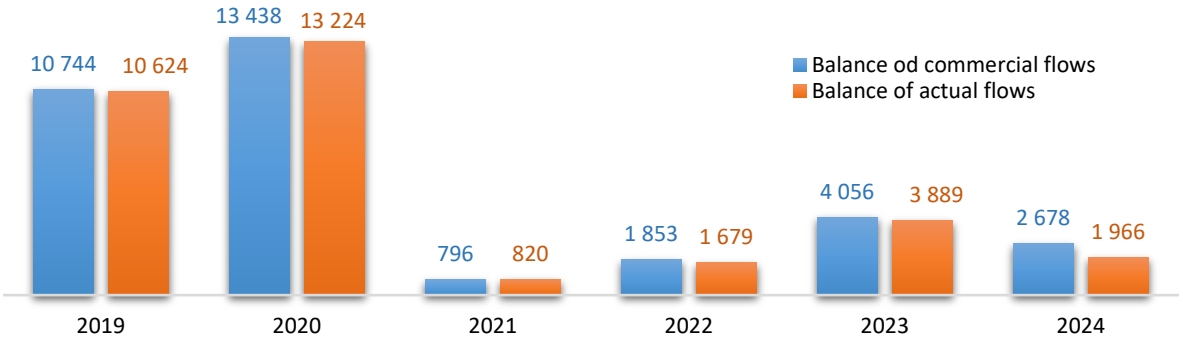
The trade balance of electricity interconnection and the actual energy flows from individual countries to Poland and from Poland to other countries in 2024 are presented below.

Figure 15. Balance of commercial and actual electricity flows at interconnections with other countries in 2024 [GWh]



Source: URE on the basis of data provided by PSE S.A.

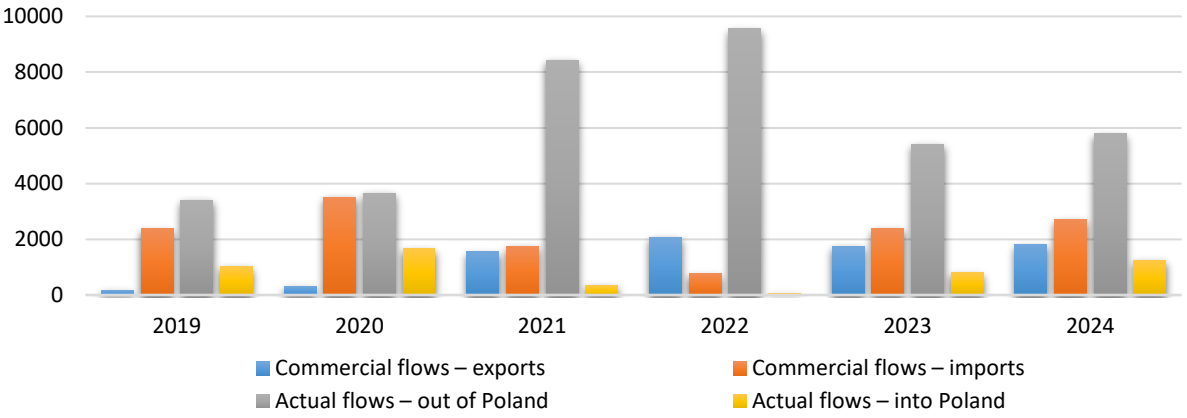
Figure 16. Comparison of commercial flows and actual electricity flows balances on interconnections with other countries (in total) in 2019–2024 [GWh]



Source: URE on the basis of data provided by PSE S.A.

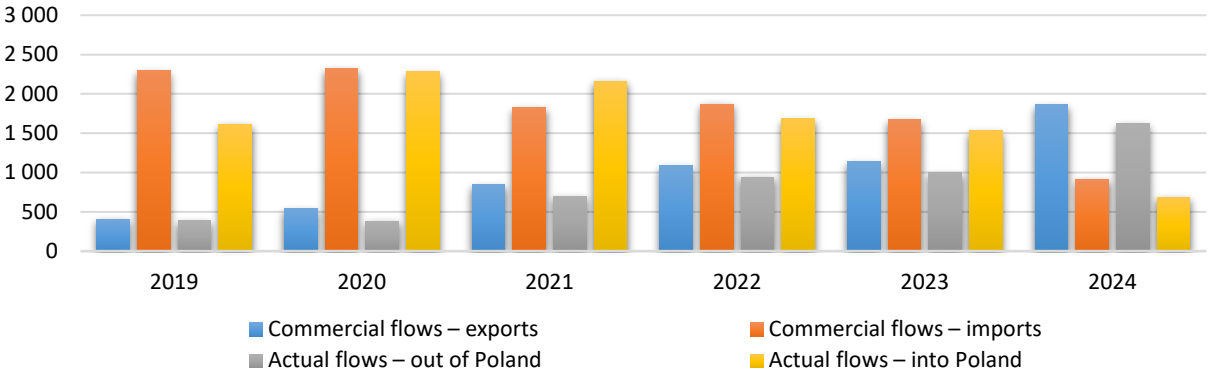
The figures below present a comparison of data on commercial flows (separately for imports and exports) and actual flows (separately for electricity flowing out of Poland and for electricity flowing into Poland) broken down into individual connections with neighbouring countries, that is on Polish connections with the Czech Republic, Lithuania, Germany, Slovakia, Sweden and Ukraine.

Figure 17. Comparison of commercial and actual electricity flows at the Polish-Czech interconnection in 2019–2024 [GWh]



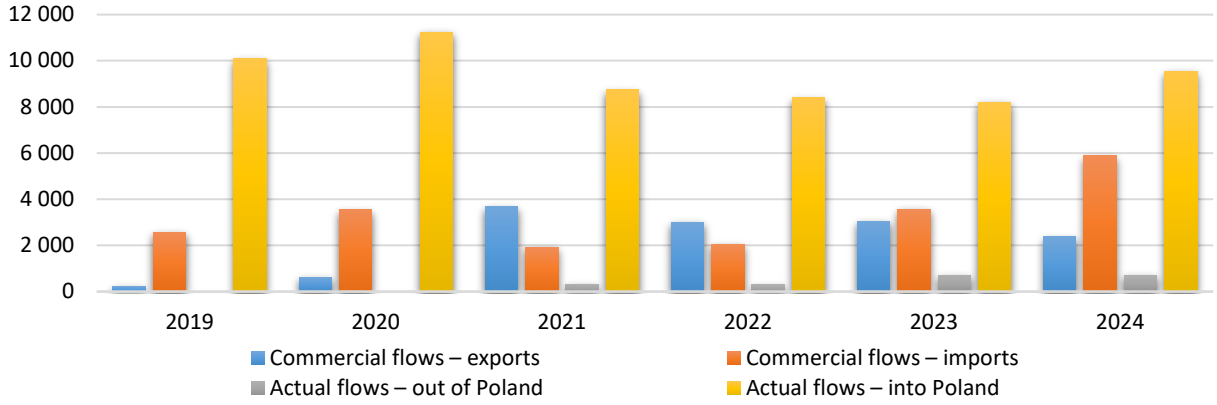
Source: URE on the basis of data provided by PSE S.A.

Figure 18. Comparison of commercial and actual electricity flows at the Polish-Lithuanian interconnection in 2019–2024 [GWh]



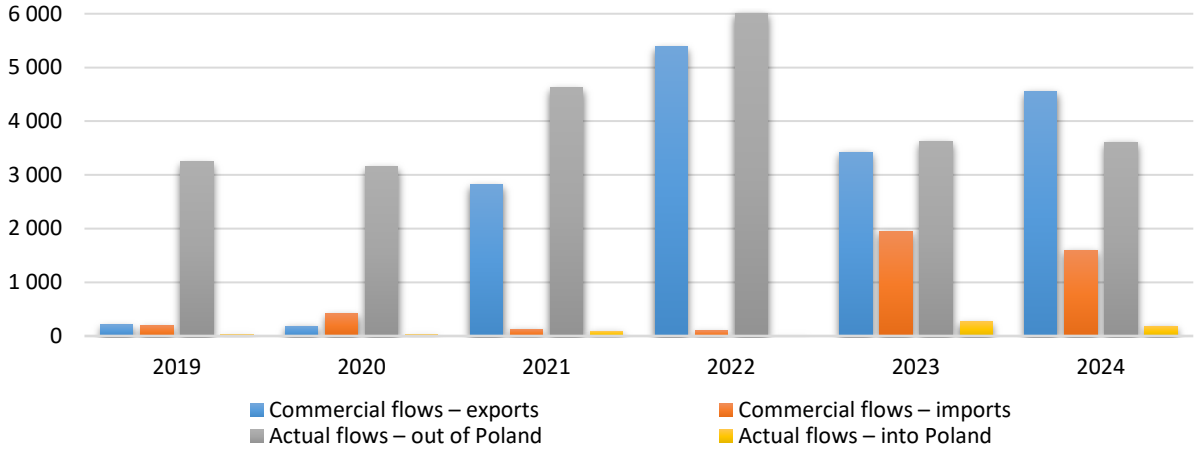
Source: URE on the basis of data provided by PSE S.A.

Figure 19. Comparison of commercial and actual electricity flows at the Polish-Germany interconnection in 2019–2024 [GWh]



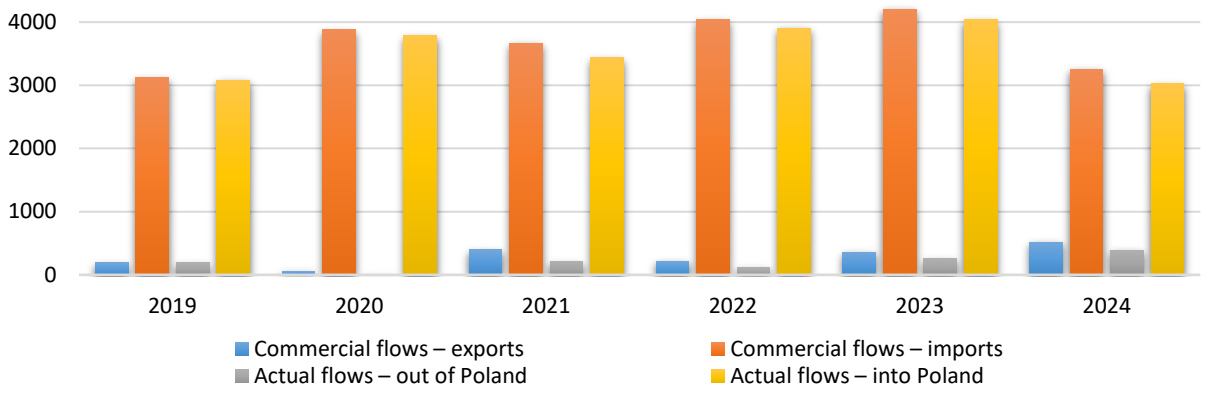
Source: URE on the basis of data provided by PSE S.A.

Figure 20. Comparison of commercial and actual electricity flows at the Polish-Slovakian interconnection in 2019–2024 [GWh]



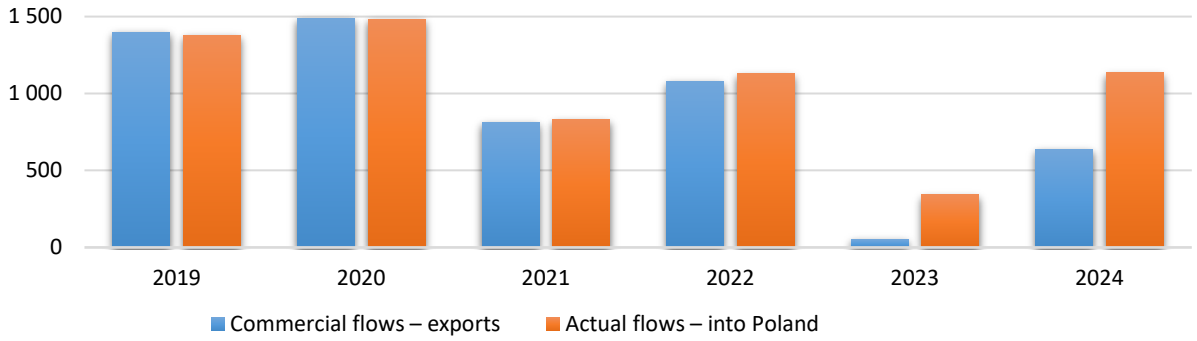
Source: URE on the basis of data provided by PSE S.A.

Figure 21. Comparison of commercial and actual electricity flows at the Polish-Swedish interconnection in 2019–2024 [GWh]



Source: URE on the basis of data provided by PSE S.A.

Figure 22. Comparison of commercial and actual electricity flows at the Polish-Ukraine interconnection (for imports only and for energy outgoing from Poland) in 2019–2024 [GWh]



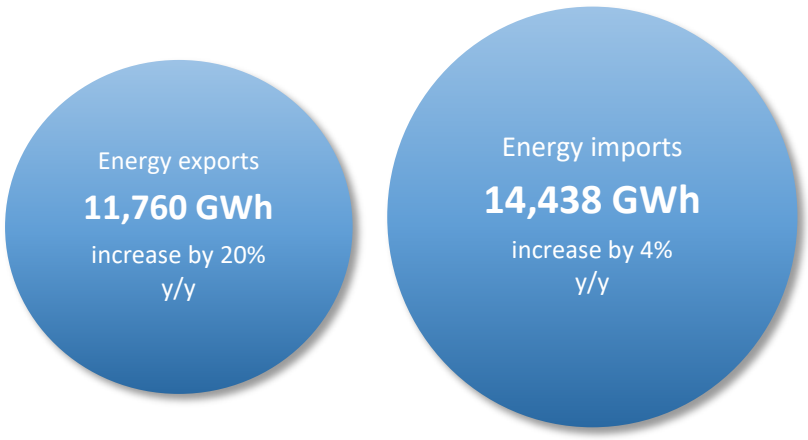
Source: URE on the basis of data provided by PSE S.A.

When comparing import commercial flows and actual flows on the interconnections with Ukraine, it is noteworthy that there is a large difference between commercial flows and actual flows, which did not occur before 2023. As for the reasons for the above phenomena, it should be indicated that in May 2023, a 400 kV synchronous connection Rzeszów-Chmielnicka was launched, on which circular flows occur in both directions, mainly via Slovakia and to a lesser extent via the Czech Republic, so there are similar dependencies as on the other synchronous connections. The differences in commercial and actual flows between Poland and Ukraine in 2024 were also influenced by the emergency supplies concluded: 61.4 GWh to imports and 190.9 GWh to exports.

The commercial balance – the balance at the Polish borders in 2024 – amounted to 2,677.8 GWh (imports). Electricity exports totalled 11,760.8 GWh and increased by 20% compared to the previous year. In 2024, imports increased, totalling 14,438.6 GWh against 13,827.3 GWh in 2023 (an increase of over 4.4% compared to the previous year).

At the same time, attention should be drawn to the significant difference between commercial and actual electricity flows at synchronous borders (Germany, the Czech Republic, Slovakia), which has persisted for many years, and is due to unscheduled electricity flows, contributing to the reduction of transmission capacity offered to participants at these borders.

Figure 23. Electricity imports and exports in 2024



Source: URE on the basis of PSE S.A. data.

Monitoring the limitations of transmission services in cross-border exchange due to lack of capacity or grid failures in 2024

In 2024, there were no reductions in allocated transmission capacity in cross-border exchange.

3.1.7. Implementation of guidelines and network codes

Table 7. Applicable European Commission regulations concerning the development of a single electricity market

Name of network code / guidelines	Published
Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management	EU OJ L 197, 25.07.2015, p. 24 as amended.
Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation	EU OJ L 259, 27.09.2016, p. 42 as amended.
Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing	EU OJ L 312, 28.11.2017, p. 6 as amended.
Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a network code on demand connection	EU OJ L 223, 18.08.2016, p. 10
Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators	EU OJ L 112, 27.04.2016, p. 1, as amended.
Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high-voltage direct current systems and direct current-connected power park modules	EU OJ L 241, 8.9.2016, p. 1
Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation	EU OJ L 220, 25.08.2017, p. 1, as amended.
Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC	EU OJ L 158, 14.06.2019, p. 1
Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity	EU OJ L 158, 14.06.2019, p. 54, as amended.
Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators	EU OJ L 158, 14.06.2019, p. 22, as amended.

Source: URE.

In 2024, work continued on the draft of a new network code on demand response. The code will specify requirements for demand response, including provisions on aggregation, energy storage, distributed generation and demand reduction. In addition, it will set out obligations to ensure that suppliers of energy resources and energy services have access to electricity markets, as well as it will facilitate the procurement of relevant services by system operators.

As part of the ongoing work on the draft network code on demand response, proposals for amendments to three related regulations are also being prepared: Regulation 2017/2195, Regulation 2017/1485 and Regulation 2016/1388.

In the first quarter of 2025, the draft amendments to the above-mentioned legal acts will be submitted to the European Commission.

In accordance with the provisions of the legal acts listed in the table above, the regulatory authorities of the European Union are responsible for approving the conditions and methods specified therein. These methods can be divided into European, regional and national methods and are developed by nominated electricity market operators, ENTSO-E and the transmission system operators

concerned, that is national methods by national TSOs, regional methods by regional TSOs and European methods by all TSOs. The situation is similar with the approval of methods by regulatory authorities, except for the European methods, for which the decision always rests with ACER. In case the regulators within a region are not able to agree on a common position, either due to lack of consensus (it is sufficient for one regulator to oppose), or if the deadline for the decision has passed, this method is also subject to ACER approval.

ACER's Decision on the determination of Capacity Calculation Regions (CCRs)[58], issued on the basis of Regulation 2015/1222, outlined the framework for cooperation and joint coordination within particular regions by TSOs and national regulatory authorities. The borders of the Polish bidding zone are assigned to three independent CCRs (Hansa – Polish-Swedish border, Core and Central Europe – Polish-German, Polish-Czech and Polish-Slovakian borders, Baltic – Polish-Lithuanian border). In addition, Regulation 2017/2195 designates the relevant geographical area and the synchronous area as a region in addition to the CCR. Regulation 2017/1485 further distinguishes a load-frequency control block (LFC block), which means a part of a synchronous area or an entire synchronous area, physically demarcated by measurement at the interconnections to other LFC blocks, covering at least one LFC area, operated by one or more TSOs fulfilling obligations of load-frequency control. The methods or conditions approved in 2024 on the basis of the above-mentioned legal acts are set out in Table 8.

With regard to electricity trading on the day-ahead and intraday markets, Regulation 2015/1222 required each Member State to designate at least one NEMO in each bidding zone on its territory. The role of NEMOs is primarily to match and allocate bids and offers for the sale and purchase of electricity from across the EU for the day-ahead and intraday market, to publish prices and to conduct clearing and settlement of concluded contracts. Due to the specific nature of the activities, these roles are fulfilled in practice by power exchanges. The above regulation established two methods for allowing NEMOs to offer energy trading services in a given Member State. In the first case, a NEMO can be designated by the regulatory authority to act as a NEMO in a given Member State. In the second case, if the NEMO in question is designated in another Member State, it may act as a NEMO on the basis of a notification from the Member State (the so-called passport). Currently, there are three NEMOs operating in the Polish bidding zone: one designated NEMO – the role of the designated NEMO is currently performed by Towarowa Giełda Energii S.A., which in 2023 was again designated by the President of URE as NEMO for another four years, that is until 2 December 2027, and two passported NEMOs – EPEX SPOT SE and Nord Pool EMCO A.S.

In order to enable the operation of more than one NEMO in the Polish bidding zone, to establish common relations between NEMOs and their relations with TSOs, it was necessary to implement the so-called Multi-Nemo Arrangements (MNA). Due to the implementation of this mechanism, it is possible, among others, to match bids and offers within a single market process, as well as to settle bids based on a single price applicable in the Polish bidding zone, regardless of which NEMO services were used by a given market participant. The President of URE approved the MNA by a decision issued on 5 June 2017, which, as amended, is currently in force.

Table 8. Methods or conditions approved in 2024 under regulations and guidelines

Regulation	Conditions or methodologies	Zone	Approval act[59]
Regulation 2015/1222	Amendment of the intraday capacity calculation methodology	Core	ACER Decision 03/2024 of 14 March 2024
	Amendment to the determination of capacity calculation regions	EU	ACER Decision 04/2024 of 19 March 2024

[58] The capacity calculation regions were established by ACER Decision No. 06/2016 of 17 November 2016 (published on the ACER's website, as amended).

[59] Decisions issued by ACER are available on their website: https://www.acer.europa.eu/documents/official-documents/individual-decisions, while decisions issued by the President of URE are available on its website: https://www.ure.gov.pl/pl/energia-elektryczna/europejskiree/decyzje

Regulation	Conditions or methodologies	Zone	Approval act[59]
Regulation 2015/1222	Amendments to the price coupling algorithm and the continuous trading matching algorithm, including the common sets of requirements	EU	ACER Decision 11/2024 of 23 September 2024
	Amendment of the methodology for calculating scheduled exchanges resulting from single day-ahead coupling	EU	ACER Decision 12/2024 of 25 September 2024
	Amendment of the common day-ahead capacity calculation methodology	Core	Decision of the President of URE of 23 July 2024
	Amendment of the day-ahead and intraday capacity calculation methodology	Baltic	Decision of the President of URE of 21 November 2024
	Amendment of the methodology of redispatching and counter trading cost sharing	Hansa	Decision of the President of URE of 4 December 2024
Regulation 2017/2195	Amendment of the implementation framework for a European platform for the exchange of balancing energy from frequency restoration reserves with automatic activation	EU	ACER Decision 08/2024 of 5 July 2024
	Amendment of the methodology for pricing balancing energy and cross-zonal capacity used for the exchange of balancing energy or operating the imbalance netting process	EU	ACER Decision 09/2024 of 5 July 2024
	Cross-zonal transmission capacity calculation methodology for balancing timeframe	Baltic	Decision of the President of URE of 29 January 2024
	Transmission capacity calculation methodology for balancing timeframe	Core	Decision of the President of URE of 4 March 2024
	Amendment of the common settlement rules applicable to all intended exchange of energy between asynchronously connected TSOs carrying out intended exchanges of energy between synchronous areas	geographical area comprising all asynchronously connected TSOs with intended energy exchange	Decision of the President of URE of 26 March 2024
	Amendment of the common settlement rules applicable to all unintended exchange of energy between asynchronously connected TSOs	geographical area comprising all asynchronously connected TSOs with intended energy exchange	Decision of the President of URE of 26 March 2024
Regulation 2017/2196	Amendment of the list of SGUs responsible for the implementation on their installations the measures that result from the mandatory requirements set out in Regulations (EU) 2016/631, (EU) 2016/1388 and (EU) 2016/1447 or from national	PL	Decision of the President of URE of 8 July 2024

Regulation	Conditions or methodologies	Zone	Approval act[59]
	legislation, and the list of measures to be implemented by the SGUs concerned as determined by the TSO in accordance with Article 11(4)(c) and Article 23(4)(c) of Regulation 2017/2196		
	Amendment of the rules for the suspension and restoration of market activities in accordance with Article 36 of Regulation (EU) 2017/2196 and the detailed rules for the settlement of imbalance and the settlement of balancing energy during the period of suspension of market activities, in accordance with Article 39 of Regulation 2017/2196	PL	Decision of the President of URE of 13 June 2024
Regulation 2019/943	Decision approving PSE S.A.'s contribution to the report for 2023 on the allocation of transmission capacity	PL	Decision of the President of URE of 4 July 2024
	Derogation for PSE S.A. from the obligation to make day-ahead cross-zonal capacity available	PL	Decision of the President of URE of 10 December 2024

Source: URE.

In July 2024, at the request of the TSO, the President of URE approved an amendment to the currently applicable document entitled: "List of SGUs responsible for the implementation on their installations the measures that result from the mandatory requirements set out in Regulations (EU) 2016/631, (EU) 2016/1388 and (EU) 2016/1447 or from national legislation and the list of measures to be implemented by the SGUs concerned as defined by TSOs in accordance with Article 11(4)(c) and Article 23(4)(c) (Commission Regulation) (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration)". The change of the existing List of SGUs was due to the need to update the following documents: *System Defence Plan* and *Recovery Plan* in terms of the List of SGUs due to the decommissioning of generating modules and the commissioning of generating modules – classified as existing and new generating modules in accordance with Regulation 2016/631.

In 2024, the President of URE approved an amendment to the document *Rules for suspending and restoring market activities and detailed rules for the settlement of imbalance and settlement of balancing energy during the period of suspension of market activities pursuant to Article 36(1) and Article 39(1) of Regulation 2017/2196*. The purpose of the amendments was to adapt the document to the new rules for the functioning of the balancing market, introduced by the Balancing Conditions developed on 14 September 2023 on the basis of Regulation 2017/2195.

Implementation of Connection Network Codes

In 2024 the President of URE continued its activities related to the Grid Connection Network Codes (Regulations: 2016/631, 2016/1388 and 2016/1447).

Regulation 2016/631 in the part "Title III" set out the operational notification procedure for connection of new generating modules, with the connection procedure for each new generating module of type A, B, C and D. Pursuant to Article 33 of Regulation 2016/631, the operational

notification procedure for connection of each new type D generating module[60] shall comprise: (energisation operational notification ("EON"), (ii) interim operational notification ("ION")[61] and (iii) final operational notification ("FON"). This procedure granted the regulatory authorities the power to grant derogations at the request of a power-generating facility owner or prospective owner, relevant system operator or relevant transmission system operator − from a provision or provisions of this regulation.

In 2024, the President of URE issued 5 decisions to extend the period for which the owner of a type D generating module can maintain the status of the "ION" operating notification – two decisions referred to the operating notification issued by the TSO, three decisions to the operating notification issued by the DSO. Information on the decisions was included in the Register of Derogations from the Connection Requirements of Network Codes maintained by the President of URE in accordance with Article 64 of Regulation 2016/631 published on URE's website[62] and was published on the dedicated register of derogations maintained by ACER[63].

In April 2024, the monitoring of the compliance of electricity system operators of their obligations to issue an interim operating notification ("ION") for the connection of each new type D generating module, taking into account the derogation procedure laid down in Article 60 of Regulation 2016/631, started in October 2023, was completed. The monitoring covered the TSO and the five largest DSOs. Having completed this monitoring, the President of URE initiated proceedings against three DSOs to impose a fine. In December 2024 the President of URE ended one of these proceedings by finding a breach of the obligation set out in Article 60 of Regulation 2016/631 and imposed a fine. In the other two cases, the proceedings were not completed in 2024.

Regulation 2016/631, in Article 3(1), prejudges that, as a general rule, the connection requirements apply to new generating modules which are considered significant, in accordance with the criteria set out in Article 5, however, Article 4(1)(a) and (b) set out exceptional cases where existing generating modules are subject to the requirements of this Regulation. According to these provisions, existing generating modules shall not be subject to the requirements set out in this Regulation, except where a type C or type D generating module has been modified to such an extent that its connection agreement must be substantially revised in accordance with the following procedure:

- power-generating facility owners who intend to undertake the modernisation of a plant or replacement of equipment impacting the technical capabilities of the power-generating module shall notify their plans to the relevant system operator in advance,
- if the relevant system operator considers that the extent of the modernisation or replacement of equipment is such that a new connection agreement is required, the system operator shall notify the relevant regulatory authority or, where applicable, the Member State; and
- the relevant regulatory authority or, where applicable, the Member State shall decide if the existing connection agreement needs to be revised or a new connection agreement is required and which requirements of this Regulation shall apply.

In 2024 the President of URE issued four decisions under Article 4(1)(a)(iii) of Regulation 2016/631.

[60] Type D includes generating modules with a maximum power rating of 75 MW and above, as well as all generating modules, regardless of their maximum power, if the voltage at their point of connection is at least 110 kV.

[61] The ION operating notification entitles the generating facility owner to operate the generating module and power generation by using the grid connection for a specified period of time and is issued by the relevant system operator subject to the finalisation of the data verification and analysis process required under Article 35 of Regulation 2016/631. The maximum period for which the owner of a generating facility may maintain the status of an "ION" operating notification is 24 months, with Article 35(5) of Regulation 2016/631 allowing for the possibility of extending this period if the request for a derogation is submitted to the relevant system operator before the expiry of the above-mentioned period in accordance with the derogation procedure laid down in Article 60 of Regulation 2016/631.

[62] https://bip.ure.gov.pl/bip/rejestry-i-bazy/rejestr-odstepstw-od-wymogow-p/4301,Rejestr-odstepstw-od-wymogow-przylaczeniowych-kodeksow-sieciowych.html

[63] https://aegis.acer.europa.eu/record/

In accordance with Article 4(1)(a) and (b) of Regulation 2016/1388, the requirements set out in that Regulation shall not apply to transmission-connected demand facilities, existing distribution facilities connected to the transmission system, existing transmission-connected distribution facilities, existing distribution systems and existing demand units that are or can be used by a demand facility or a closed distribution system to provide demand response services to a relevant system operator or relevant TSO, unless:

(a) an existing transmission-connected demand facility, an existing transmission-connected distribution facility, an existing distribution system, or an existing demand unit within a demand facility at a voltage level above 1 000 V or a closed distribution system connected at a voltage level above 1 000 V, has been modified to such an extent that its connection agreement must be substantially revised in accordance with the following procedure:
   - demand facility owners, DSOs, or CDSOs who intend to undertake the modernisation of a plant or replacement of equipment impacting the technical capabilities of the transmission-connected demand facility, the transmission-connected distribution facility, the distribution system, or the demand unit shall notify their plans to the relevant system operator in advance;
   - if the relevant system operator considers that the extent of the modernisation or replacement of equipment is such that a new connection agreement is required, the system operator shall notify the relevant regulatory authority or, where applicable, the Member State; and
   - the relevant regulatory authority or, where applicable, the Member State shall decide if the existing connection agreement needs to be revised or a new connection agreement is required and which requirements of this Regulation shall apply; or

(b) a regulatory authority or, where applicable, a Member State decides to make an existing transmission-connected demand facility, an existing transmission-connected distribution facility, an existing distribution system, or an existing demand unit subject to all or some of the requirements of this Regulation, following a proposal from the relevant TSO in accordance with paragraphs 3, 4 and 5.

In 2024 the President of URE issued one decision pursuant to Article 4(1)(a)(iii) of Regulation 2016/1388, in which it acknowledged the need to conclude a new connection agreement and indicated which requirement specified in the said regulation applies − in connection with the appropriate notification to the customer of the planned modernisation or replacement of equipment that may affect the technical capabilities of the existing distribution system connected to a system other than the transmission system.

In November 2024, the Energy Regulatory Office received two applications from TSO: (i) for approval of the amendment to the document entitled "General application requirements resulting from Commission Regulation 2016/631 of 14 April 2016 establishing a network code on requirements for the connection of generating units to the grid (NC RfG)" and (ii) for approval of the amendment to the document entitled "General application requirements resulting from Commission Regulation 2016/1447 of 26 August 2016 establishing a network code laying down requirements for the grid connection of high-voltage direct current systems and direct current connected power park (NC HVDC) modules". The change in the existing general application requirements arising from Regulation 2016/631 results from the need to ensure the operational security of the power grid and to balance electricity supply with the demand for this energy, including taking into account the increase in RES generation and taking into account the growing importance of generation installations connected in particular to the low and medium voltage grids. On the other hand, the change in the existing general application requirements under Regulation 2016/1447 results from the need to ensure the operational security of the electricity grid and to balance electricity supply with demand for this energy, including taking into account the increase in RES generation and taking into account the growing importance of offshore generation installations connecting to the NES via the HVDC[64] system. The proceedings ended

[64] An HVDC system is an electrical power system that transmits energy in the form of high-voltage direct current between two or more alternating current buses, comprising at least two HVDC converter stations with direct current transmission lines or cables between the HVDC converter stations.

on 15 May 2025 with the issuance by the President of URE of a decision approving the "General application requirements resulting from Commission Regulation 2016/631 of 14 April 2016 establishing a network code on requirements for the connection of generating units to the grid (NC RfG)" and a decision approving the "General application requirements resulting from Commission Regulation 2016/1447 of 26 August 2016 establishing a network code laying down requirements for the grid connection of high-voltage direct current systems and direct current connected power park (NC HVDC) modules". The approved requirements will enter into force on 1 December 2025.

As part of the cooperation with the Agency, representatives of the Energy Regulatory Office participated in ACER's work on the amendment of Regulation 2016/1447. Between 17 June and 8 September 2024, ACER carried out a public consultation on amendments to this Regulation. Details of the changes to the codes and the consultations carried out can be found on the ACER website.

3.1.8. Electromobility

The amendment to the Electromobility Act introduces a provision prohibiting DSOs from being the operator of a public charging station, the owner of the station or the charging service provider. There is an exception to this provision, namely the case where the DSO has conducted a tender procedure for the sale of public charging stations in an open, transparent and non-discriminatory manner. Pursuant to Article 3a para. 2 of the Electromobility Act, a DSO may remain the owner of a public charging station where the following conditions are jointly met:

1) In order to sell a public charging station, it conducted an open, transparent and non-discriminatory tender:
   a) the general terms and conditions of which have been approved by the President of URE at its request, by way of a decision;
   b) as a result of which no contract for the sale of this station was concluded, in particular due to the inability to provide charging services immediately after the purchase of this station and at market prices,
2) It takes measures to ensure that the operator of the public charging station it owns fulfils the obligation to ensure that charging service providers have access to the public charging station, on the basis of a contract concluded at arm's length.

Pursuant to Article 24 para. 4 of the amendment to the Electromobility Act, in the case of public charging stations for which before the date of entry into force of the amending Act, the DSO did not select an operator of a public charging station in accordance with Article 65 para. 3 of the Electromobility Act, in its current wording, the operator of a public charging station designated in accordance with Article 65 para. 2 of the Electromobility Act, in its current wording, performs its tasks until the performance of the tasks of the operator of a public charging station is transferred to another entity or the DSO sells a public charging station.

Due to the fact that some DSOs announced the sale of public charging stations by way of a tender, further administrative proceedings were initiated to declare invalid the decision to designate an energy company to act as an operator of a public charging station and a charging service provider. In 2024 the President of URE stated that the decision was invalid for 19 municipalities: Płock, Olsztyn, Gdynia, Koszalin, Elbląg, Toruń, Włocławek, Gdańsk, Gliwice, Częstochowa, Sosnowiec, Bytom, Tychy, Dąbrowa Górnicza, Opole, Rybnik, Zabrze, Bielsko-Biała and Ruda Śląska.

3.2. Competition and market operation

3.2.1. Wholesale market

The volume of gross domestic electricity production in 2024 was higher than in the previous year and amounted to 166,990 GWh (an increase of 2.1% compared to 2023). In the reported period, gross domestic electricity consumption amounted to 168,956 GWh[65] and increased by 0.9% compared to 2023.

The GDP in 2024, according to the estimates of the Central Statistical Office, increased by 2.9%[66] and was 2 percentage points higher than the increase in domestic energy consumption.

In 2024, imports accounted for 8.3% of total revenue in the national balance of physical flows of electricity, while exports accounted for 7.3% of electricity outflows.

Compared to 2023, the share of imports decreased by (-) 0.1 percentage point, while the share of exports increased by 1 percentage point.

The structure of electricity production in 2024 changed compared to the previous year in such a way that the share of generation in renewable energy sources and gas-fired power plants increased. In renewables, production increased by 3.76 percentage points (from 21.52% in 2023 to 25.28% in 2024). A significant part of this growth was made up of other renewable sources, which mainly include the PV energy segment.

In 2024, the installed capacity in the national electricity system was 72,188 MW, and the generating capacity was 71,498 MW, which is an increase of 6.5% and 7.8%, respectively, compared to 2023[67].

The average annual demand for capacity was 22,882 MW (an increase of 0.3% compared to the previous year), with a maximum demand of 28,494 MW (an increase of 4.3% compared to the previous year).

The ratio of available capacity to generating capacity in 2024 had a decreasing trend and amounted to 50.9% (a decrease of (-) 1.1 percentage point compared to 2023)[68].

Entity structure of the wholesale energy market

In 2024, as in previous years, there was a downward trend in the share of generators from the largest groups in the volume of energy fed into the NES (PGE Polska Grupa Energetyczna S.A., ENEA S.A., ORLEN S.A.). This trend is due to a gradual reduction in gross electricity production in 2024 compared to 2023 from fossil fuels, which dominate the power generation structures in these groups. The PGE Polska Grupa Energetyczna S.A. group still had the largest share in the energy market in the electricity generation subsector[69]. It should be highlighted that the share of this group is decreasing year by year, despite the fact that the volume of energy fed into the grid is recording an opposite (upward) trend. In the analysed period, this group continued to maintain its leading position on the market of sales to final customers.

[65] Self-consumption is not included due to the lack of data in this area.

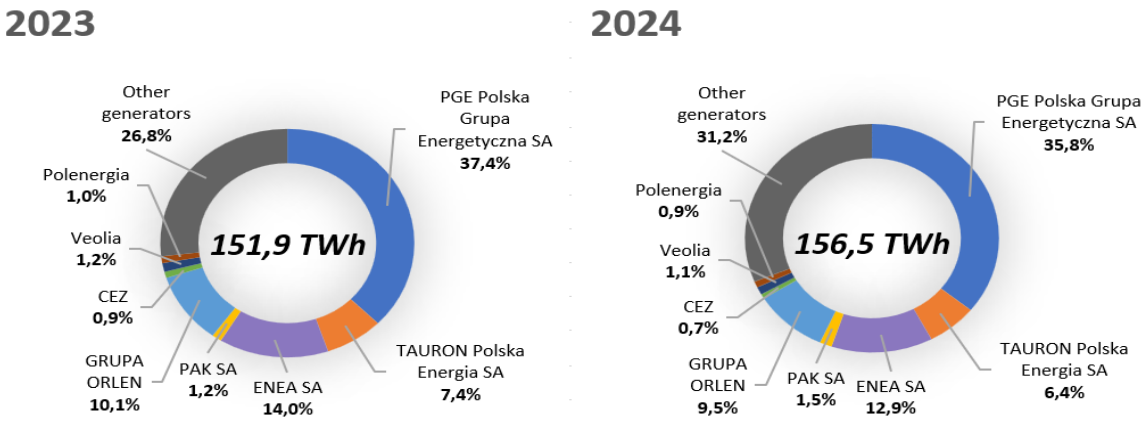
[66] https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/produkt-krajowy-brutto-w-2024-roku-szacunek-wstepny,2,14.html

[67] As at 31 December 2023 and 31 December 2024, data from PSE S.A.

[68] Data based on average annual values from the evening peak of business days, data from PSE S.A.

[69] Share calculated according to the volume of electricity fed into the grid. However, when calculating this ratio, the structure of the entity as at 31 December of the year under review was taken into account.

Figure 24. Share of groups in the volume of electricity fed into the grid in 2023–2024 (taking into account the entity structure as at 31 December of a given year)



Note: The group of "other generators" includes both generators which are part of groups (e.g. Azoty, E.ON, FORTUM) and generators operating individually on the electricity generation market, that is outside groups. The increase in the share of this group of generators in 2024 is due to a significant increase in generation in PV installations.

Source: Data from the Ministry of Climate and Environment and URE.

Market share ratio of the three largest market players, measured by energy fed into the grid (taking into account the amount of energy supplied by generators directly to final customers and the amount of electricity returned from the energy storage facility to the NES), in 2024[70] maintained a downward trend and amounted to 58.2% (a decrease of 3.2 percentage points compared to 2023). A clear downward trend, for a consecutive year, was also maintained by the share of the three largest generators in installed capacity – a decrease of 2.2 percentage points. The top three generators in terms of the volume of energy fed into the NES, concentrated in groups in 2024, were: PGE Polska Grupa Energetyczna S.A., ENEA S.A. and Orlen S.A. Generators of the TAURON Polska Energia S.A. group are in fourth position for the second year in a row. On the other hand, in terms of the amount of installed capacity, in 2024, as in 2023, the group of the three largest generators included those concentrated in three groups: PGE Polska Grupa Energetyczna S.A., ENEA S.A. and TAURON Polska Energia S.A.

Table 9. Market shares and state of concentration of the generation subsector*

Year	Number of companies holding at least a 5% share in installed capacity	Number of companies holding at least a 5% share in energy fed into the grid	Share of three largest entities in installed capacity [%]	Share of three largest entities in energy fed into the grid [%]	HHI[71]	
					Installed capacity	Energy fed into the grid
2022	4	4	48.3	66.1	1 156.7	2 088.1
2023	4	4	44.2	61.4	976.2	1 762.1
2024	4	4	42.0	58.2	915.1	1 597.7

* For all entities operating in the generation sector which are subject to an obligation of reporting statistics, including installed capacity and energy fed into the grid from wind and hydro sources.
When calculating the market share ratios of the three largest entities and HHI ratios, both by energy fed into the grid and by installed capacity, the structure of entities as at 31 December of the year under review was taken into account.

Source: Data from the Ministry of Climate and Environment and URE.

[70] When calculating the market share ratios of the three largest entities, both according to the energy fed into the grid and the installed capacity, the structure of the entities as at 31 December of the given was taken into account.

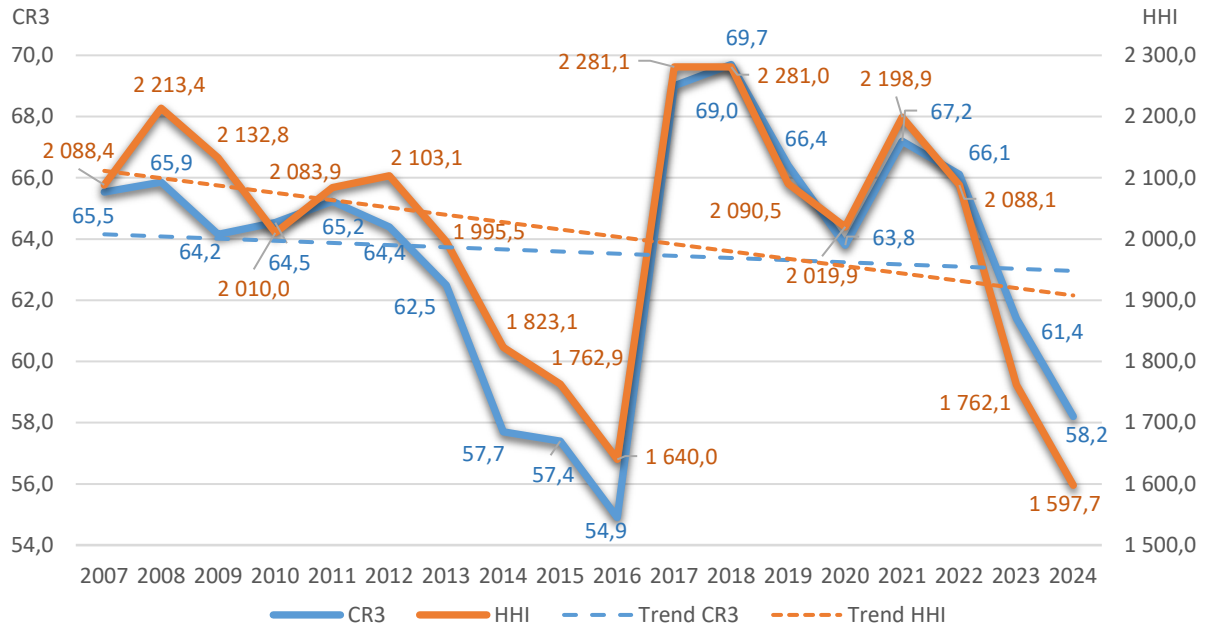
[71] The Herfindahl-Hirschman index (HHI) is defined as the sum of squares of individual market shares of all companies forming a given branch: HHI>5,000 – very high concentration, HHI from 1,800 to 5,000 – high concentration, HHI from 750 to 1,800 – medium concentration, below 750 – low concentration (according to the "Report on progress in creating the internal electricity and gas market", Brussels 2005 and J. Kaminski: *Methods for estimating market power in the energy sector*, Polityka Energetyczna, Volume 12, Paper 2/2, 2009).

The long-term downward trend concerning in particular HHI measured by installed capacity and by the volume of energy fed into the grid (including the amount of energy supplied by generators directly to final customers and the amount of electricity returned from the energy storage facility to the NES), changed significantly in 2017, the intensity of which is also observed in 2024. The concentration ratios for installed capacity and energy fed into the grid maintained a downward trend for another year (in 2024, compared to 2023, they decreased by 6.3% and 9.3%, respectively).

It is worth noting that the level of the above-mentioned indicators in 2024 indicates that the degree of concentration on the generation market was within the range of the average concentration on the generation market.

The change in the concentration index and the market share ratio of the three largest entities in the generation subsector in the years 2007−2024 is presented in the figure below

Figure 25. Concentration level in generation subsector and market shares of largest entities by volume of energy fed into the grid 2007−2024



Source: Data from the Ministry of Climate and Environment and URE.

With regard to the concentration data from recent years presented above, it should be noted that they reflect the dynamics of electricity production from fossil fuels and various renewable sources. The declines in both concentration indices are mainly driven by an increase in electricity production from small, dispersed renewable energy sources in the national energy generation mix and a gradual annual decline in production from fossil fuels.

Sales and purchase of energy in particular market segments

The structure and mechanisms of the wholesale market operation do not differ from the corresponding structures and mechanisms that have been developed in most other European countries, considered to be competitive markets. Market participants have, on equal terms, wide access to various forms of purchase and sale of electricity and access to information on the volumes and prices at which electricity is contracted and sold on the wholesale market.

The tables below present the forms of purchase and sale of electricity in the generation and trading segments in 2022−2024.

Table 10. Forms of electricity sales by generators in 2022–2024 [TWh]

Year	Trading companies	Regulated markets, including power exchange	Balancing market	Exports	Final customers	Other sales*
2022	29.7	99.9	11.2	0.0	2.8	1.5
2023**	38.7	69.1	12.0	0.0	2.1	0.2
2024	53.3	31.8	9.8	0.0	1.6	3.7

* Other sales include volumes of electricity sold to TSOs and DSOs, to small local distributors and to other customers.
** The data have been changed compared to the data in the National Report of the President of URE for 2023 due to the correction of the data by the surveyed entities.

Source: Data from the Ministry of Climate and Environment and URE.

Table 11. Forms of electricity sales by trading companies in 2022–2024 [TWh]

Year	Trading companies	Regulated markets, including power exchange	Balancing market	Exports	Final customers	Other sales*
2022	108.7	90.5	7.0	2.8	128.7	21.6
2023**	112.3	103.7	11.3	4.2	125.8	20.0
2024	135.5	69.3	8.0	2.7	125.3	23.4

* Other sales include the volumes of electricity sold to TSOs and DSOs, to small local distributors, to generation companies and to other customers.
** The data have been changed compared to the data in the National Report of the President of URE for 2023 due to the correction of data by the surveyed entities.

Source: Data from the Ministry of Climate and Environment and URE.

Purchase of energy in respective market segments

The tables below present the development of forms of electricity purchase in the generation and trading segments in 2022–2024.

Table 12. Forms of electricity purchase by generators in 2022−2024 [TWh]

Year	Trading companies	Regulated markets, including power exchange	Balancing market	Imports	Other purchase directions
2022	9.7	3.0	5.8	0.0	0.1
2023*	4.6	2.1	7.2	0.0	0.0
2024	5.1	2.0	5.0	0.0	0.0

* The data have been changed compared to the data in the National Report of the President of URE for 2023 due to the correction of data by the surveyed entities.

Source: Data from the Ministry of Climate and Environment and the URE.

Table 13. Forms of electricity purchase by trading companies in 2022−2024 [TWh]

Year	Power plants	RES installations directly	Trading companies	Regulated markets, including power exchange	Balancing market	Imports	Other purchase directions	Obliged supplier**
2022	44.1	16.1	104.1	183.2	7.6	2.7	2.8	0.2
2023*	61.3	20.6	108.1	171.1	8.8	4.0	1.7	0.2
2024	90.2	21.0	131.7	104.6	10.0	2.5	3.5	0.2

* The data have been changed compared to the data in the National Report of the President of URE for 2023 due to the correction of data by the surveyed entities.
** Obliged supplier − includes the purchase of electricity from a micro-installation other than a prosumer and from an installation other than micro-installation.

Source: Data from the Ministry of Climate and Environment and URE.

3.2.1.1. Monitoring the level of prices, the level of transparency, the level and effectiveness of market opening and competition

The prices of electricity supplied in 2024 are illustrated by three price indices published by the President of URE, that is the average annual and quarterly price of electricity sold on the competitive market and the average quarterly price of electricity sold calculated under Article 49aa para. 2 of the Energy Law Act.

Table 14. Price indices published by the President of URE

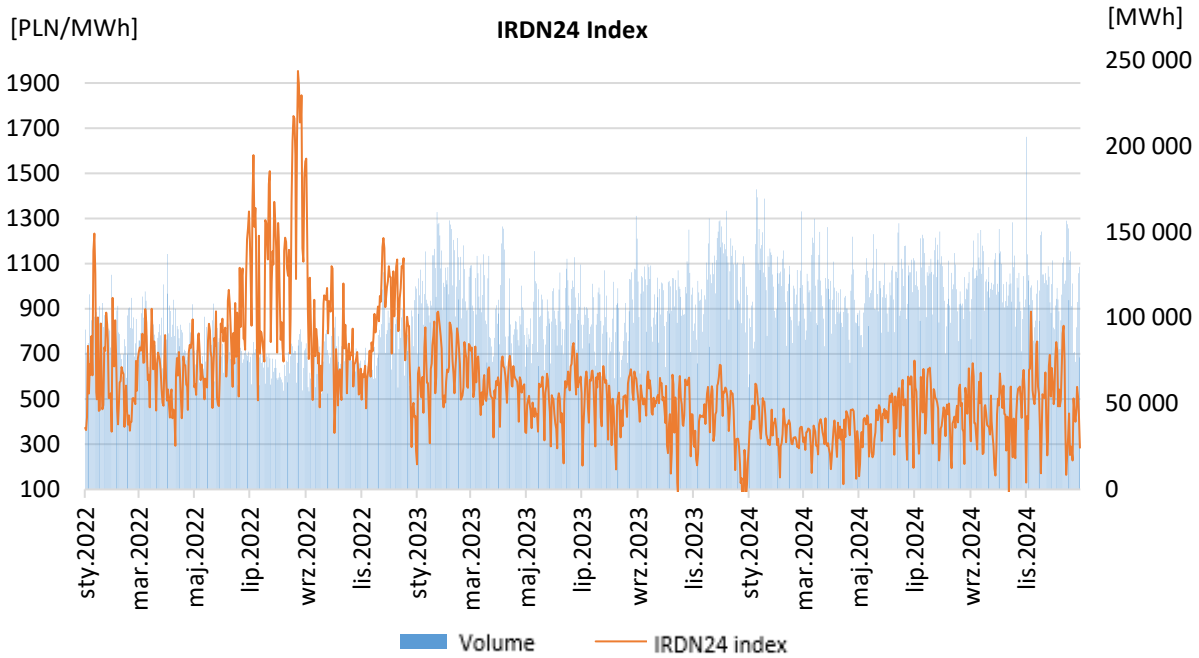
Index	Year 2024			
Price of electricity for a household consumer including the fee for the provision of electricity distribution services [PLN/kWh] *(excise duty included and VAT excluded)*	0.8280			
Average annual selling price of electricity on the competitive market [PLN/MWh]	518.81			
Average quarterly selling price of electricity on the competitive market [PLN/MWh]	I quarter 511.34	II quarter 497.89	III quarter 526.24	IV quarter 537.53
Average quarterly price of electricity calculated on the basis of information on contracts or settlement agreements concluded within groups, under which energy companies involved in electricity generation sell, buy or settle electricity [PLN/MWh]	I quarter 596.59	II quarter 570.52	III quarter 601.11	IV quarter 595.05

Source: URE based on data from TGE S.A., ARE S.A. and electricity generators.

SPOT MARKET OF TGE S.A.

The figure below presents development of electricity prices on the Day-Ahead Market (DAM) operated by TGE S.A., measured by the IRDN24 index. This index represents the arithmetic average price of all transactions, except for block contracts, on the Day-Ahead Market trading session, calculated after the delivery date for the entire 24 hours.

Figure 26. Average daily electricity prices in SPOT transactions measured by the IRDN24 index [PLN/MWh] and daily volume of electricity traded on the Day-Ahead Market (excluding block contracts) [MWh] in particular months of 2022–2024



Source: URE, on the basis of data provided by TGE S.A.

The volume-weighted average price of electricity on the Day-Ahead Market in 2024 amounted to 424.94 PLN/MWh and was lower than in 2023 by 108.67 PLN/MWh, when the price was 533.62 PLN/MWh.

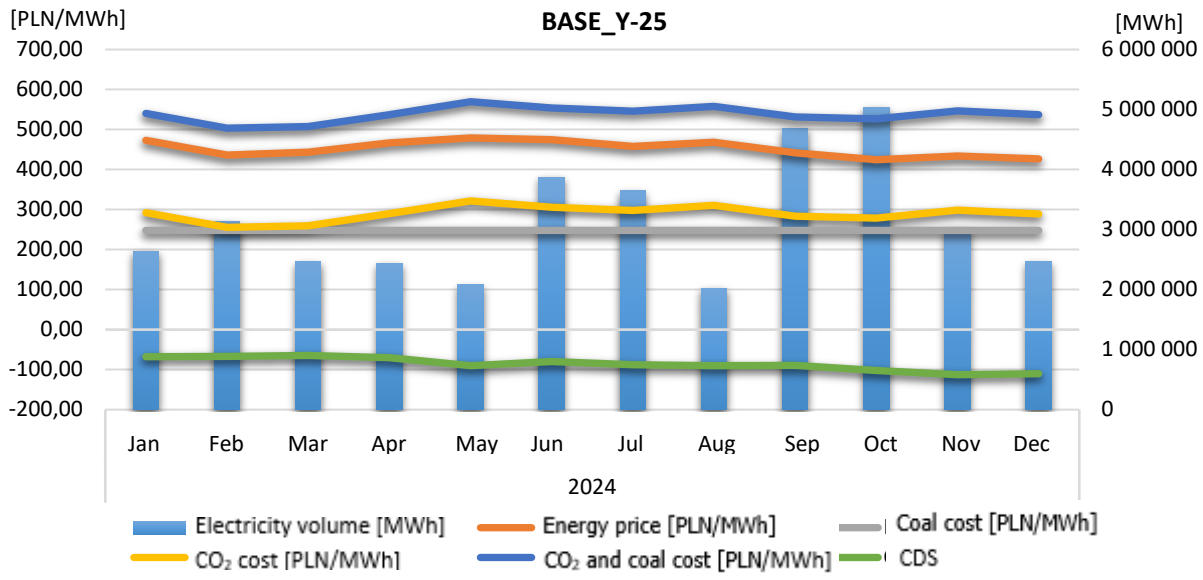
Prices on the CFIM/EFM OTF market of TGE S.A.

A decrease in electricity prices was recorded on the forward market operated by TGE S.A., which is reflected in a year-on-year decrease in the prices of BASE_Y forward contracts (a yearly contract with baseload delivery for the next year). The volume-weighted average transaction price of the BASE_Y-25 contract for the whole of 2024 was 530.00 PLN/MWh, while a year earlier it was 642.19 PLN/MWh for the corresponding BASE_Y-24 forward contracts.

At the same time, the average monthly price of BASE_Y-25 contracts concluded in December 2024 was 426.75 PLN/MWh, while the average monthly price of corresponding BASE_Y-24 contracts concluded in December 2023 amounted to 491.72 PLN/MWh. This means a decrease in the price of these contracts by 13.21%.

Within its limited resources the President of URE also performs regular monitoring of the wholesale electricity market, including in terms of components affecting the level of electricity prices, such as, among others, the prices of CO_2 emission allowances and coal prices. In particular, the level of the Clean Dark Spread (CDS) indicator was examined by the President of URE [72].

Figure 27. Average monthly CDS against average monthly electricity prices – instrument BASE_Y-25[73] quoted on TGE S.A. in 2024 [PLN/MWh]



Source: Own analysis on the basis of data of TGE S.A., ICE, ARP.

[72] **CDS = C_{EE} – (CP +C_{CO2})**, where: CDS – Clean Dark Spread index; CEE – net electricity price in PLN/MWh; CP – coal price converted into the cost of production of 1 MWh of electricity net from hard coal in PLN/MWh; C_{CO2} – CO_2 emission allowance price converted into the cost of CO_2 emission for production of 1 MWh of electricity net in PLN/MWh.

[73] One-year forward contract for the supply of electricity, due to be performed in 2025.

Wholesale energy market transparency – implementation of obligations under the REMIT Regulation

Wholesale energy market participants, in accordance with the REMIT regulations, are prohibited from manipulating or attempting to manipulate the market, as well as trading on the basis of inside information.

New competences of the President of URE

The REMIT II Regulation[74] has introduced a number of new competences and obligations for the President of URE, the detailed scope of which will be known only after their implementation into the national legislation in order to ensure the proper application of the REMIT II Regulation.

On the President of URE, like on other national regulatory authorities, a new annual reporting obligation to ACER has been imposed on PPAET arrangements, systems and procedures[75] and their effectiveness, as well as the analysis by national regulatory authorities of suspicious transactions and their response to the poor quality of reporting and non-reporting of suspicious transactions, as well as the related enforcement and sanction actions taken by them.

In addition, the amendment to the REMIT Regulation has increased the responsibilities of national regulatory authorities, including the President of URE, in the field of wholesale energy market supervision, cooperation with ACER and other national energy regulators, financial supervisors and the European Securities and Markets Authority (ESMA), competition protection authorities, tax authorities and EUROFISC, as well as other institutions at the national level.

Registration in the national register of market participants

As part of its REMIT obligations, URE registers Polish energy market participants through the Centralised European Register of Energy Market Participants (CEREMP[76]), prepared by ACER.

At the end of 2024, there were 1,107 market participants registered in CEREMP kept by URE (approximately 5.85% of all registered entities). The increase in the number of market participants registered by URE in 2024 compared to 2023 was approximately 10.92%.

Data reporting to ACER

Reporting data to ACER is preceded by the obligation to register market participants in the national register of these participants. Wholesale energy market participants report information on concluded transactions and orders[77] to trade through entities that have been granted the status of the so-called Registered Reporting Mechanism (RRM) granted by ACER[78]. At the end of 2024, three entities in Poland held the status of RRM, that is: TGE S.A., OGP Gaz-System S.A. and PSE S.A.

[74] Regulation2024/1106 of the European Parliament and of the Council of 11 April 2024 amending Regulations 1227/2011 and 2019/942 as regards improving the Union's protection against market manipulation on the wholesale energy market.

[75] PPAET – Person Professionally Arranging or Executing Transactions.

[76] https://www.acer-remit.eu/ceremp/home?nraShortName=20&lang=pl_PL

[77] The data to be transmitted are collected by ACER using the ARIS system (ACER REMIT Information System) set up for this purpose.

[78] *Registered Reporting Mechanism (RRM)* – pursuant to Article 2(16) of the REMIT Regulation, as of 7 May 2024 the Registered Reporting Mechanism means a legal person authorised pursuant to this Regulation to report or to provide the service of reporting details of transactions, including orders to trade, and fundamental data to the Agency on its own behalf or on behalf of market participants (editorial comment: subject to the provisions of Article 9a(1)(3) of the REMIT Regulation).

Publication of inside information

Under the amended REMIT Regulation, the effective compliance with the obligation to publish inside information by market participants can only take place through Inside Information Platforms (IIPs)[79].

As of 1 January 2023, wholesale energy market participants can no longer use their websites as a backup solution for the publication of inside information. In the event of an emergency, market participants must only use the back-up solutions provided by the relevant IIP, including such as the publication of inside information through another IIP[80].

Wholesale energy market participants are required to indicate in the national register of market participants CEREMP selected IIPs on which they publish the required inside information.

In 2024, the ACER list published on the REMIT PORTAL website[81], among the entities applying for the status of platforms operated by these entities as IIPs and entities whose platforms passed at least the first stage of ACER assessment, included TGE S.A., operating the Exchange Information Platform (GPI)[82] for the wholesale electricity market and OGP Gaz-System S.A., operating the wholesale gas market platform since 2019 and since 2021 also for the wholesale electricity market – the Gas Inside Information Platform (GIIP). Both TGE S.A. and OGP Gaz-System S.A. have successfully passed all stages of the ACER assessment.

Obligations of Persons Professionally Arranging Transactions or Professionally Executing Transactions (PPAET)

In the light of Article 15 of the REMIT Regulation, amended by the REMIT II Regulation, the supervision of the wholesale energy market in terms of detecting potential breaches of Article 3 (prohibition of insider trading), Article 4 (obligation to disclose inside information to the public) or Article 5 (prohibition of market manipulation) of the REMIT Regulation is carried out by two categories of entities, covered jointly by a common definition of Persons Professionally Arranging or Executing Transactions (PPAET):[83]

- Persons professionally arranging transactions (PPAT), and
- Persons professionally executing transactions (PPET).

In 2024, as in previous years, in Poland, three entities were persons professionally arranging transactions (PPAT): TGE S.A., PSE S.A. and OGP Gaz-System S.A.

In 2024, no persons professionally executing transactions (PPET) referred to in Article 15(2) of the REMIT Regulation were identified on the Polish energy market.

[79] See: Article 4(1) of the REMIT Regulation.

[80] ACER publication "REMIT Quarterly" (Issue No. 31 /Q4 2022), information entitled "Disclosure of inside information"; https://www.acer.europa.eu/sites/default/files/REMIT/REMIT%20Reports%20and%20Recommendations/REMIT%20Quarterly/REMITQuarterly_Q4_2022_1.0.pdf

[81] https://www.acer-remit.eu/portal/list-inside-platforms#

[82] The Exchange Information Platform (GPI) has been in place since 27 February 2014 and was established with the cooperation of representatives from the entire electricity sector under the patronage of the President of URE.

[83] Pursuant to Article 2(8a) of the REMIT Regulation: "person professionally arranging or executing transactions" means a person professionally engaged in the reception and transmission of orders for, or in the execution of transactions in, wholesale energy products".

A detailed concept and obligations of PPAET are described in ACER's open letter of 25 September 2024: *Open letter on the designation of representatives by non-EU market participants and on the new obligations of persons professionally arranging or executing transactions (PPAETs), according to the revised REMIT* and Chapter 9 of ACER Guidance *"ACER Guidance on the application of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency"*, 6.1st Edition, 18 December 2024.

https://www.acer.europa.eu/sites/default/files/documents/Other%20Documents/6.1st_Edition_ACER_Guidance.pdf

Notification of violations

Persons Professionally Arranging or Executing Transactions (PPAETs) are required, under Article 15(1) and (2) of the REMIT Regulation, to notify ACER and the relevant national regulatory authorities (in Poland – the President of URE) of any potential breaches of Articles 3, 4 or 5 of the REMIT Regulation, with the new PPAT obligations under Article 15(1) taking effect on 7 May 2024, and the obligations of PPET, under Article 15(2), becoming effective on 8 November 2024.

PPAETs are required to notify ACER and the relevant national regulatory authorities of these potential breaches without delay and in any event no later than four weeks from the date on which the person became aware of the occurrence of the suspected event.

In 2024, two Polish PPAT reported five cases of suspected market manipulation or attempted market manipulation by wholesale energy market participants to the President of URE.

For one notification in 2024 the President of URE submitted a notification to the prosecutor's office on suspicion of committing a crime of manipulation or attempted manipulation of the electricity market, and for the remaining four cases, they will be continued in 2025.

Table 15. Categories of entities under the REMIT Regulation

As at the end of 2024	European Union	Poland
Market participants registered with CEREMP	18 920	1 107
Registered Reporting Mechanisms (RRM)	107	3
Entities applying to ACER for IIP status and entities that have passed at least the first stage of ACER* evaluation as IIP	21	2
PPATs	no current data	3
PPETs	no data	no data

* As at the end of 2024, excluding Central Transparency Platforms.

Source: ACER website – REMIT PORTAL.

Cooperation of the President of URE with other regulatory authorities and ACER with regard to the implementation of obligations under the REMIT Regulation

In 2024, representatives of the President of URE participated in ACER working groups, as well as in bilateral meetings with other regulatory authorities. In addition to discussions on the effectiveness of wholesale energy market supervision in the context of, among others, algorithmic trading, the issues of the amendment to the REMIT Regulation, the implementation of which into national legal systems was an important aspect of regulatory work last year, were raised. The subject of the discussion during the meetings organised by ACER were also proposals for the assumptions for the amendment to the implementing regulation 1348/2014[84] and the annexes to this regulation, which was to be adopted by the European Commission by 8 May 2025.

In the context of the amendment to the REMIT Regulation, such as the remit of ACER's new powers, new obligations of market participants, in particular from third countries, as well as the new definition of wholesale energy products or the definition of an organised trading platform were discussed and commented on. The cooperation took place in the form of on-line meetings, as well as physical meetings, and through the exchange of information and opinions in electronic form.

[84] Commission Implementing Regulation (EU) No 1348/2014 of 17 December 2014 on data reporting implementing Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (EU OJ L 363/121).

Communication with participants of the wholesale energy market

The most important information related to the REMIT Regulation has been published on the URE's website[85]. Market players may also send their questions about performance of obligations arising from the above-mentioned Regulation and from secondary legislation concerning the registration of market participants in the national register to the Office to a dedicated e-mail address[86]. Employees of URE performing tasks related to the REMIT Regulation are also available by phone[87]. On the other hand, ACER runs the so-called "REMIT Portal" on its website[88], dedicated to all issues contained in the REMIT Regulation.

In 2024, ACER published updates to its guidelines and other documents on its website "REMIT Portal"[89], aligning their content with the provisions of the REMIT II Regulation and Regulation 2024/1789.

Wholesale energy market participants, as well as other entities and institutions, may report suspected violations of the REMIT Regulation through ACER's online platform (Notification Platform)[90], as well as, with the exception of PPAETs, directly to the President of URE, as referred to below.

Explanatory proceedings

As part of the wholesale energy market supervision in 2024, the President of URE analysed 16 cases related to suspected manipulation or attempted manipulation and/or unlawful use of inside information referred to in the REMIT Regulation. Three notifications were received in 2022 and continued in 2024, five cases were reported in 2023 and continued in 2024, the remaining 8 cases were reported in 2024, of which one came from a natural person, one from an entrepreneur and one from the Energy Regulatory Office. Six of the above-mentioned 16 cases were reported via ACER's online platform dedicated to reporting breaches of the provisions of the REMIT Regulation (Notification Platform), including three by a foreign PPAT and two by a Polish PPAT, which also sent the same STORs (Suspicious Transaction or Order Report) by e-mail directly to the President of URE. Nine of the above-mentioned 16 cases were reported by Polish PPATs under Article 15 of the REMIT Regulation, including five in 2024.

In 2024, the President of URE submitted two notifications to the Prosecutor's Office on suspicion of an offence of electricity market manipulation or attempted manipulation. The first of the above-mentioned notifications concerned one of the cases reported to the President of URE in 2024 by a Polish PPAT and additionally by one of the brokerage houses pursuant to Article 51a of the Act on Commodity Exchanges[91]. The second of the above-mentioned notifications was a follow-up to an investigation conducted in 2024 in a case concerning suspected market manipulation or attempted market manipulation, ordered by the President of URE pursuant to Article 23p para. 1 of the Energy Law Act and related to a case reported to the President of URE by the Polish PPAT in 2022.

The remaining cases will be continued in 2025.

In May 2024, the Prosecutor approved the decision to discontinue the investigation conducted as a result of the submission by the President of URE in September 2021 of a notification on suspicion of

[85] https://www.ure.gov.pl/pl/urzad/prawo/prawo-wspolnotowe/remit/aktualnosci-remit

[86] REMIT.rejestracja@ure.gov.pl

[87] https://www.ure.gov.pl/pl/urzad/informacje-ogolne/departamenty/9521,Departament-Monitorowania-Rynku.html?-search=421604661983

[88] https://www.acer-remit.eu/portal/home

[89] https://www.acer.europa.eu/remit-documents

[90] https://www.acer-remit.eu/np/home

[91] Pursuant to Article 51a para. 1 of the Act on Commodity Exchanges, supervised entities referred to in Article 5 para. 1, 2, 12 and 13 of the Act of 29 July 2005 on Capital Market Supervision are obliged to immediately provide the President of URE with information on any justified suspicion of market manipulation or attempted market manipulation.

committing a criminal offence specified in Article 57a[92] of the Energy Law Act. In June 2024, the President of URE filed a complaint against the above decision. By decision of November 2024, the District Court for Warsaw-Śródmieście in Warsaw – II Criminal Division upheld the appealed decision of the Prosecutor.

In 2024, one proceeding was conducted to impose a financial penalty for failure to provide the Agency with the data referred to in Article 8(1) of Regulation 1227/2011 within the time limit referred to in Article 7 of Commission Implementing Regulation (EU) No 1348/2014 − Article 56 para. 1 item 40 of the Energy Law Act, which in 2024 ended with the imposition of a financial penalty.

3.2.2. Retail market

At the end of 2024, electricity customers with a total of 19,299,212 energy consumption points (ECP) were connected to the national electricity system, of which 16,790,297 (87%) were ECP of customers purchasing energy for household consumption (data based on a DSO survey conducted by the President of URE). The remaining group of final customers are customers belonging to tariff groups A, B and C. Groups A and B consist of customers supplied from high and medium voltage grids and are the so-called industrial customers, while group C includes customers connected to the low voltage grid, consuming electricity for business purposes, the so-called business customers. Electricity customers have the right to receive electricity in an uninterrupted and reliable manner from the supplier of the energy of their choice.

In the retail electricity market, there were five large DSOs, subject to the obligation of legal unbundling, whose networks are directly connected to the transmission network (so called DSOp), and 184 undertakings designated as DSOs), to which the legal unbundling obligation did not apply and whose networks have no direct connections with the transmission network (so called DSOn). In the case of DSOn operating within the structures of vertically integrated enterprises, accounting and bookkeeping separation is required by law, as well as the obligation to separate the distribution activity conducted by the system operator from other activities not related to electricity distribution − organisational unbundling.

The supply side of the retail energy market consists of energy suppliers offering the commodity to final customers. This group includes six suppliers operating within groups, jointly with distribution system operators, but as separate legal entities. The second group consists of suppliers in entities that are also distribution system operators and the third is independent electricity suppliers − entities not related to distribution activity in Poland.

With regard to institutional customers, suppliers are not obliged to submit electricity tariffs to the President of URE for approval, while tariffs for households are approved only at the request of default supplier and with regard to those customers who choose not to change their supplier (sales under public obligation). However, default suppliers may − in addition to selling energy using the prices and rates specified in the tariff − present a market offer with a freely shaped price to all customers, including all customers in households. In the case of household customers connected to the network of the operator on whose territory the suppliers perform the tasks of a default supplier, the choice of tariff or market offer depends on the customer. In 2024, electricity prices for households remained frozen under the Act.

[92] Pursuant to Article 57a para. 1 of the Energy Law Act, in force on the date of the suspicious event, anyone who manipulates the market is subject to a fine of up to 2,500 daily rates, restriction of liberty or imprisonment from 3 months to 5 years. At the same time, pursuant to Article 57a para. 2 of the above-mentioned Act, in force on the date of the suspicious event, anyone who enters into an agreement with another person aimed at market manipulation is subject to a fine of up to 1,000 daily rates.

3.2.2.1. Monitoring the level of prices, the level of transparency, the level and effectiveness of market opening and competition

All electricity suppliers selling electricity to final customers are legally obliged to publish on their websites and make information on electricity sales and terms and conditions of their application publicly available in their premises. In case of large industrial/commercial customers, offers are usually presented individually by trading companies. Prices and other terms and conditions of the agreement are each time negotiated with the contractor and are different, depending on delivery time, volume and firmness of off-take.

Average electricity prices broken down by consumption criterion are presented in the table below.

Table 16. Number of customers, volume, value and average electricity prices applied to final customers depending on the consumption criterion

Consumption criterion	Number of customers	Volume [MWh]	Value [PLN thousand]	Average price [PLN/MWh]
< 50 MWh	18 623 729	44 408 454	23 550 225	530.31
50 – 2 000 MWh	32 991	27 882 273	17 115 797	613.86
> 2,000 MWh	959	25 225 626	13 725 300	544.10
Total	**18 657 678**	**97 516 353**	**54 391 322**	**557.77**

Source: Based on quarterly surveys from the six largest suppliers: PGE Obrót S.A., Energa Obrót S.A., ENEA S.A., E.ON Polska S.A., TAURON SPRZEDAŻ Sp. z o.o. and TAURON Sprzedaż GZE Sp. z o.o.

In 2024, compared to 2023, a further significant increase (by 0.69%) was recorded in the number of customers consuming less than 50 MWh of energy per year, including households, while the volume of energy sold in this group of customers decreased further (by 0.30%). The average sales price of energy in this group decreased from 537.35 PLN/MWh to 530.31 PLN/MWh, that is by 7 PLN/MWh (1.31%), and as a result, the value of energy sold in this group of customers decreased by 1.61%. The value of sales actually decreased in each of the groups of customers – the deepest decline (by 31.86%) was recorded in the group of the largest customers, in which the decreases in the number of customers (by 6.96%) and the volume of energy sold (by 6.07%) were combined with the most significant decrease in the average selling price (by 27.46%). The average price for all categories of customers decreased in 2024, compared to 2023, by 12.77%.

The table below presents data on electricity prices and distribution fees in the fourth quarter of 2023 and 2024 for consumers with comprehensive contracts. A decrease in energy prices in the fourth quarter of 2024 was recorded only in tariff group A (26%). In 2024, electricity prices for households remained frozen.

Table 17. Electricity prices and distribution fees applicable to consumers with comprehensive contracts

Specification	IV quarter of 2023			IV quarter of 2024		
	average selling price	including:		average selling price	including:	
		electricity fee	distribution fee		electricity fee	distribution fee
	[PLN/MWh]					
Consumers in total	**895.45**	**547.07**	**348.39**	**952.30**	**560.60**	**391.60**
of which: consumers on HV (group A)	880.34	771.17	109.17	652.60	537.20	115.40
consumers on MV (group B)	984.97	672.41	312.56	995.40	655.00	340.30
consumers on LV (group C)	1 303.55	765.12	538.43	1 333.20	747.10	586.10
consumers of group G	737.00	416.78	320.23	849.70	475.90	373.80
of which: households	757.85	426.98	330.87	871.60	486.10	385.60

Source: URE on the basis of data from the Ministry of Climate and Environment.

The average price for all groups of consumers in the fourth quarter of 2024 was above the price level of the fourth quarter of 2023 (an increase of 6.35%), with the price of energy as a commodity increasing by 2.47%, while the average quarter-on-quarter increase in the distribution fee was just over 12.4%. In the group of the largest institutional consumers taking energy from the high-voltage grid (tariff group A), a spectacular decrease in average electricity prices was recorded by 30.34%, which, even with an increase in the level of distribution fees by 7.1%, resulted in a reduction in the price of energy with supply by 25.87%. In the group of other institutional consumers, the price of energy as a commodity also decreased (by approximately 2.5%), however, the increase in distribution fees at a level slightly above 8.8% resulted in the fact that the cost of energy supply (goods with distribution services) was 1.06% higher for medium-voltage consumers (tariff group B) and by 2.47% for institutional customers receiving energy from the low-voltage grid (tariff group C). In tariff group G, including households, there was a simultaneous increase in the prices of energy as a commodity (by over 13.8%) and an increase in distribution rates by over 16.5%, which translated into an over 15% increase in the cost of energy supply in the fourth quarter of 2024, compared to the fourth quarter of 2023.

The year 2024 was characterised by quite significant changes in energy prices. The decrease in the price in tariff group A may indicate a relatively strong link between these prices and prices on the wholesale market, while the increase in the price of energy in tariff group G was caused by the increase in the frozen energy price ceiling to protect consumers against excessive price increases in the second half of 2024. The dynamics and level of prices at the end of 2024 in groups of consumers not covered by protection may be one of the reasons for the decision to abandon the application, in relation to selected groups of consumers, of special protection in the form of the application of top-down energy prices and to return to the good practice of applying tariffs approved by the President of URE in relation to activities that are an area of public law obligation (last resort supply) or a natural monopoly (distribution of electricity).

In 2024 the President of URE began monitoring the ratio of retail electricity prices for households to wholesale prices in accordance with the provisions of Article 23 para. 2 item 18b section e) of the Energy Law Act. Particular trading companies pursue different purchasing policies, so there is no universal wholesale price measure suitable for the sale of electricity to households. Since more than 90% of household consumers use contracts with a fixed or zone price, the optimal purchasing strategy of a trading company should be based to a large extent on futures contracts, which allow to secure energy supplies for a given year well in advance. Therefore, the President of URE adopted the prices of futures contracts (BASE-Y-24 and PEAK5-Y-24) as wholesale price indicators. The weighted average price of the BASE-Y-24 instrument was 663.67 PLN/MWh, and the PEAK5-Y-24 instrument was 775.19 PLN/MWh.

Due to the provisions on the “freezing” of electricity sales prices for households, the price for this group of consumers was PLN 412/MWh (within the specified consumption limits) in the first half of 2024 and PLN 500/MWh without consumption limit in the second half of the year. In the first half of 2024, the frozen price was 38% lower than the average price of the BASE-Y-24 instrument and 47% lower than the average price of the PEAK5-Y-24 instrument, while in the second half of 2024 the frozen price was lower than the price of these instruments by 25% and 35%, respectively. Based on the annual survey of trading companies, the President of URE also calculated the average price of electricity (volume-weighted) sold to households in 2024. This price amounted to 462.67 PLN/MWh and was lower by 30% than the average price of the BASE-Y-24 instrument and by 40% than the average price of the PEAK5-Y-24 instrument.

Supplier switching

The total volume of electricity supplied in 2024 to final customers on market terms, that is after using the TPA rule, amounted to 82,935,793 MWh. Compared to 2023, the volume of electricity supplied to consumers exercising the right to choose the supplier increased by more than 4.2 TWh.

The share of energy supplied to such final customers in the total volume of energy supplied increased slightly in 2024 to 55.51% from 55.39% in the previous year.

The data obtained shows that in 2024 the number of consumers ever exercising the right to choose a supplier increased by 6.8% compared to 2023, with the change in institutional customers (tariff groups A, B and C) amounting to as much as 16.78%, and in tariff group G (including households) the increase was 3.42%.

The growing number of TPA customers (cumulatively) does not indicate the increased market development last year, especially in the institutional customer segment. In order to formulate an assessment in this respect, the President of URE calculates the TPA ratio for a given year, understood as the ratio of the number of supplier switches to the total number of customers. In 2024, this indicator increased compared to the previous year and reached 0.24 (in 2023 it was 0.11), slightly exceeding the value of 2022. Despite the increase, the TPA ratio does not reach high values, the reasons for which can be found in the freezing of energy prices for households, which continues in 2024.

Data obtained in the monitoring of the President of URE (survey of the six largest suppliers) shows that in 2024, 55.51% of energy supplied to customers went to consumers exercising the right to choose the supplier. As at 31 December 2024, 62.75% of customers purchased energy based on contracts with an approved tariff, while the rest purchased energy at prices resulting from market offers.

As part of its duties, the President of URE also monitored the occurrence of restrictive contractual practices, including exclusivity clauses, which may prevent customers from concluding contracts with more than one supplier at the same time or limit their choice in this respect. In 2024, the President of URE did not receive any complaints or other signals regarding the occurrence of this type of practice.

Interventions

The President of URE monitored complaints and claims submitted to energy companies by household electricity customers. The overall number of complaints and claims decreased in 2024 compared to the previous year, but it still remains at a high level. In 2024, almost 2% of all household customers and as many as 3.85% of prosumers filed complaints. The main topic of complaints (over 40% of all consumers' reports and over 50% of prosumers' notifications) were the matters of issuing invoices and debt recovery.

Smart metering

The obligations imposed on Poland by the 3rd energy package of EU market directives, in particular those concerning the provision of all energy customers with access to information enabling them to manage their own electricity consumption in a practical manner, result in the successive installation by DSOs and electricity trading companies of modern metering and billing systems.

A smart metering and billing system is an electronic system with which energy consumption can be measured, allowing to acquire more information than with a conventional meter, and to transmit and receive data using electronic communications. These systems include energy customers' smart electricity meters, telecommunications infrastructure, a central database and a management system. Changes to the energy market in the form of smart metering implementation are expected to bring benefits such as:

- exchange of information between system users and, among others, more accurate forecasting of distributed generation,
- better management of electricity consumption,
- personalisation of offers tailored to the needs of a given customer, or the implementation of new services for final customers (e.g. billing for consumption in accordance with a dynamic tariff),
- lowering the market entry barrier for new service providers in the electricity sector.

Pursuant to Article 11x para.2 of the Energy Law Act, an ordinance was issued by the Minister of Climate and Environment of 22 March 2022 on the metering system[93], which defined, among others, the requirements to be met by electricity metering systems, metering data and other information recorded by the remote reading meter, commands received by the remote reading meter, as well as the conditions for their transmission, communication standards, etc.

According to the work schedule arising from Article 20 of the Act of 20 May 2021[94] suppliers are obliged to provide the TSO with information on metering points within 39 months from the date of entry into force of the Act − the detailed scope of information is specified in the TNC. DSOs are obliged[95] to install by 31 December 2028 remote reading meters connected to a remote reading system at energy consumption points representing at least 80% of the total number of energy consumption points of final customers, including at least 80% of the total number of energy consumption points of final customers in households, having a metering and billing system without current or voltage transformers, connected to a network with a rated voltage of no more than 1 kV, in accordance with roll-out specified in Article 11t para. 2 of the Energy Law Act. The installation of remote reading meters should take place by 31 December 2023 – at energy consumption points constituting at least 15%[96].

In view of the above, in 2024, for the first time, the President of URE carried out monitoring of the equipment with intelligent metering and billing systems in the networks of 193 DSOs, as at the end of December 2023. The President of URE verified compliance with the obligation to install remote reading meters under Article 11t para. 2 of the Energy Law Act. Pursuant to Article 56 para. 1 item 30d of the Energy Law Act[97], the President of URE initiated administrative proceedings against 22 DSOs which, in the conducted examination, showed the lack of active remote reading meters in the required amount of 15% of the number of ECP connected to the network with a rated voltage not higher than 1 kV. For 11 DSOs, the proceedings were discontinued, which was justified by the incorrect interpretation by the entrepreneurs of the provisions of Article 11t para. 1 and 2 of the Energy Law Act. As at 31 December 2023, these companies had remote reading meters that met the criteria of Article 11t para. 15 of the Energy Law Act[98] in the amount of at least 15%, as a consequence, the proceedings for imposing a fine against these companies became completely invalid. For the remaining 11 DSOs, the President of URE applied Article 56 para. 6a of the Energy Law Act, according to which a penalty may be waived if the degree of harmfulness of the act is negligible and the entity has ceased to violate the law or fulfilled its obligation. In the case of 8 DSOs, this was justified by the fact that the requirement to install 15% of remote reading meters in 2024 was met. In 2024, one of the DSOs purchased the appropriate number of meters and was in the process of installing them. Another, on the other hand, as at 31 December 2023 was waiting for the extension of the electricity distribution licence for the new area of its activity, where remote reading meters were installed. However, the vast majority of DSOs reported that in 2023 meters meeting the criteria of the Energy Law Act were not available on the market, which caused delays in their purchase and installation. Also in the case of several DSOs, the argument was the poor financial situation in 2023 resulting from external conditions, including changes in the regulations governing the energy market.

[93] Journal of Laws of 2022 item 788.

[94] That is: the wording of Article 20 of the Act of 20 May 2021 was amended by the Act of 7 July 2023 amending the Act on the Preparation and Implementation of Strategic Investments in Transmission Networks and Certain Other Acts (Journal of Laws of 2023, item 1506), the amendment did not apply to the indicated period, that is 39 months.

[95] Article 11t para. 1 of the Energy Law Act.

[96] Pursuant to Article 11t para. 2 item 1 of the Energy Law Act.

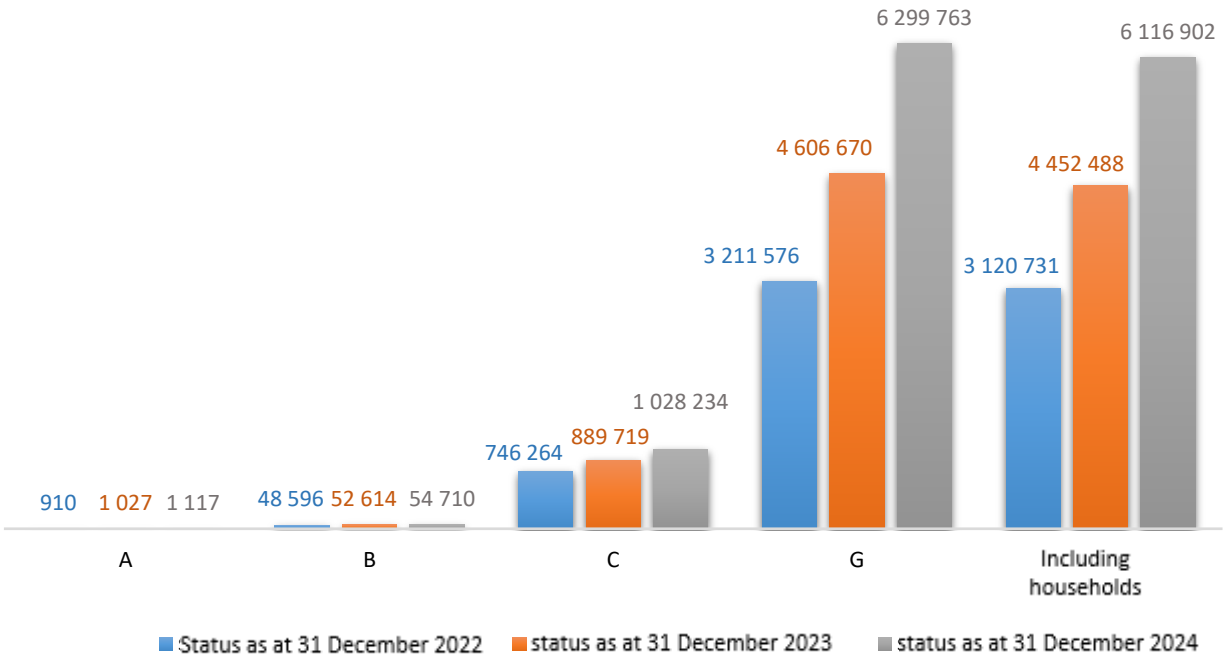
[97] A fine is imposed on anyone who, for unjustified reasons, fails to install remote reading meters in accordance with the schedule specified in Article 11t paras. 1-3 of the Energy Law Act.

[98] For the purpose of the performance by the electricity distribution system operator of the obligation to install remote reading meters (Article 11t para. 1-3), the legislator has also made it possible to include meters: (a) installed or modernised before the date of entry into force of the provisions of the Metering Ordinance and (b) installed after the date of entry into force of the provisions of the above-mentioned Ordinance, which were purchased or were subject to a tender procedure initiated before that date.

Another monitoring of the condition of the equipment with intelligent metering and billing systems as at the end of 2024 was carried out at the beginning of 2025.

The number of smart metering systems (understood as metering systems enabling automatic collection, storage and transfer of detailed data on electricity consumption) in individual tariff groups is presented as follows.

Figure 28. Number of smart meters (by tariff group) – comparison



* Data adjusted due to correction of data by operators for 2023.

Source: URE on the basis of a survey.

The indicated figures apply to all remote reading meters (RRMs), regardless of whether they meet the stricter standards set by the Metering System Ordinance.

Table 18. Results of the study – the state of equipment of consumers with remote reading meters by tariff groups – comparison as at 31 December 2023 vs as at 31 December 2024.

Tariff group	DSO TOTAL							
	number of ECPs			number of ECPs with RRMs				
	2023	2024	2024 vs 2023	2023	2024	2024 vs 2023	% RRMs 2023	% RRMs 2024
A	1 032	1 118	108%	1 027	1 117	109%	99.52%	99.91%
B	53 016	55 422	104%	52 614	54 710	104%	99.24%	98.72%
C	1 615 787	1 621 171	100%	889 719	1 028 234	116%	55.06%	63.43%
G	17 390 151	17 621 501	101%	4 606 670	6 299 763	137%	26.49%	35.75%
including households	16 510 389	16 790 297	102%	4 452 488	6 116 902	137%	26.97%	36.43%
Total	**19 059 986**	**19 299 212**	**101%**	**5 550 030***	**7 383 824**	**133%**	**29.12%***	**38.26%**

* Data adjusted due to the correction of data by operators for 2023.

Source: URE based on a survey of operators.

Table 19. Survey results – status of consumers' equipment with remote reading meters by tariff group, broken down into meters meeting the minimum requirements of the Ordinance* and meters meeting the requirements of the Energy Law Act**, comparison as at 31 December 2023 vs. as at 31 December 2024.

Tariff group	DSO TOTAL			
	Number of RRMs meeting requirements of the Ordinance*		Number of RRMs meeting requirements of the Energy Law Act**	
	2023	2024	2023	2024
A	20.74%	26.74%	78.78%	73.17%
B	0.80%	5.04%	98.44%	93.68%
C	17.92%	26.32%	37.14%	37.11%
G	12.43%	20.33%	14.06%	15.43%
including households	12.45%	20.74%	14.52%	15.69%
Total C and G	12.82%	20.83%	16.02%	17.25%
TOTAL	**12.87%**	**20.79%**	**16.25%**	**17.47%**

* Meters that meet at least the minimum technical and functional requirements and the minimum requirements for electricity supply quality indicators as laid down in Appendices 1 and 3 of the Metering System Ordinance, respectively.

** This includes meters (a) installed or upgraded by the date of entry into force of the provisions of the aforementioned Metering Ordinance and (b) installed after the date of entry into force of the provisions of the aforementioned Ordinance, which were purchased or covered by a tender procedure initiated before that date.

Source: URE based on a survey of operators. The analysis of the survey shows that in 2024 companies fulfilled the obligation to install remote reading meters in 38%, that is by 9% more than in 2023.

In total, the percentage of smart metering systems in relation to the total number of these devices in all consumer groups was slightly over 38% at the end of 2024, with consumers in tariff groups A and B being almost 100% equipped with remote reading meters. However, meeting the technical standards increased in 2022 will remain a challenge.

Prepayment meters

With a prepaid metering and billing system, the supply of electricity is started after a portion of the energy has been paid in advance. The customer (usually a household) decides on the use of electricity and also pays a fixed charge, regardless of whether electricity is consumed by the customer. An application for the installation of a prepayment metering system can be made by a vulnerable energy consumer and the operator is then obliged to install such a meter at its own expense. Such an application may also be submitted by other household electricity customers, but in such a case it is the consumer who is obliged to cover the cost of its installation. In addition, a prepayment meter can be installed at the initiative of the energy company in a situation where the consumer: has been in default of payment for electricity consumed or services rendered for a period of at least one month within 12 consecutive months, does not have a legal title to the property, facility or premises to which the electricity is supplied and where the consumer uses the property, facility or premises in a manner which makes it impossible to regularly check the status of the metering and billing system. In such a case, the costs of installing a prepayment metering system shall also be borne by the operator, and if the consumer does not agree to the installation of a prepayment meter, the DSO may suspend the supply of electricity or terminate the contract.

Furthermore, the installation of a prepaid metering and billing system at the operator's expense is possible in a situation where the consumer applies for the initiation of proceedings before the Negotiation Coordinator acting at the President of URE in respect of the consideration of a dispute concerning the supply of electricity or applies for resolution by the President of URE of a dispute that is within the competence of that body. According to data from a one-off annual survey, at the end of 2024,

156,729 prepayment meters were installed in the Polish power system, of which 152,510 were installed at household consumers.

Suspension of energy supply

In 2024, electricity supply to 180,794 customers (taking into account the number of ECPs) was suspended, which is 0.94% of the total number of ECPs. The number of supply suspensions was 0.09 percentage points lower than in 2023. About 73.4% of energy supply suspensions concerned household customers, an increase of 3.1 percentage points compared to 2023.

The cause of almost all these events (96.0% in total, and 95.93% in the group of households) was the lack of timely payment for the electricity consumed. According to the regulations adopted in 2022, an energy company whose customer (only households) is in arrears with payment for services, informs the customer about available alternative solutions, such as prepayments, energy audit, electricity advisory services or debt management, before suspending supplies.

Ensuring access to data on energy consumption by customers

Pursuant to the provisions of the Energy Law Act, electricity suppliers are obliged to inform their customers about the amount of electricity consumed by these customers in the previous year and about the place where information about the average consumption of electricity for a given tariff group which these customers used is available, as well as about energy efficiency improvement measures and energy-efficient technical equipment.

In addition, an energy company providing an energy distribution service or an energy supplier which provides a comprehensive service, when issuing an invoice to the customer, should provide information on, among others, the following, in a billing attached to the invoice:

- the volume of electricity consumption in the settlement period on the basis of which the amount due was calculated,
- the method of reading the metering and billing system, whether it was a physical or remote reading made by an authorised representative of the energy company or a reading made and reported by the customer,
- the method of determining the volume of electricity consumption in a situation where the settlement period is longer than a month and when the first or last day of the settlement period does not coincide with the dates of readings of the metering and billing system, or when during the settlement period there has been a change in prices or fee rates, or about the place where this information is available,
- permissible time of interruptions in the supply of electricity.

In addition, the energy company provides free of charge information on the principles of settlements, current tariffs and provides the customer with the possibility of access to information on settlements made in electronic form, as well as to electronic invoices.

Support for a vulnerable consumer

In Poland, the vulnerable consumer protection system is linked to the social welfare system. The financial support system provides for payment of energy allowances by municipalities to vulnerable consumers who were granted housing allowance (electricity consumers) or a lump sum for the purchase of fuel (gaseous fuels consumers) and who are, respectively, a party to a comprehensive contract or contract on supply of electricity or gaseous fuels, and reside in the place of supplying this energy or fuels.

Compliance Programmes

The President of URE approves the programmes which specify the undertakings launched to ensure non-discriminatory treatment of distribution system users (Compliance Programmes) of the obliged distribution system operators, and monitors the correct implementation of the provisions of these programmes. The compliance officer is responsible for the implementation of the Compliance Programme in a given distribution company. Compliance officers are required to send, each year by 31 March, reports describing the actions taken in the previous year to implement the Compliance Programmes[99]. Based on the analysis of the content of reports, letters received by the office, changing regulations and actual changes within the energy market, in 2019 the President of URE developed and published new *Guidelines for the content of Compliance Programmes developed by distribution system operators and the storage system operator (hereinafter: the Guidelines).*

At the end of 2024, five distribution system operators implemented the Compliance Programmes in the version adapted to the content of the Guidelines. In July 2024 the President of URE issued a decision approving the Compliance Programme for the sixth distribution system operator, which became obliged to have such a Programme as a result of organisational and ownership changes within the group. The effective date of this Programme is set for 1 January 2025. Interestingly, in the case of this entrepreneur, which is an operator of both electricity and gas distribution systems, the provisions of the Compliance Programme covered both of these areas at the same time.

Distribution system operators fulfilled the obligation to publish Compliance Programmes on their websites.

Reports on the implementation of the Compliance Programmes for 2024 were submitted by the statutory deadline by the end of March 2025 and were published on the URE's website.

In 2024, within all operators, training for newly hired employees was carried out, within a maximum of 30 days from the date of employment. Trained employees submitted declarations of reviewing the provisions of the Compliance Programme and commitment to apply them. In the case of DSOs whose Compliance Programme has been adapted to the content of the Guidelines, all employees were trained during 2024. Training in the field of the Compliance Programmes was also provided to all or selected employees of some service providers whose scope of tasks poses a risk of violating the principle of equal treatment of system users (e.g. metering services or customer service). Service providers in key areas from the point of view of compliance, in some cases, have undertaken to apply the Compliance Programme in force at the DSO.

In the opinion of compliance officers, they have the conditions to act independently. In 2024, there was a personnel change in the position of the compliance officer in one DSO, in connection with the professional promotion of the previous officer. The compliance officers also believe that there is a growing awareness of the importance of equal treatment of system users and knowledge of the provisions of the Compliance Programmes among employees and members of the management boards of individual companies. The correctness of this assessment can be evidenced by the growing number of reports of suspected violations of the provisions of the Compliance Programme by persons from inside DSO companies. Such cases help to detect irregularities early and prevent them or reduce their effects in the event that the event itself could no longer be prevented.

In the reports on the implementation of the Compliance Programmes for 2024, the compliance officers did not indicate any cases of violation of the provisions of the Compliance Programme. Some of the events described by the compliance officers and raising doubts of the President of URE are the subject of further explanations.

In 2024, URE did not record any complaints regarding the implementation or violation of the rules of the Compliance Programmes.

[99] Pursuant to Article 9d para. 5a of the Energy Law Act.

Availability of a price comparison tool

The President of URE has a statutory obligation to run a comparison tool of energy sales offers for household electricity customers and micro-entrepreneurs with an expected annual consumption below 100,000 kWh. At the same time, in order to keep the data on offers up-to-date, suppliers are obliged to provide the President of URE with information on each change in the energy sales offer or its withdrawal, as well as on the introduction of a new offer, within seven days before the planned introduction of the change in the offer (new offer), as well as each time at the request of the President of URE, within the time limit indicated in the request, but not shorter than seven days from the date of its delivery.

In 2024 the President of URE made available on the Office's website a tool for comparing electricity sales offers in the form of an Excel sheet which presents in detail the offers available on the market with fixed and zone prices, as well as free market offers with fixed prices, indexed prices and offers with a dynamic price. Users have been provided with an option to search and sort offers according to all relevant criteria, e.g. the name of the supplier, the type of offer, the area and duration of the offer, energy prices, the notice period of the contract or the amount of penalties for its early termination. With respect to dynamic price offers, the tool allows you to compare the algorithm for creating the price and some fixed elements of the offer (e.g. whether or not the price cap is applied). At the same time, the President of URE continued to work on a more technologically advanced comparison tool.

Compared to the end of the previous year, the number of suppliers presenting their offers to households in the comparison tool increased significantly (in December 2023, only 10 suppliers presented their offers, while in 2024 the most common offer – with a fixed price – was posted in the comparison tool by 58 suppliers (366 offers) for households and by 128 suppliers (388 offers) for micro-entrepreneurs.

In the case of offers with a dynamic price (9 offers for households and 27 offers for micro-enterprises), the comparison tool presents algorithms for creating the price and information about fixed components and their amount (e.g. fixed fees, margin amount).

3.2.2.2. Consumer protection and dispute settlement

Dispute settlement

Pursuant to Article 8 of the Energy Law Act, the President of URE, upon a request of a party to the dispute, resolves disputes concerning:

- refusal to conclude:
  - grid connection contracts, including those related to increasing the connection capacity;
  - comprehensive contracts;
  - electricity sale contracts;
  - contracts for the provision of energy transmission or distribution services,
- unjustified suspension of energy supply,
- refusal to connect in the first place a renewable energy source installation or charging infrastructure for road public transport, or a public charging station,
- refusal to connect micro-installations,
- failure to connect a micro-installation despite the expiry of the deadline referred to in Article 7 para. $8d^7$ item 2 of the Energy Law Act,
- unjustified restriction of operation or disconnection of a micro-installation from the network,
- refusal to amend the contract for connection of a renewable energy source installation to the grid, as regards the date of supply of electricity generated in this installation to the grid for the first time.

In 2024, 1,577 applications for consideration of a dispute in the field of electricity were processed in the Energy Regulatory Office. Applications for refusal to connect to the power grid (mainly renewable energy sources – 1,244 applications) and unjustified suspension of electricity supply (43 applications) were dominant.

In addition, in 2024, cases were also resolved to settle a dispute regarding the refusal to conclude a comprehensive contract, and thus to shape its content by the President of URE by way of an administrative decision, on the refusal to conclude a sales contract and on the refusal to conclude a contract for the provision of transmission or distribution services. In addition, several disputes were considered regarding the refusal to conclude a General Distribution Contract (the so-called GDC), namely a contract for the provision of electricity distribution services, concluded between a distribution system operator and an electricity supplier for the purpose of performing an electricity sale contract concluded between a supplier and a customer connected to the network of that operator. During the reporting period, applications were also considered in disputes regarding the refusal to connect the energy storage facility to the power grid.

Among the regulator's competences is also the considering of disputes regarding the refusal to connect micro-installations to the power grid. The problems with connecting micro-installations to the grid recorded in the reporting year related to technical aspects, such as: lack of readiness of consumers' equipment to be connected to the grid, failure to meet the technical conditions under the contract in the case of higher capacity of micro-installations in relation to the connection capacity of the customer's facility, refusal by the customer to include the combined capacity of the energy storage facility and the capacity of the micro-installation in the application for connection of the micro-installation. In 2024, two applications were considered for refusal to conclude a contract for connection of micro-installations to the power grid. In one case, a decision was issued on the lack of obligation to connect the micro-installation to the power grid, and in the other – a decision on refusal to initiate proceedings.

For the most part, decisions were issued to resolve the substance of the dispute. Some of the litigation proceedings in 2024 were concluded with decisions to discontinue the proceedings. In some cases, the reason for the discontinuation was the parties' agreement after initiating proceedings before the President of URE. In addition, in some of the disputes referred to the Energy Regulatory Office, applications were returned or left unexamined due to the applicants' failure to supplement formal deficiencies.

Other entities assisting customers in resolving disputes with energy companies

Since May 2017, the Coordinator for Negotiations has been operating with the President of URE. The Coordinator's tasks include conducting proceedings on out of court resolution of disputes between consumers of gaseous fuels, electricity or heat in households and energy undertakings, aggregator or citizen energy communities or between renewable energy prosumers, collective prosumers of renewable energy, active customers that are consumers, and energy undertakings, aggregator or citizen energy communities, arisen under the following contracts:

1) on connection to the electricity, gas or heat network, including connection of micro-installations,
2) on the provision of electricity or natural gas transmission or distribution services,
3) on the provision of heat transmission and distribution services,
4) on sales,
5) comprehensive contracts,
6) aggregation contracts,
7) on the provision of electricity storage services.

In addition, there are Municipal and District Consumer Ombudsmen in Poland, to whom customers can complain in individual cases, including the energy-related cases. The competences of Customer

Ombudsmen comprise, among others, providing free of charge consumer advice and legal advice on the protection of consumer interests, bringing proceedings for the consumers and joining the ongoing proceedings on the protection of consumer interests upon the consumer consent.

Protection of legitimate interests of consumers

The President of URE consistently responds to irregularities reported by consumers, however, not all complaints reported by consumers fall within the remit of the President of URE, such as cases concerning:

- the process of concluding contracts, in particular the provision of unreliable information about the offer, including fees, terms of the contract and related unfair practices,
- the use by energy companies of provisions in contracts with customers concerning the calculation of fees for termination of the contract before the expiry of the period for which the contract was concluded and the collection of these fees,
- information on leaflets delivered to customers regarding the possibility of conducting a free audit of the property for the assembly of, among others, photovoltaic installation, energy storage facility, heat pump.

Therefore, in order to minimise such practices signalled by consumers and bearing in mind the provisions of Article 23 para. 2 item 14 of the Energy Law Act, the President of URE, as part of its cooperation with the President of the UOKiK, forwarded consumers' letters concerning the above-mentioned topics to UOKiK.

At the same time, the President of URE cooperated with the Consumer Ombudsmen, each time providing detailed explanations in connection with questions addressed (mainly by telephone) to URE.

In addition, the President of URE also undertakes remedial measures aimed at preventing the occurrence of similar problems in the future by, among others, raising consumer awareness – in this respect, the main role is played by the Energy and Gaseous Fuel Customers' Information Point operating at URE, whose competences include supporting consumers, mainly by providing telephone and written information on their rights, but also on their obligations in relations with energy companies.

The provisions of the broadly understood energy law rarely differentiate between gaseous fuels and energy consumers, distinguishing household consumers from among them. An important distinction in this respect exists in the provisions of the Energy Law Act concerning the suspension of gaseous fuels and energy supplies (Article 6b para. 1 et seq. of the Energy Law Act).

The protection of the legitimate interests of household customers was pursued, among others, by providing consumers at risk of having their gaseous fuels or electricity supply suspended with information regarding their rights under the Energy Law Act. These explanations were provided both in written complaint proceedings as well as at meetings with consumers and by telephone. *Ad hoc* interventions were also undertaken with energy companies to establish the facts of the case, to settle the matter amicably, to enforce the companies' compliance with the procedures in force before the supply of gaseous fuels and energy was suspended, or to bring the positions of the parties closer together in order to avoid suspension or to achieve a rapid resumption of supply. In situations where the supply of electricity was suspended, dispute resolution proceedings were conducted to resolve the dispute, upon request.

Handling of complaints

Complaints against energy companies reported to URE by household consumers are processed by individual organisational units of URE. The range of issues raised by consumers in 2024 was very wide

and the complaints were often multithreaded. The President of URE took actions to explain issues raised in complaints which concerned, among others, areas such as:

- connection to the grid: consumers' complaints in this category mainly concerned the performance of the grid connection contracts,
- metering: consumers reported problems with the operation of measuring and billing systems, which directly affected the settlements and amounts due on invoices,
- quality of supply: consumers complained about the failure to meet quality parameters; a majority of these complaints were filed by prosumers who complained about the incorrect value of the voltage in the grid and related problems with the operation of the PV micro-installations,
- unfair commercial practices: consumers reported the actions of electricity suppliers, these reports concerned misleading contracting,
- contracts and sales: complaints reported by consumers in this category mainly concerned the performance of contracts, amendments to contracts, problems with contract termination and penalty charges. Consumers also reported irregularities related to the contracting process, in particular the problem of consumer service agents (salespeople) failing to provide the consumer with full information on the costs involved and additional services included in a contract when making an offer,
- starting supply or resumption of supply after interruption: the complaints filed by consumers in this category mainly concerned resumption of supply after interruption and the fee for resumption of supply,
- suspension of supplies due to non- or late payment: in this category, consumers complained about the companies' failure to comply with the procedure of suspension of supply, in particular the failure to inform the household consumer of their intention to suspend supply.
- invoices/bills issued and debt recovery: consumers reported problems related to the ambiguous content of invoices, correctness of settlement and basis for invoice adjustment,
- price/tariff: consumers complained about wrong tariff group qualification and complained about utility prices and rates, a significant number of complaints in this category concerned ambiguities around the interpretation and application of statutory instruments affecting prices and tariffs for electricity, gaseous fuels and heat in 2024 and their changes,
- compensation: consumers asked for help in getting compensation from energy companies,
- supplier switching: consumers complained about problems with the entry into force of the new contract after the switching of supplier and timeliness of settlements with the old supplier,
- customer service: in this category, complaints most often concerned the timeliness of response to complaints, delay in the execution of orders and instructions submitted by consumers or problems with establishing telephone contact with the energy company (complaints made by phone),
- microgeneration/prosumption: the notifications from prosumers mainly concerned problems related to grid connection, contract conclusion and settlement. Consumers holding microinstallations also reported problems with electricity parameters.

Table 20. Complaints against energy companies (suppliers and distribution system operators) submitted to the Energy Regulatory Office by household consumers

Type of complaint	Electricity	Gas
Grid connection	338	181
Metering	190	30
Quality of supply	478	20
Unfair commercial practices	29	0
Contracts and sales	544	54
Starting supply or resumption of supply after interruption	31	1
Suspension of supplies due to non- or late payment	111	19
Invoicing/billing and debt recovery	1 506	234
Price/tariff	347	72
Compensation	68	0

Type of complaint	Electricity	Gas
Supplier switching	26	10
Customer service	349	29
Microgeneration/prosumption	716	
Other	111	20

Source: URE.

Obstacles and constraints to developing the consumption of self-generated electricity and citizen energy communities

The most significant area of the energy market where self-consumption of electricity generated from renewable energy sources occurs is the prosumer energy sector[100]. Over the years 2018–2024, the total installed capacity of prosumer installations increased from 0.35 GW to over 12.7 GW, while the number of prosumers increased in this period from 51 thousand to over 1,500 thousand.

It should be noted that as early as in 2022, there was a significant change in the way electricity generated by prosumers is settled. Previously, the electricity produced from a photovoltaic installation was billed through its so-called balancing with the electricity consumed during the settlement period (net-metering) and the surplus energy produced could be billed within 12 months. In the net-metering system, the electricity grid acted as a kind of energy storage. Prosumers who reported connecting their micro-installation after 31 March 2022 were still billed under the old rules for a transitional period of three months. As of 1 July 2022, these prosumers have been subject to a new system, the net-billing, which consists in billing the surplus energy fed into the grid according to the average market price of energy from the previous calendar month and, as of 1 July 2024, using dynamic tariffs, that is, hourly prices. An important feature of the new billing system applied to prosumer energy is the increased role of self-consumption of generated electricity.

It should also be mentioned that in 2023, a new possibility of billing was introduced for renewable energy prosumers generating energy for the common parts of a multi-apartment building (e.g. housing communities, housing cooperatives). The solution that had been developed − the institution of the 'tenant prosumer' – which entered into force on 2 July 2025, will enable the reduction of property maintenance costs and extends the existing possibilities based on the institutions of the collective prosumer and the virtual prosumer.

In 2024 by way of an amendment to the Renewable Energy Sources Act, further modifications were introduced to improve prosumer settlements in the net-billing system.

As a result of the rapid development of prosumer energy in recent years, a number of phenomena have occurred due to difficulties in the area of micro-installation capacity integration in the national electricity system. The current situation is caused by insufficient symmetry in the assessment of the development potential of prosumer installations in relation to the solutions introduced into the national legal order, which has consequently given rise to the need to amend the prosumer energy regulations, significantly modifying the nature of this instrument. The underlying issue is the possibility of increasing the flexibility of the electricity system and improving functionality in terms of control, network management, as well as the automation of processes related to the operation of electricity networks.

The provisions of the Renewable Energy Sources Act also contain a definition of an energy cluster, understood as a civil law agreement covering entities of different legal and organisational status, such as: natural persons, legal persons, universities, scientific and research institutes, local government

[100] Prosumer – a final customer producing electricity exclusively from renewable energy sources for their own use in a micro-installation (a RES installation with a total installed capacity of no more than 50 kW), provided that, in the case of a final customer that is not a household customer of electricity, this does not constitute the object of their main economic activity.

units, concerning the generation and balancing of demand, distribution or trading of energy from renewable energy sources or from other sources or fuels, in a limited area of operation. This type of cooperation in the area of distributed energy is becoming more and more recognised, contributing to its development at the local level. In 2023, regulations were adopted clarifying, among others, the definition of an energy cluster, the principles of business cooperation within energy clusters, the subjective and objective scope of an energy cluster and the area of operation of an energy cluster. The current regulations also provide for special administrative and legal improvements and a dedicated support system that will be available to entities entered in the new register of energy clusters kept as of 1 January 2024 by the President of URE. The regulation also assumes close cooperation between energy clusters and distribution network operators, the purpose of which is to relieve the burden on the national electricity system[101].

In 2023, the following institutions were introduced into the national legal system by way of an amendment to the Energy Law Act: the citizen energy community and the active customer.

Citizen energy communities are entities with legal capacity, whose activities are based on voluntary and open participation and in which decision-making and control powers are vested in members, shareholders or partners who are only natural persons, local government units, micro-enterprises or small enterprises. The main objective of the citizen energy community is to provide environmental, economic or social benefits for their members, shareholders, partners or areas in which the Community will operate.

The Act regulates the rights and obligations of such entities. The object of the citizen energy community's activities may be the generation, distribution, sale, consumption, aggregation or storage of energy, as well as the provision of energy efficiency services, electric vehicle charging or other energy services to its members or shareholders. At the same time, a customer who joins the citizen energy community retains full consumer rights.

The purpose of the creation of a legal framework for the operation of citizen energy communities is to enable final customers of electricity to directly participate in the generation and sharing of electricity with other customers. The aim of this solution is to provide community members with affordable electricity and increase energy efficiency at the household level, by reducing electricity consumption and reducing the price of its supply.

Starting a business activity by the citizen energy community requires an entry in the list kept by the President of URE. According to the new regulations, they can operate as of August 2024.

On the other hand, an active customer is a final customer who, acting individually or in a group, consumes energy generated on its own or stores it, or possibly sells it. An active customer may also be an entity implementing projects aimed at improving energy efficiency, providing system services or flexibility services, provided that the above activities are not the subject of its core business. An active customer may act independently or through an aggregator, or has the right to entrust the management of the customer's installation to another entity.

The development of distributed energy, including prosumer energy, is completely changing the nature of the distribution sector. So far, the activities of distribution system operators have been focused mainly on ensuring the reliability of energy supply, that is, primarily on technical aspects. EU law, however, creates a new regulatory environment that positions DSOs in the role of market facilitator and their efficiency will largely determine the continued functioning of the market. This also applies to new initiatives, such as the above-mentioned citizen energy communities or aggregators offering services to reduce electricity consumption by consumers. Distribution companies should

[101] As at the end of 2024, six energy clusters were entered into the register of energy clusters maintained by the President of URE.

support the development of all forms of communities, societies and clusters, as only a well-managed citizen energy industry will be able to support the national electricity system.

This is undoubtedly a major challenge for the sector – both technically, in terms of investment and organisation. It is therefore necessary to create system solutions that will ensure that the connection of sources to the grid and the feed-in of energy is not limited by technical or commercial barriers. Market integration should include renewable energy generators, new energy service providers, energy storage and flexible off-take. Flexibility services will also play an increasingly important role, which, if designed in the right way, will allow both consumers and new market actors, including flexumers (generators providing flexibility services to the distribution grid through e.g. energy storage) to participate in the energy transition.

In conclusion, it should be indicated that the identification and analysis of barriers to the development of distributed energy, covering also the citizen energy sector, including prosumer energy, allows to distinguish four main areas of occurrence of these barriers:

1) barriers in the economic and financial area:
   - monopolistic position of power grid owners and the lack of regulations imposing the obligation on DSOs to cooperate in the creation of energy communities;
   - high cost of stabilisation of the power system containing RES installations, caused by the lack of regulations supporting local balancing solutions,
2) barriers in the legislative and regulatory area:
   - not fully implemented legal regulations on distributed energy, and the applicable legal regulations do not fully respond to the needs of stakeholders or raise interpretation doubts;
   - complicated and lengthy procedures related to the preparation and implementation of the investment process in the RES sector;
   - lack of regulations that sufficiently motivate the energy transition based on broadly understood citizen energy and the introduction of regulations that do not translate into actual business models;
   - investor uncertainty due to regulatory instability;
3) barriers in the socio-cultural area:
   - lack of widespread knowledge and education in the field of energy management and modern technical solutions;
   - limited local organisational capital (e.g. insufficient specialist know-how in the field of distributed energy at the level of local government units, personnel shortages);
   - unawareness of technical and economic benefits resulting from the use of RES installations or collective activities in the field of energy management,
4) barriers in the technical and technological area:
   - unsatisfactory technical condition of the energy infrastructure (in particular distribution networks), requiring significant expenditure on modernisation;
   - insufficient level of monitoring of the condition and operation of power grids, lack of real-time energy balancing, too long data aggregation interval;
   - insufficient level of grid controllability, low level of solutions increasing grid flexibility (e.g. smart grid solutions), including systems increasing the possibility of connecting new sources and improving the quality of energy supply.

These barriers should first be eliminated in the process of creating legal regulations aimed at promoting the use of electricity generated by its consumers.

4. NATURAL GAS MARKET

4.1. Network regulation

4.1.1. Network and LNG tariffs for connection and access

Gas enterprises with licences for the transmission, distribution, storage of gaseous fuels, natural gas liquefaction or regasification of liquefied natural gas conduct the above-mentioned activities based on tariffs approved by the President of URE.

A prerequisite for the approval of the tariff is its compliance with the provisions of the Energy Law Act and the executive acts to this Act, including in particular the Ordinance on the Detailed Rules for Shaping and Calculation of Tariffs and Settlements in the Gas Fuel Trade, as well as the TAR NC (in the case of transmission tariffs). In the tariff approval administrative proceedings, the President of URE thoroughly analyses the costs which form the basis for calculating the rates of fees, ensuring that there are no cross-subsidies between the licensed and non-licensed activities and between the various types of licensed activities. The basis for the assessment of costs accepted for the calculation of tariffs are the data included in the financial statements. Due to the structure of the Polish gas sector, comparative analyses are used to a limited extent. Tariffs approved by the President of URE are published in the URE Bulletin within 14 days of the date of approval. Except for tariffs regarding transmission of gaseous fuels, to which the TAR NC applies, gas companies introduce tariffs for application not earlier than after 14 days and not later than 45 days of the date of their publication, while energy companies engaged in the transmission of gaseous fuels introduce the tariff for application within the deadline set by the President of URE in the decision to approve the tariff, not earlier than 14 days after its publication in the URE Bulletin. Tariffs for transmission of gaseous fuels are published not later than 30 days before the annual procedure of annual capacity auction.

The decision of the President of URE approving or refusing to approve the company's tariff may be appealed from to the District Court in Warsaw − the Competition and Consumer Protection Court, via the President of URE, within two weeks of the date of its delivery. Enterprises dealing with the transmission or distribution of gaseous fuels are required to conclude an agreement for connection to their network with entities applying for connection on a non-discrimination basis, if there are technical and economic conditions for connection and delivery of these fuels, and the contracting party meets the conditions of connection to network and of off-take.

A fee is charged for connection to the gas transmission network in the amount corresponding to the actual expenses incurred for the implementation of the connection.

Entities whose devices, installations and networks are connected to distribution networks (low, medium, higher and high-pressure), pay a fee determined on the basis of rates calculated by the distribution network operators and contained in their tariffs approved by the President of URE. These rates shall be calculated on the basis of ¼ of the annual average investment expenditure for the construction of the sections serving to connect these entities, as defined in the development plan drawn up by the distribution system operator. In the case of connecting sources cooperating with the grid and the networks of energy companies involved in the transmission or distribution of gaseous fuels, a fee is charged based on the actual expenditure incurred for the implementation of the connection.

Key energy infrastructure companies in the gas sector include:

– OGP Gaz-System S.A. with its registered office in Warsaw, acting as the operator of:
  - the transmission system on its own network and the network of gas pipelines belonging to SGT EuRoPol Gaz S.A.;
  - the operator of the natural gas liquefaction and liquefied natural gas (LNG) regasification system,
– PSG Sp. z o.o. with its registered office in Tarnów – distribution system operator,
– Gas Storage Poland Sp. z o.o. with its registered office in Dębogórze – storage system operator.

OGP Gaz-System S.A. – tariff for the transmission of gaseous fuels through the company's own network

In 2024, the TSO's own network was subject to the Gas Transmission Tariff No. 17 of OGP Gaz-System S.A., approved by the President of URE by the decision of 2 June 2023 for the period from 6:00 a.m. on 1 January 2024 to 6:00 a.m. on 1 January 2025[102], as amended by decision of 13 December 2023[103].

The basic assumptions for Tariff No. 17 are:

– the division of revenue into entry and exit points corresponds to the proportion of 45/55,
– rates of charges for transmission services have been set at the entry and exit points for:
  - high-methane natural gas (Group E) and
  - nitrogenous natural gas (group L, subgroup Lw),
– discount on entry from the liquefied natural gas regasification installation – 100%,
– discount on entries from storage facilities and on exits to these installations – 80%,
– for interruptible products, an ex-ante discount:
  - 6% on interconnections with EU countries and third countries;
  - 2% on interconnections;
  - 80% for virtual return services,
– non-transmission services offered:
  - compression (offered in a high-methane natural gas system, mainly to support the supply of natural gas from gas mines);
  - pressure reduction (at exits).

The calculation of Tariff No. 17 takes into account the provisions of the decision of the President of URE of 31 March 2022 approving the *Method of determining reference prices No 2/OGP with respect to the own transmission network of the OGP Gaz-System S.A. for the period: from 6 am, 1 January 2023 to 6 am, 1 January 2025*, constituting an attachment to this decision (URE Bulletin – Gaseous Fuels no. 39 (2556) of 10 May 2022) and *Information of the President of URE No. 7/2023 on the level of multipliers, seasonal factors and discounts referred to in Article 28(1)(a)-(c) of the Tariff Network Code, taken into account in the calculation of tariffs for gaseous fuel transmission services for the period from 1 January 2024 to 31 December 2024*[104], issued on the basis of the provisions of the TAR NC.

By a decision of 13 December 2023, an amendment to the Tariff no. 17 for 2024 was approved, consisting in updating the fee rates for the provided transmission services, compression services and pressure reduction services for gaseous fuels due to an increase in the cost of purchasing gaseous fuel storage services and updating the value of return on capital employed, compared to the forecast values adopted for the calculation of the tariff.

[102] URE Bulletin – Gaseous Fuels no. 69 (2733) – https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/paliwa-gazowe/4365,Taryfy-opublikowane-w-2023-r.html

[103] URE Bulletin – Gaseous Fuels no. 126 (2790) – https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/paliwa-gazowe/4365,Taryfy-opublikowane-w-2023-r.html

[104] https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/mnozniki-wspolczynniki-sezonow/10658,Konsultacje-w-zakresie-rabatow-mnoznikow-i-wspolczynnikow-sezonowych-do-taryf-na.html

The justification for the requested change in the cost of storage services was a change in the legislation, namely Article 45 para. 3c of the Energy Law Act introduced by the Act of 28 July 2023, which stipulates that "the costs of the activity of the gas transmission system operator referred to in para. 1 item 1 shall include the costs incurred in connection with the performance of the contract referred to in Article 4c para. 3". On the other hand, the change regarding the update of return on capital employed resulted from the "Methodology for determining the cost of employed capital ratio for gas transmission system operators or 2024–2028"[105], published by the President of URE on 29 November 2023, in connection with the fact that the company's tariff was approved for the period from 1 January 2024 to 1 January 2025.

By decision of 3 June 2024 the President of URE approved the Tariff No. 18 for the transmission of gaseous fuels for the period from 6:00 a.m. on 1 January 2025 to 6:00 a.m. on 1 January 2026[106].

The tariff for 2025 was approved within the deadline resulting from the provisions of Article 29 and Article 32(a) of the TAR NC. According to these regulations, the publication of, among others, transmission fee rates for the next gas year (2023/24) should take place no later than 30 days before the yearly auction for annual capacity. On the other hand, according to Article 11(4) of the CAM NC, the yearly auctions for annual capacity start on the first Monday of July each year.

The tariff established by OGP Gaz-System S.A. ensures coverage of the planned costs along with a justified return on the capital employed. This tariff has been calculated in accordance with the requirements of the Gas Tariff Odinance and the TAR NC.

At the same time, with the above decision the balance of the regulatory account as at 31 December 2023 in the amount of PLN (-) 157,289.77 thousand was agreed on, which means the level of under-recovered revenues, which consists of:

a) the level of under-recovered revenues together with revenues from the auction premium for gaseous fuel transmission services in the amount of PLN (-) 181,040.15 thousand,
b) the level of over-recovered revenues for non-transmission services of gaseous fuel compression in the amount of PLN 4,240.06 thousand,
c) the level of over-recovered revenues for non-transmission services of pressure reduction of gaseous fuels in the amount of PLN 19,510.32 thousand.

Of the above amounts, in the calculation of the tariff for 2025 in the scope of gaseous fuel transmission services, a part of the balance of the regulatory account referred to in item a) in the amount of PLN (-) 18,104.01 thousand was taken into account (which resulted in an increase in the revenue assumed for the calculation of fee rates), and in the field of non-transmission services, the entire balance of the regulatory account referred to in items b) and c), which resulted in a decrease in the revenue assumed for the calculation of rates for non-transmission services. The remaining balance of the regulatory sub-account for gaseous fuel transmission services, in the amount of PLN (-) 162,936.13 thousand, was left to be taken into account in the calculation of tariffs for subsequent periods.

The calculation of the tariff for 2025 takes into account the provisions of the decision of the President of URE of 10 April 2024 approving the *Method of determining reference prices No 3/OGP with respect to the own transmission network of the OGP Gaz-System S.A. for the period: from 6 am, 1 January 2025 to 6 am, 1 January 2027*, constituting an attachment to this decision (URE Bulletin – Gaseous Fuels no. 50 (2847) of 11 April 2024) and *Information No. 4/2024 on the level of multipliers, seasonal factors and discounts referred to in Article 28(1)(a)-(c) of the Tariff Network Code*, *taken into account in*

[105] https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/zalozenia-dla-kalkulacj-2/7834,Pismo-Prezesa-Urzedu-Regulacji-Energetyki-do-przedsiebiorstw-energetycznych.html

[106] URE Bulletin – Gaseous Fuels no. 62 (2859) – https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/paliwa-gazowe/4571,Taryfy-opublikowane-w-2024-r.html

the calculation of tariffs for gaseous fuel transmission services for the period from 1 January 2025 to 31 December 2026[107], issued on the basis of the provisions of the TAR NC.

The tariff includes transmission fee rates (fixed rates in gr/kWh/h per h) for firm annual gaseous fuels transmission services provided at entry and exit points to/from the transmission system (for high-methane natural gas – group E and nitrogenous natural gas – group L, subgroup Lw), including for high-methane natural gas also at the entry points and exits from/to underground gas storage facilities.

On the other hand, the reserve prices for standard capacity products for interruptible capacity[108], in accordance with the provisions of the above Information No. 4/2024, will be calculated by multiplying the reserve prices for the standard capacity products for the firm capacity by the difference between 100% and the level of the ex-ante discount:

a) 6% for annual, quarterly, monthly, daily and intraday capacity products for E gas offered at interconnection points with EU member states and with third countries;
b) 2% for annual, quarterly, monthly, daily and intraday capacity products for E and L gas offered at internal entry/exit points.

In this method, the reserve price for the interruptible capacity product (including the above discount) is used in settlements with the transmission system user regardless of the actual occurrence of capacity limitation at the point in question. In the event of an interruption, the user does not receive an additional discount/bonus.

The ex-ante discount will not be applied to virtual reverse flow services[109] to which a factor of 0.2 (80% discount) is applied pursuant to § 14(1) of the Gas Tariff Ordinance.

In the case of provision of both firm and interruptible gaseous fuels transmission services in periods shorter than one year, correction factors determined in the tariff, appropriate for the given product for the scope of transmission capacity (quarterly, monthly, daily and intraday) are applied in settlements.

In addition, in the calculation of Tariff No. 18 (for 2025), as in the case of tariffs for 2023 and 2024, compression and pressure reduction services have been separated from the activities consisting in the transmission of gaseous fuels.

In the tariff for 2025, the share of revenues obtained from fixed fees, both for high-methane and nitrogenous gas, was 100%. The distribution of revenue between entry and exit points adopted in the tariff calculation corresponds to a proportion of 45/55. Rates at entry and exit points to/from storage facilities have been established with an 80% discount, that is they amount to 20% of the transmission rates at entry and exit points to/from the high-methane natural gas transmission network other than storage facilities. At the entry point to the transmission system from the LNG terminal, a discount of 100% has been applied, resulting in no fees for gas introduction into the transmission system at this point.

[107] https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/2025-r-art-28-nc-tar/11270,Mnozniki-wspolczynniki-sezonowe-i-rabaty-na-2025-r-art-28-NC-TAR.html

[108] In accordance with the definition in Article 2(1)(3) of Regulation 715/2009, capacity means the maximum flow, expressed in normal cubic meters per time unit or in energy unit per time unit, to which the network user is entitled in accordance with the provisions of the transport contract.

[109] The virtual reverse transmission service is defined in § 2(24) of the Gas Tariff Ordinance as a service provided on an interruptible basis by an energy company involved in the transmission of gaseous fuels, consisting in the contractual transmission of gaseous fuels in the opposite direction to the physical flow of gaseous fuels at one-way physical entry points into the transmission network, one-way physical exit points from the transmission network or virtual interconnection points.

Table 21. Dynamics of changes in fee rates at entry and exit points for standard products

Point type	Dynamics of changes in fee rates [%]	
	Tariff 17 change / Tariff 16	Tariff 18 / Tariff 17 change
E entry	42.6	19.3
E exit	26.9	3.2
L entry	5.7	-10.4
L exit	24.6	-17.7

Source: URE.

OGP Gaz-System S.A. – tariff for the transmission of gaseous fuels via the transmission network belonging to the SGT EuRoPol GAZ S.A.

In 2024, the tariff for the transmission of gaseous fuels of the Polish Section of the Yamal-Europe Transit Gas Pipeline System No. 1/2024, approved by the decision of the President of URE of 2 June 2023, for the period from 1 January 2024 to 1 January 2025, was applied.

For the tariff calculation, the provisions of the President of URE's decision of 31 March 2022 approving the "*Methodology for determining reference prices No. 2/SGT on the transmission network owned by the energy company SGT EuRoPol GAZ S.A. with its registered office in Warsaw for the period: from 6:00 am on 1 January 2023 to 6:00 am on 1 January 2025*", attached to this decision, and *Information of the President of URE No. 7/2023 on the level of multipliers, seasonal factors and discounts referred to in Article 28(1)(a-c) of the TAR NC, taken into account in the calculation of tariffs for gaseous fuel transmission services for the period from 1 January 2024 to 31 December 2024*, issued on the basis of the provisions of the TAR NC[110], were taken into account. The tariff calculation also takes into account the conditions for the Kondratki point, arising from the decision of the President of URE of 28 March 2023 in connection with the armed conflict in Ukraine and the introduction of sanctions on Belarus and the Russian Federation.

The basic assumptions for the calculation of fee rates are:

- the distribution of revenue into entry and exit points corresponds to a 50/50 ratio;
- for interruptible products, the ex-ante discount amounted to:
  - 10% on interconnections;
  - 80% for virtual reverse transmission services.

Pursuant to the decision of 1 March 2024, Amendment No. 1/2024 to the tariff for the transmission of gaseous fuels of the Polish Section of the Yamal-Europe Transit Gas Pipeline System was approved as regards the update of the rates of fees for the transmission of gaseous fuels due to a change in the methodology for determining the cost of capital ratio. The company's tariff for 2024 was approved on 2 June 2023, while on 29 November 2023 the "*Methodology for determining the cost of capital employed ratio for gas system operators for 2024–2028*" was published by the President of URE. Changes in the return on capital made it necessary to update the tariff for 2024.

By decision of 3 June 2024 the President of URE approved the Tariff No. 1/2025 for the transmission of gaseous fuels on the Polish Section of the Yamal-Europe Transit Gas Pipeline System for the period from 6:00 am on 1 January 2025 to 6:00 am on 1 January 2026.

The calculation of the tariff for 2025 takes into account the provisions of the decision of the President of URE of 20 March 2024 approving the "*Methodology for determining reference prices No. 3/STG with respect to the transmission network owned by the energy company SGT EuRoPol GAZ S.A. with its registered office in Warsaw for the period: from 6:00 am on 1 January 2025 to 6:00 am on 1 January 2027*",

[110] https://www.ure.gov.pl/pl/urzad/informacje-ogolne/komunikaty-prezesa-ure/10913,Informacja-nr-72023.html

constituting an appendix to this decision[111] and the *Information of the President of URE No. 4/2024 on the level of multipliers, seasonal coefficients and discounts referred to in Article 28(1)(a)-(c) of the Tariff Network Code, taken into account in the calculation of tariffs for gaseous fuel transmission services for the period from 6:00 am on 1 January 2025 to 6:00 am on 1 January 2026*, issued on the basis of the provisions of the TAR NC[112]. The main change resulting from the Information of the President of URE No. 4/2024 was the reduction of the ex-ante discount for interruptible transmission services in 2025 to 6% from 10% in 2024.

The calculation of the tariff for 2025 also takes into account the conditions concerning the Kondratki point, arising from the decision of the President of URE of 28 March 2023, in connection with the armed conflict in Ukraine and the introduction of sanctions on Belarus and the Russian Federation (the point has been removed from the list of relevant points).

The basic assumptions for the calculation of fee rates are:

– the distribution of revenue into entry and exit points corresponds to a 50/50 ratio;
– for interruptible products, the ex-ante discount amounted to:
  - 6% on interconnections;
  - 80% for virtual reverse transmission services.

Table 22. Dynamics of changes in fee rates at entry and exit points

Point type	Dynamics of changes in fee rates [%]	
	(tariff 1/2024)/(tariff 1/2023)	(tariff 1/2025)/(tariff 1/2024)
Entry	17.45	141.00
Exit	14.68	152.77

Source: URE.

Tariff of PSG Sp. z o.o. for gaseous fuel distribution services

By decision of 15 December 2023, the President of URE approved Tariff No. 12 for gaseous fuel distribution services[113] for the period until 31 December 2024. This tariff was introduced into application as of 1 January 2024 and resulted in an increase in average payments for distribution services for high-methane natural gas by 5.02%, and for nitrogenous natural gas (group L, subgroup Lw) – by 5%, for nitrogenous natural gas (group L, subgroup Ls) – by 4.75% and for coke oven gas by 21.18%.

At the same time, on 22 December 2023, the Act of 7 December 2023 was promulgated, which extended the application of the rates of fees for gaseous fuel distribution services – included in the last tariff applied in 2022 – until 30 June 2024 for customers referred to in Article 62b para. 1 item 2 of the Energy Law Act. With respect to gaseous fuels, the relevant regulations resulted from the amendments introduced to the Act of 15 December 2022.

As a consequence, the company applied for an amendment to Tariff No. 12, consisting in supplementing its content with the rates of distribution fees that PSG Sp. z o.o. was obliged to apply to customers referred to in Article 62b para. 1 item 2 of the Energy Law Act, from 1 January to 30 June 2024, that is the rates included in the last tariff applied in 2022 (in accordance with Article 3 para. 7 of the Act of 15 December 2022).

Therefore, in the period from 1 January 2023 to 30 June 2024, despite the approval of Tariffs No. 11 and 12 established by PSG Sp. z o.o., the company was obliged to apply to the customers

[111] URE Bulletin – Gaseous Fuels no. 44 (2841) of 21 March 2024, https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/inne-decyzje-informacj/4574,Inne-decyzje-informacje-sprawozdania-opublikowane-w-2024-r.html
[112] https://www.ure.gov.pl/pl/urzad/informacje-ogolne/komunikaty-prezesa-ure/11616,Informacja-nr-42024.html
[113] https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/paliwa-gazowe/4365,Taryfy-opublikowane-w-2023-r.html

referred to in Article 62b para. 1 item 2 of the Energy Law Act, the rates of fees for distribution services set out in the amendment to Tariff No. 10 for gaseous fuel distribution services, approved on 17 August 2022.

The adjustment of Tariff No. 12[114] also consisted in adapting its content to the amended wording of the provisions on the shaping and calculation of tariffs for gaseous fuels – the Ordinance of 23 November 2023[115]. The Minister of Climate and Environment amended the provisions of the Gas Tariff Ordinance.

In turn, by decision of 16 December 2024, the President of URE approved Tariff No. 13[116] for the period until 31 December 2025. This tariff was introduced into application as of 1 January 2025. It resulted in an increase in average payments for distribution services for high-methane natural gas (group E) – by 24.49%, for nitrogenous natural gas (subgroup Lw) – by 25.18%, for nitrogenous natural gas (subgroup Ls) – by 24.47% and for coke oven gas – by 15.45%. For the first time, the calculation of Tariff No. 13 included a part of the balance of the regulatory account referred to in § 10a of the Gas Tariff Ordinance, which was reflected in the operative part of the decision approving Tariff No. 13.

Tariff of Gas Storage Poland Sp. z o.o. for the provision of gaseous fuel storage services

In 2024, two administrative proceedings were conducted regarding tariffs for storage services. On 29 April 2024 the President of URE approved Tariff No. 1/2024 for the period until 31 March 2025. The total capacity of storage facilities, compared to the capacity adopted for the calculation of Tariff No. 1/2023, decreased by 1.6 million m^3 due to convergence in the cUGS[117] Kosakowo, but the number of packages offered increased by one package (due to the reduction in the capacity used by the Transmission System Operator).

In the course of 2024, the rules for maintaining mandatory gas stocks changed. As at the date of approval of Tariff No. 1/2024, until 30 September 2024, there was a temporary extension of the permissible time for withdrawal of mandatory gas stocks from storage facilities. Pursuant to Article 70d of the Act on Stocks (as amended by the Act of 5 August 2022), until 30 September 2024, the so-called mandatory gas stocks could be maintained in storage facilities whose technical parameters allowed to deliver their total volume to the gas system in a period of no more than 50 days. From 1 October 2024, the criterion of the maximum collection time was to be 40 days again – in accordance with the original wording of Article 24 para. 2 item 2 of the Act on Stocks. In practice, different maximum times for the delivery of mandatory gas stocks to the gas system, with the same active capacity of storage facilities, are associated with the possibility of offering a different structure and volume of storage services. As a result, Tariff No. 1/2024 contained two sets of fee rates – Part A, which was to be applied throughout the entire period of validity of the regulations extending the period of delivery of the total amount of mandatory gas stocks to the gas system to 50 days, and Part B – applicable from 1 October 2024 – in the event of a return to the regulations determining the possibility of delivering the total amount of mandatory stocks of natural gas accumulated in storage facilities to the gas system in the period not longer than 40 days.

In practice, under the Energy Voucher Act, the 50-day period for delivering all mandatory stocks of natural gas from storage facilities to the gas system was extended until 30 September 2025, so Part B of the storage tariff was never applied.

In Tariff No. 1/2024, the volume of working capacity in the bundled unit remained unchanged, namely 200 MWh. The structure of the services offered has also not changed – the SSO offers firm and

[114] https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/paliwa-gazowe/4571,Taryfy-opublikowane-w-2024-r.html

[115] Ordinance of the Minister of Climate and Environment of 23 November 2023 amending the Ordinance on the Detailed Rules for Shaping and Calculating Tariffs and Settlements in Trade in Gaseous Fuels (Journal of Laws of 2023, item 2582).

[116] https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/paliwa-gazowe/4571,Taryfy-opublikowane-w-2024-r.html

[117] Cavern Underground Storage.

interruptible, long-term and short-term services, in the form of a bundled unit, a flexible bundled unit, as well as Unbundled and Reverse Storage Services.

The average rate for a storage service increased by almost 6.91%, with rates for interruptible services increasing by an average of 7.78%and for firm services by 6.41%. The differentiation in the dynamics of fees for firm and interruptible services is another step towards the implementation of the EU guidelines requiring the probability of interruption of these services to be taken into account in the pricing of interruptible services.

On 12 December 2024 the President of URE approved the amendment to Tariff No. 1/2024 which was due, among others, to an increase – as of 1 January 2025 − in the cost of purchasing gaseous fuel transmission services due to the introduction of a new tariff of the gas transmission pipeline operator OGP Gaz-System S.A. for application from that date. The increase in average fees for storage services resulting from this change in the storage tariff amounted to 2.13%.

OGP Gaz-System S.A. – tariff for liquefied natural gas regasification services

As of 1 January 2024, in settlements for LNG regasification services and additional services provided by OGP Gaz-System S.A. at the Lech Kaczyński LNG Terminal in Świnoujście, Tariff No. 9, approved by the President of URE by decision of 15 December 2023 for the period from 1 January 2024 to 31 December 2024 was applied.

By decision of 16 December 2024 the President of URE approved Tariff No. 10 for LNG regasification services for the period from 1 January 2025 to 31 December 2025. The approval of Tariff No. 10 resulted in an increase in the average rate for regasification services by 6.8% compared to the average rate calculated under the applicable tariff (for the value of the contracted capacity and the volume of gas after regasification used in the calculation of the approved tariff), while the rate for LNG transhipment onto tanker trucks decreased by 28.5%. The above change in rates was due to an increase in costs related to the completion of the terminal expansion programme (mainly depreciation, external services, taxes and fees, remunerations and return on capital) and an increase in the ordered contracted regasification capacity, the volume of natural gas after regasification and transhipment onto tanker trucks (by more than 80%), compared to the values included in the calculation of Tariff No. 9.

In Tariff No. 10, similarly to the previous tariff, the rates of fees (fixed and variable) were determined for bundled regasification services of liquefied natural gas, including: unloading of LNG from a tanker, in-process storage in tanks, regasification and return of gaseous fuel to the transmission system, as well as rates of fees for LNG transhipment on tanker trucks. LNG regasification services may be provided as long-term services – for a period longer than one year, and short-term services – for at least one gas day. In addition, the tariff includes the rates of fees for unbundled services, that is unbundled in-process storage of LNG and unbundled contracted regasification capacity, which will be provided in addition to bundled services. In the tariff for 2025, in addition to the existing fee rates, the fee rates for new additional services have also been calculated: small-scale loading, large-scale loading, transhipment from the carrier to other gas carriers and refuelling of ships using LNG for propulsion (so-called bunkering). The new additional services will be offered as of 1 January 2025 in connection with the completion of the LNG terminal expansion programme, that is the commissioning of the third LNG tank and the infrastructure on the new quay.

The calculation of the tariff of OGP Gaz-System S.A. was performed on the basis of the planned annual operating costs along with a justified return on capital, based on the so-called “gas-in-kind” principle, according to which OGP Gaz-System S.A. does not include in the tariff the costs of purchasing gas used in the regasification process. This cost is borne directly by the Regasification Service Ordering Party, accepting the fact that it receives less gas from the Terminal (in MWh) than it feeds into it (in MWh).

In the administrative proceedings concerning Tariff No. 10, pursuant to § 10a para. 1 of the Gas Tariff Ordinance, the balance of the regulatory account for other operators with respect to the regasification

services and additional services provided as at 31 December 2023 was agreed upon in the amount of PLN (-) 5,587.16 thousand, which consists of the level of revenues recovered excessively for LNG regasification services in the amount of PLN (-) 3,039.65 thousand and the level of revenues recovered excessively for LNG transhipment to tanker trucks in the amount of PLN (-) 2 547.51 thousand.

The calculation of tariff No. 10 for LNG regasification services takes into account a part of the balance of the regulatory account referred to above in the amount of PLN (-) 3,039.65 thousand, that is the entire balance of the regulatory sub-account for regasification services (which occurred by reducing the revenue used to calculate the rates of fees for regasification services provided). On the other hand, with regard to additional services of LNG transhipment to tanker trucks, it was decided not to include the balance of the regulatory sub-account maintained for these services in the calculation of the tariff for 2025 and thus leave the entire balance in the amount of PLN (-) 2,547.51 thousand to be settled in subsequent tariffs, pursuant to § 10a para. 3 of the Gas Tariff Ordinance.

Monitoring access to storage, storage capacity of gas pipelines and other ancillary services

Natural gas storage in Poland is performed by Gas Storage Poland Sp. z o.o. with its registered office in Dębogórze. This company is the operator of the natural gas storage system, providing storage capacity in the following storage facilities and groups of storage facilities:

- Kawerna Storage Installations Group (GIM Kawerna) comprising cUGS Mogilno and cUGS Kosakowo,
- Sanok Storage Installations Group (GIM Sanok) comprising UGS Husów, UGS Strachocina, UGS Swarzów and UGS Brzeźnica,
- Storage Facility UGS Wierzchowice.

Storage Facilities Code

The storage system operator manages natural gas installations on the basis of the Storage Code (SC), approved by the President of URE. In accordance with the provisions of the Energy Law Act[118], the SC specifies in particular:

- procedures for the conclusion of storage services contracts,
- procedures for access to and allocation of storage capacity,
- congestion management of the gas system,
- criteria for security of operation of facilities,
- procedures to be followed in the event of a threat to security of gas supply,
- emergency procedures,
- conditions for cooperation between the storage system operator and other gas system operators,
- procedures for the communication of information between system operators and between the storage system operator and customers,
- quality parameters for gaseous fuels and service quality standards for gas system users,
- characteristics of the services for the injection of gaseous fuels into storage facilities or groups of storage facilities,
- characteristics of services for the offtake of gaseous fuels from storage facilities or groups of such facilities.

In 2024 the President of URE approved Amendment No. 1 to the SC, which entered into force on 6 September 2024. The reason for the amendment to the SC was the need to provide storage services with parameters that meet the requirements of the Act on Stocks, concerning the maximum period of delivery of natural gas from storage facilities to the gas transmission system. Amendment No. 1 to the SC expired on 29 January 2025.

[118] Pursuant to Article 9g para. 3a of the Energy Law Act.

The decision of the President of URE of 5 September 2024 approving Amendment No. 1 to the SC is available in the URE Bulletin[119], while the current SC is available on the website of Gas Storage Poland Sp. z o.o.

Parameters of storage facilities in 2024

Table 23. Operation of storage facilities in 2024 (as at 1 January 2025 at 6:00 a.m.)

Name and type of storage facility			Type of stored gas	Active capacity				Volume of gas withdrawn from the storage facility	Volume of gas injected into the storage facility	Minimum stock level	Maximum stock level	Status as at 6:00 am on 1 January 2025
				[million m³]		[GWh][2)]		[GWh]	[GWh]	[GWh]	[GWh][3)]	[GWh]
GIM Kaverna[1)]	cUGS Mogilno	in salt caverns	high-methane natural gas, group E	876.12	580.92	9762.86	6 471.4	7 410.0	6 764.8	6 341.4	9 365.3	8 779.6
	cUGS Kosakowo				295.20		3 291.46					
GIM Sanok[1)]	UGS Brzeźnica	in a depleted high-methane gas reservoir		1 150.0	100.0	13001.2	1 126.0	9 037.6	8 763.7	4 294.3	13 037.5	11 420.6
	UGS Husów				500.0		5 650.0					
	UGS Strachocina				460.0		5 211.8					
	UGS Swarzów				90.0		1 013.4					
Storage Facility UGS Wierzchowice[1)]		in a depleted nitrogenous gas reservoir		1 300.00		14 729.0		12 041.5	9 574.5	5 076.4	14 656.7	12 179.5
Total				**3 326.12**		**37 493.06**		**28 489.0**	**25 103**	-	-	**32 379.8**

1) Settlements of gaseous fuel storage services are carried out only for GIM Kawerna, GIM Sanok and Storage Facility UGS Wierzchowice.
2) Active capacity of the storage facility [in GWh] determined after the projected heat of combustion.
3) Maximum storage status taking into account the filling level of the facility determined by the actual heat of combustion.

Source: Gas Storage Poland Sp. z o.o.

119 https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/inne-decyzje-informacj/4574,Inne-decyzje-informacje-sprawozdania-opublikowane-w-2024-r.html

Table 24. Maximum injection capacities and maximum withdrawal capacities to/from storage facilities in 2024

Storage facility group/Storage facility		Maximum injection capacity		Maximum withdrawal capacity	
		from 00:00 on 1.01.2024 by 24:00 on 31.12.2024			
		[m³/h]	[MWh/h]	[m³/h]	[MWh/h]
GIM Kawerna	cUGS Mogilno	500 000	5 571.00	1 150 000	12 815.00
	cUGS Kosakowo				
GIM Sanok	UGS Husów	434 667	4 907.92	478 000	5 389.60
	UGS Strachocina				
	UGS Swarzów				
	UGS Brzeźnica				
Storage facility UGS Wierzchowice		400 000	4 480.00	600 000	6 600.00

Source: Gas Storage Poland Sp. z o.o.

In 2024, Gas Storage Poland Sp. z o.o. did not have storage facilities exempt from third-party access, based on the decisions of the President of URE issued pursuant to Article 4i of the Energy Law Act (exemption from the TPA rule for new infrastructure).

Table 25. Storage capacities offered by Gas Storage Poland Sp. z o.o. in 2024 under the application procedure

Storage facility	Type of storage service	Number of units	Working volume [MWh]	Injection capacity [MWh/h]	Withdrawal capacity [MWh/h]	Start of the offer period	End of offer period
Storage capacity on a firm basis							
Storage Facility UGS Wierzchowice	Long-term in the form of Bundled Units, Flexible Bundled or Unbundled SS	18 179	3 635 800	1 508.857	3 926.664	15.04.2024 6:00 am	15.04.2025 6:00 am
GIM Sanok		12 463	2 492 600	1 084.281	2 579.841	15.04.2024 6:00 am	15.04.2025 6:00 am
GIM Kawerna		33 904	6 780 800	4 441.424	8 882.848	15.04.2024 6:00 am	15.04.2025 6:00 am
		275	55 000	36.025	72.050	1.08.2024 6:00 am	1.08.2025 6:00 am
	Short-term, in the form of Unbundled SS	-	-	20.099	44.377	1.08.2024 6:00 am	15.04.2025 6:00 am
Storage capacity on an interruptible basis							
Storage Facility UGD Wierzchowice	Long-term in the form of Bundled Units, Flexible Bundled Units or Unbundled SS	44 744	8 948 800	3 803.240	5 682.488	15.04.2024 6:00 am	15.04.2025 6:00 am
GIM Sanok		50 194	10 038 800	4 115.908	5 220.176	15.04.2024 6:00 am	15.04.2025 6:00 am
GIM Kawerna		8 155	1 631 000	1 215.095	2 797.165	15.04.2024 6:00 am	15.04.2025 6:00 am
	Short-term in the form of Bundled Units, Flexible Bundled Units or Unbundled SS	1 525	305 000	227.225	523.075	01.08.2024 6:00 am	01.04.2025 6:00 am
		300	60 000	191.250	476.075	11.10.2024 6:00 am	01.01.2025 6:00 am
		1 050	210 000	213.000	504.575	01.01.2025 6:00 am	01.04.2025 6:00 am

Source: URE specification based on data from Gas Storage Poland Sp. z o.o.

In 2024, Gas Storage Poland Sp. z o.o. did not offer storage capacity via auctions.

In fulfilment of its disclosure obligations under, in particular, Articles 15(1), 17(2) and 19 of Regulation 715/2009, Gas Storage Poland Sp. z o.o. publishes a range of information on its website:

- detailed information on storage facility capacity allocation mechanisms, including the services it offers and the terms and conditions applied, together with the technical information necessary for storage facility users to gain effective access to the storage facility (information on services offered, calculator allowing a detailed insight into the services offered, description of storage facilities, planned and unplanned outages, rules for establishing and maintaining mandatory natural gas stocks, available unused storage capacities of the storage facility under the intra-day service − published within minutes of occurrence of unused nominal injection capacities and nominal withdrawal capacities and information concerning the secondary market),
- figures for contracted and available storage capacity;
- information on the amount of gas in each storage facility, or group of storage facilities, gas volume injected and withdrawn, and available storage capacity, including for those facilities exempted from third party access. This information is available in Polish and English on the website of Gas Storage Poland Sp. z o.o.: https://ipi.gasstoragepoland.pl/pl/strona-glowna/.

Gas Storage Poland Sp. z o.o. presents information in a standardised way through a unified site map in the form of a Transparency Template, which was developed within the framework of the GIE (GSE) and consulted with ACER.

The implementation of the obligation under Article 22 of Regulation 715/2009 was determined by the provisions of the SFC, which allowed for secondary trading in storage capacity. In 2024, no offers were submitted to Gas Storage Poland Sp. z o.o. for the sale of storage capacity ordered by the ordering party of the storage capacity service on the secondary market.

Monitoring of the fulfilment of the tasks of the natural gas liquefaction system operator

The President of URE monitors the fulfilment of tasks by the Liquefied Natural Gas System Operator (LNG System Operator), primarily as part of the procedure for approving the LNG Facility Code and the annual examination of the operator's performance.

Pursuant to Article 9g para. 1 of the Energy Law Act, the operator of the natural gas liquefaction system is obliged to develop an LNG Facility Code. In 2024, OGP Gaz-System S.A., after consultations with market participants, submitted for approval a draft amendment to the LNG Facility Code of the liquefied natural gas installation located in Świnoujście, together with information on the comments submitted by the system users and how they were taken into account. The reason for the changes to the Code is the second stage of the expansion of the LNG Terminal, resulting in the provision of new services and functionalities. The changes are also aimed at optimising the use of the Terminal's capacity. The operator indicated that as a result of the implementation of the LNG Terminal Expansion Programme in Świnoujście, the available regasification capacity was significantly increased: from 6,370,890 kWh/h (with the use of 4 +1 regasifiers, in the n+1 redundancy philosophy) to 10,579,502 kWh/h (with the use of 6+1 regasifiers). The new services to be provided by the Operator include LNG ship bunkering services, LNG loading and transhipment.

By decision of 19 December 2024, the President of URE established the date of entry into force of the Code for 1 January 2025[120].

In 2024, the LNG System Operator provided gas regasification services (long-term and short-term, the so-called spot) and additional services. The regasification service is a package service and provides the user with LNG unloading from the tanker, in-process storage, LNG regasification and delivery of gaseous fuel to the exit point from the LNG Terminal. As part of the additional services, the LNG System

[120] https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/inne-decyzje-informacj/4574,Inne-decyzje-informacje-sprawozdania-opublikowane-w-2024-r.html

Operator provides services of transhipment of LNG onto tanker trucks, separate in-process storage and provision of separated contracted capacity.

On the basis of the questionnaires, the activities of OGP Gaz-System S.A. with regard to the provision of liquefaction services and the fulfilment of the obligations of a natural gas liquefaction operator in 2024 were monitored, including in particular:

1. Procedures for offering services by the LNG System Operator, broken down into long-term and spot regasification services, as well as additional services, and the manner of informing about these procedures.
2. The Operator's requirements for network users to provide adequate guarantees of financial reliability.
3. Interest of natural gas market participants in the services of the LNG System Operator.
4. Purchase of natural gas by the LNG System Operator for its own use.
5. Scope and manner of fulfilment of the information obligations in relation to the function of the LNG System Operator as indicated in Articles 15(1), 17(2) and 19 of Regulation No. 715/2009, including in particular:
   - publication of information on non-discriminatory and transparent capacity-allocation mechanisms,
   - publication of details of the services offered and the conditions applied, including the technical information necessary for LNG facility users to gain effective access to those facilities,
   - publication of figures on contracted and available LNG facility capacities,
   - publication of information on the determination, calculation methodology and structure of tariffs for LNG facilities.
6. Manner in which the LNG System Operator's record-keeping and documentation obligations are implemented [121].
7. The LNG System Operator's actions to guarantee the free trading of capacity rights in a transparent and non-discriminatory manner [122].
8. Whether the LNG System Operator is carrying out activities to develop a secondary market (so-called secondary trading)
9. Whether and what measures the LNG System Operator plans to take in relation to the requirements arising from Articles 12 and 13 of Council Regulation (EU) 2022/2576 of 19 December 2022 on enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchange of gas across borders[123] (Regulation 2022/2576).

[121] Article 20 of Regulation 715/2009.
[122] Article 22 of Regulation 715/2009.
[123] EU OJ L 335/1 as amended.

Parameters of the liquefied natural gas installation in 2024

Table 26. LNG terminal in numbers – 2024

Name and type of LNG installation	Maximum volume of LNG unloading [million m³] [MWh]	Maximum daily volume of gas fed into the national grid [m³/d] [MWh/d]	Capacity for commercial purposes [million m³] [MWh]		LNG tank capacity [million LNG] [million m³]	Volume of LNG imported [m³ LNG/y] [TWh/y]	Maximum technical capacity [TWh/h]
			total offered	reserved			
LNG Terminal in Świnoujście – LNG unloading, in-process storage and regasification installation	300,000 m³ LNG 172.98 million Nm³ 2 058 000 MWh	33,641 m³ LNG/d 19 680 thousand m³/d 219,963 MWh/d	712 500 Nm³/h 0.001218 million Nm³/h 7,963.61 MWh/h	712 500 Nm³/h 0.001218 million Nm³/h 7,963.61 MWh/h	320,000 m³ LNG 184.52 million Nm³	11,105,151 m³ LNG/y 70.22 TWh/y	820,000 Nm³/h 0.009165140 TWh/h
LNG Terminal in Świnoujście – Installation for LNG transhipment onto tanker trucks			3,660,000 MWh/year	3,660,000 MWh/year			180 m³ LNG/h 0.0012348 TWh/h

Source: Energy Regulatory Office based on data from OGP Gaz-System S.A.

4.1.2. Balancing of the system

The balancing of the gas system is performed by the TSO as part of the gaseous fuels transmission services provided in three balancing zones. The National Transmission System comprises two zones: (i) balancing zone for high-methane gas (NTS E) and (ii) balancing zone for nitrogenous gas (NTS Lw). The Polish part of the Yamal-Western Europe pipeline (the Transit Gas Pipeline System – TGPS) is the third separate balancing zone. The high-methane gas balancing zone in the National Transmission System and the TGPS balancing zone are connected by the relevant point of the transmission system – the Connection Point, through which natural gas can be transmitted. Physical (operational) balancing is carried out by the TSO in order to ensure operational security and integrity of the transmission system. On the other hand, commercial balancing is the TSO's activity consisting in determining and settling the imbalance resulting from the difference between the quantities of gaseous fuel delivered and received in a given balancing zone by system users.

The balancing rules of the transmission system operator have been regulated in the Transmission Network Code (TNC), which is subject to approval by the President of URE. The Code contains a separate part concerning system balancing and congestion management. The TNC specifies the platform on which the TSO is authorised to buy and sell gas. It is a market operated by TGE S.A. The TNC also regulates the method of determining the price for daily imbalance. The system users, including customers whose facilities, installations or networks are connected to the network of the gas transmission system operator or using the services provided by it, are obliged to comply with the terms and requirements and procedures of conduct and exchange of information specified in the TNC. The TNC constitutes a part of a contract for the provision of gaseous fuels transmission services or a comprehensive contract.

The President of URE monitored the fulfilment of the disclosure obligations under the BAL NC and TNC, as described in section 4.1.4 Implementation of guidelines and network codes for the implementation of obligations under the BAL NC.

4.1.3. Cross-border issues

Rules on access to cross-border infrastructure, including transmission capacity allocation and congestion management

The principles of capacity allocation resulting from the provisions of Regulation 715/2009 and the CAM NC, which regulates the principles of capacity allocation at interconnection points and the principles of cooperation of transmission system operators in this process, have been regulated in the TNC, NTS and TGPS TNC developed by the TSO and subsequently approved by the President of URE. As a capacity allocation mechanism, the CAM NC provides for an auction procedure with the use of an internet platform designed to reserve firm and interruptible capacity at interconnection points. The capacity offered at these points should be bundled[124]. The same auction model concerning a given standard capacity product is used at all interconnection points[125]. The auction processes start simultaneously and capacity is allocated independently of any other auction process, except for so-called competing capacity.

The transmission system operator undertakes actions to eliminate the possibility of system congestion, including among others:

- at the stage of consideration of capacity allocation requests or approval of capacity allocation forecasts, the TSO shall analyse the possibility of performance of new contracts so that they do not result in a decrease of the security of supply and the quality of gaseous fuel supplied to the existing system users,
- where it is possible to provide transmission services, the TSO offers the available capacity in accordance with the provisions of the TNC,
- if firm transmission services cannot be provided, the TSO shall make interruptible transmission services available, if possible,
- it plans the work on the system so as not to cause congestion, and if congestion is necessary in connection with the work carried out, it endeavours to minimise their effects.

In 2024 the President of URE conducted monitoring to confirm the correct implementation of the provisions on system congestion management.

The TSO shall make maximum capacity available to market participants at system-specific points. In accordance with Article 16(3) of Regulation 715/2009, a TSO shall offer unused capacity on the primary market on a firm and interruptible basis, in case of contractual congestion, and shall allow network users to resell or otherwise make available on the basis of another legal title the unused contracted capacity on the secondary market. In 2024, 42 offerings ended with resale transactions with a total volume of 8,235,072 MWh.

Pursuant to Article 18 of Regulation 715/2009 and point 3 of Annex I thereto, the TSO shall publish the information needed by the user to use the services offered by the TSO.

Within the management of contractual congestion on cross-border interconnections, the TSO has implemented procedures which are consistent with the Guidelines in Annex I (point 2.2.) to Regulation 715/2009. They are aimed at preventing and alleviating existing contractual congestion at interconnection points with neighbouring EU Member States:

- Oversubscription and buy-back scheme (OS&BB),
- Long-term use-it-or-lose-it mechanism (LT UIOLI),
- Surrender of contracted capacity mechanism,
- Firm day-ahead use-it-or-lose-it mechanism (FDA UIOLI).

[124] According to the definition in Article 3(12) of the CAM NC, 'bundled capacity' means a standard capacity product offered on a firm basis which consists of corresponding entry and exit capacity at both sides of every interconnection point.

[125] According to the definition in Article 3(4) of the CAM NC, 'standard capacity product' means a certain amount of transport capacity over a given period of time, at a specified interconnection point.

Capacity resulting from the oversubscription procedure at specific NTS and TGPS points should be published on an ongoing basis on the TSO's website when contractual congestion exist at these points. In 2024, there were no circumstances resulting in allocation of capacity under the OS&BB. In 2024, the TSO did not identify the need to apply a procedure based on the long-term UIOLI to long-term capacity allocations, either. Also, no need was identified for a FDA UIOLI. The user has the possibility to surrender allocated capacity on a firm basis at physical entry or exit points on interconnections with the transmission systems of adjacent countries and at the Connection Point. In 2024 the contracted capacity of 1 617 kWh/h was surrendered for the two annual products.

Interruptible capacities were offered by the transmission system operator in accordance with the CAM NC. Pursuant to Regulation 2022/2576, the President of URE issued a decision of 31 March 2023 on the introduction of the mechanism referred to in Article 14(7)(c) of the above-mentioned Regulation for the management of underutilised gas pipeline transmission capacity at interconnection points. This mechanism provided that unused capacity was offered by the TSO back to the market through daily and within-day interruptible products at interconnection points between:

a) the National Transmission System (NTS) and adjacent transmission systems (entry-exit systems) of the NTS,
b) the Transit Gas Pipeline System (TGPS) and adjacent transmission systems (entry-exit systems) of the TGPS.

The President of URE made the aforementioned decision after a thorough examination of the situation on the Polish market with regard to the rules for capacity allocation at interconnection points, including the analysis submitted by the TSO, pursuant to Article 14(7) of Regulation 2022/2576, of the potential effects of introducing the mechanism proposed under Article 14(1) to (6) of that Regulation, where a default new mechanism for allocation of underutilised firm capacity was indicated. In the assessment of the President of URE, in the realities of the Polish gas market, among the solutions proposed under Article 14 of Regulation 2022/2576, the alternative mechanism referred to in Article 14(7)(c) makes it possible in an optimal way to achieve the objective of Article 14 of the above mentioned Regulation, which was supposed to be a more efficient use of transmission capacity and acceleration of the introduction of unused long-term transmission capacity to trading.

In making the aforementioned decision, the President of URE also took into consideration, pursuant to Article 14(8) of Regulation 2022/2576, the opinion of the regulators of the neighbouring Member States, none of which objected to the plan to introduce the mechanism indicated in Article 14(7) in Poland.

The mechanism introduced was in force until 31 December 2024.

Cooperation between national regulatory authorities

Due to the completion of the construction of interconnections of the national natural gas transmission system with the systems of neighbouring EU Member States, namely Denmark, Slovakia and Lithuania, no additional arrangements in this regard were made with the national regulators of other EU member states in 2024. Cross-border cooperation in the reporting period was carried out at the level of the ACER permanent working groups and the Council of European Energy Regulators (CEER), of which URE is a member.

Monitoring of investment plans and assessment of their consistency with the EU-wide development plan

Energy undertakings involved in the transmission or distribution of gaseous fuels are obliged to prepare, for the area of their activity, development plans for satisfying current and future demand for those fuels[126].

The Act of 21 November 2024 amended the deadline in the Energy Law Act for submitting a draft development plan for TSO and DSOs to be agreed with the President of URE, which is currently set on 30 April, and introduced the obligation for DSOs and TSO involved in the transmission and distribution of hydrogen via hydrogen networks to be agreed with the President of the URE on draft development plans.

The purpose of the act is to eliminate barriers to the development of the hydrogen market by reducing regulatory uncertainty. The Act of 21 November 2024 defines key terms in the area of hydrogen, regulates the rights and obligations of hydrogen market participants and the President of URE, among others it provides for the rules for certification and designation of hydrogen system operators, defines the scope of their obligations and the rules for ownership unbundling. At the same time, a provision was introduced according to which the gas transmission system operator, until the transposition of the Directive on common rules for the internal markets in renewable gas, natural gas and hydrogen, is by operation of law a hydrogen system operator, provided that applications for the designation of a hydrogen transmission system operator and for a derogation from the obligation in the area of unbundling are submitted. It was further indicated that the responsibilities of the hydrogen transmission system operator include, in particular, the preparation of a development plan to meet the current and future demand for hydrogen and participation in the European Network of Network Operators for Hydrogen (ENNOH). The act was adopted at the end of 2024 and its implementation will begin in the following year, thus in 2024 development plans to meet the current and future demand for hydrogen were not submitted.

Agreeing on the draft development plans is aimed at ensuring compliance of these draft plans with the legal regulations and compliance with the state's energy policy. Development plans – due to a multiannual investment cycle and involvement of significant financial resources (high capital-intensity), which cause long-term financial consequences for the company and its customers – have a direct impact on the level of the future tariffs of the company. Therefore, agreeing on the draft development plans is directly connected with issuing decisions on tariff approval.

In the process of agreeing on the development plans, the consistency of the envisaged measures with the Ten-Year Network Development Plan (TYNDP) is also verified. This document is intended to guide and ensure consistency in the pursuit of energy objectives at the European Union level in terms of security of supply, energy prices as well as sustainability.

Development plans are also a source of information on the investment plans of the company in terms of planned investments aimed to connect new customers and projects necessary to maintain an appropriate level of reliability and quality of provided network services.

In 2024 the obligation to submit draft development plans for agreement with the President of URE applied to eight operators[127]:

1) OGP Gaz-System S.A. – with regard to part B, that is the development of transmission infrastructure owned by SGT EuRoPol GAZ S.A., on which OGP Gaz-System S.A. acts as the operator,
2) G.EN. Operator Sp. z o.o. – as a legally unbundled gas distribution system operator,
3) six operators not subject to the obligation of legal unbundling (the so-called small operators).

[126] Pursuant to Article 16 para. 1 of the Energy Law Act.

[127] Pursuant to Article 16 para. 14a of the Energy Law Act, development plans are submitted to be agreed on with the President of URE on a two-year basis.

Transmission System Operator (OGP Gaz-System S.A.)

The Development Plan of OGP Gaz-System S.A. consists of two parts:

- Part A, which concerns the development of the transmission infrastructure owned by it, and
- Part B, which concerns the development of the transmission infrastructure owned by SGT EuRoPol GAZ S.A., on which OGP Gaz-System S.A. performs the function of operator in the Independent System Operator (ISO) formula[128].

Pursuant to Article 16, para. 2 of the Energy Law Act, Part A of this Development Plan is subject to an update every two years, whereas Part B of this Plan, pursuant to Article 16, para. 3 of the Energy Law Act, is subject to an annual update.

In 2024, the TSO's (OGP Gaz-System S.A.) development plan entitled the "*National Ten-Year Transmission System Development Plan. Development Plan for Meeting Current and Future Demand for Gaseous Fuels for* 2024–2033"[129] (hereinafter: NTSDP), agreed on 8 February 2024 by the President of URE, was in force. An extract from the agreed NTSDP is available on the TSO website [130'].

In the NTSDP project for 2024−2033 in part A, OGP Gaz-System S.A. plans to further expand the transmission network, which, in addition to ensuring a high degree of diversification of gas sources and transmission directions, will enable access to competitive markets. As a result of the expansion of the national transmission system to date and the completion of the construction of new cross-border interconnections, its transmission capacity has increased. As a result of the implementation of development activities, there a complete replaceability of technical import capacities located on the eastern border occurred. Currently, in addition to ensuring the diversification of supply directions, it has become important to create technical opportunities to access new sources of supply. In response to this need, OGP Gaz-System S.A. plans to further improve the degree of diversification of supply directions and sources based on LNG technology.

The main tasks assumed in the draft plan in the years 2024−2033 are as follows:

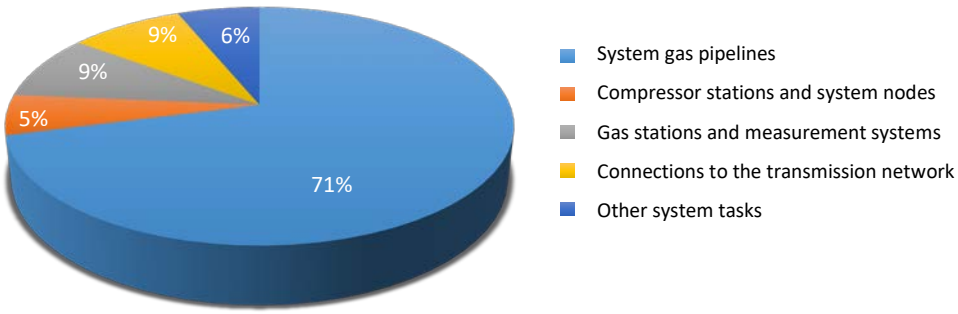
1) construction of 1,357 km of gas transmission pipelines and related system facilities. The gas pipelines under construction complement three strategic projects completed in 2021−2022: the N-S Corridor, the GIPL and the Baltic Pipe. In addition, it is planned to perform tasks ensuring the integration of transmission networks owned by OGP Gaz-System S.A. with networks owned by SGT EuRoPol GAZ S.A., on which OGP Gaz-System S.A. acts as an operator in the formula of an independent system operator. As a result of the implementation of the tasks included in the NTSDP 2024−2033, the total length of the transmission network should increase to approximately 13.6 thousand km,
2) construction of gas pipelines with a diameter from DN500 to DN1000, with the DN1000 gas pipelines being elements of strategic programmes, that is the FSRU Programme and the Centre-East Corridor. On the other hand, gas pipelines with smaller diameters are planned to be implemented in a group of other tasks, including among others smaller tasks and tasks related to connection to the transmission network,
3) construction and expansion of the compressor station, under which it is planned to increase the capacity of the compressor station by 44 MW (expansion of the Kędzierzyn and Hołowczyce compressor stations, construction of the Lwówek compressor station).

[128] In conjunction with Article 1 item 26 section a of the Act of 20 May 2021.

[129] Extract from the development plan is available on the website: https://www.gaz-system.pl/pl/system-przesylowy-/rozwoj-systemu-przesylowego/krajowe-plany-rozwoju.html

[130] https://www.gaz-system.pl/pl/system-przesylowy/rozwoj-systemu-przesylowego/krajowe-plany-rozwoju.html

Figure 29. Structure of capital expenditures completed in 2024



Source: OGP Gaz-System S.A.

In 2024, OGP Gaz-System S.A. carried out investments in the transmission system in two basic areas:

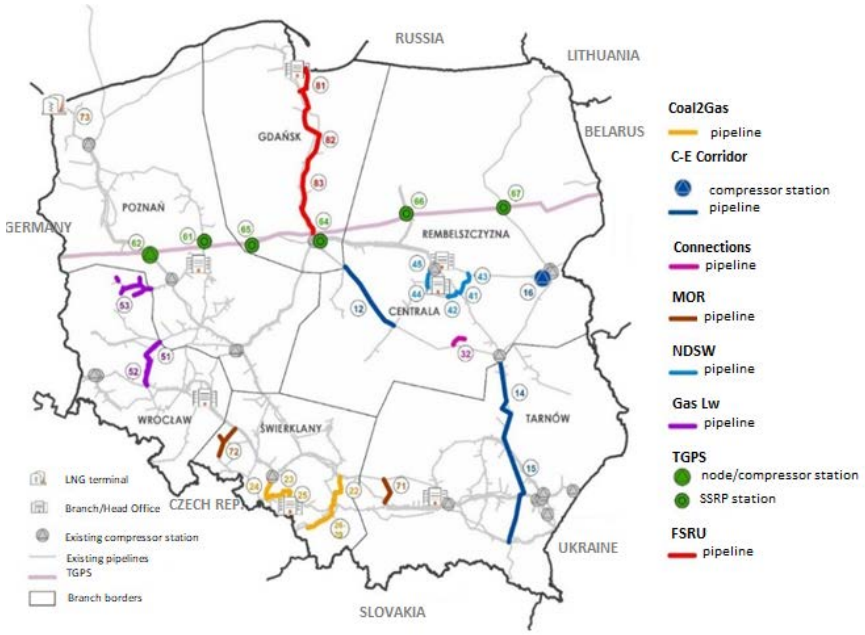
a) development area: construction of new system facilities and modernisation of the existing ones, aimed at increasing technical capabilities of the transmission system,
b) safety area: modernisation and restoration tasks resulting from technical or operational needs.

The degree of financial implementation of the investment by OGP Gaz-System S.A. for the national transmission system amounted to approximately 40% compared to the level of expenditures agreed for 2024.

In the year in question, OGP Gaz-System S.A. completed the construction and commissioning of:

1) Gustorzyn – Wronów gas pipeline stage II Leśniewice – Rawa Mazowiecka with a length of 100 km and a diameter of DN 1000 mm,
2) Oświęcim – Tworzeń gas pipeline with a length of 44 km and a diameter of DN 700 mm, together with
3) System Reduction and Measurement Station (SRMS) Oświęcim with a capacity of 300,000 m³/h.

Figure 30. Map of key investments, as at 31 December 2024



Source: OGP Gaz-System S.A.

Table 27. Key investments – as at 31 December 2024

Lp.	SWZI portfolio breakdown	Number on the map (Appendix 2)	Name of the project (investment/task)	Basic data	Branch	Project stage
1	CENTRE-EAST PROGRAMME	12	**GUSTORZYN – WRONÓW GAS PIPELINE** Stage II Leśniewice – Rawa Mazowiecka	DN=1000 L=100 km MOP 8.4 MPa	Rembelszczyzna	Completed
2	COAL2GAS PORTFOLIO	23	**RACIBÓRZ – OŚWIĘCIM GAS PIPELINE** Stage I: Racibórz-Rybnik	DN=700 L= 38.7 km MOP 8.4 MPa	Świerklany	Construction
3		24	**POLAND – CZECH REPUBLIC GAS PIPELINE** Stage I: Kędzierzyn-Racibórz	DN=1000 L= 37 km MOP 8.4 MPa	Świerklany	Construction
4		25	**PGE RYBNIK CONNECTION GAS PIPELINE**	DN=500 L=4.5 km MOP 8.4 MPa	Świerklany	Construction
5		22	**OŚWIĘCIM – TWORZEŃ GAS PIPELINE TOGETHER WITH SSRP OŚWIĘCIM**	DN=700/500 L=44/0.6 km MOP 8.4 MPa	Świerklany	Completed
6		26	**SKOCZÓW – KOMOROWICE – OŚWIĘCIM GAS PIPELINE** Stage II: Wilamowice – Oświęcim	DN=500 L=20.1 km MOP 8.4 MPa	Świerklany	Design
7		27	**SKOCZÓW – KOMOROWICE – OŚWIĘCIM GAS PIPELINE** Stage III: Komorowice – Wilamowice	DN=500 L=11.4 km MOP 8.4 MPa	Świerklany	Design
8		28a	**SKOCZÓW – KOMOROWICE – OŚWIĘCIM GAS PIPELINE** Stage IV a: from ZZU Komorowice (without ZZU) to Stare Bielsko	DN=500 L=4.5 km MOP 8.4 MPa	Świerklany	Design

Lp.	SWZI portfolio breakdown	Number on the map (Appendix 2)	Name of the project (investment/task)	Basic data	Branch	Project stage
9		28b	**SKOCZÓW – KOMOROWICE – OŚWIĘCIM GAS PIPELINE** Stage IV b: from Stare Bielsko to ZZU Wapienica (without ZZU)	DN=500 MOP 8.4MPa L=4.0 km	Świerklany	Design
10		29	**SKOCZÓW – KOMOROWICE – OŚWIĘCIM GAS PIPELINE** Stage V: Pogórze – Wapienica	DN=500 L= 17.3 km MOP 8.4 MPa	Świerklany	Design
11	AISLE C-E PORTFOLIO	14	**WRONOW-ROZWADÓW GAS PIPELINE**	DN=1000 L=119.8 km MOP 8.4 MPa	Tarnów	Design
12		15	**ROZWADÓW – STRACHOCINA GAS PIPELINE**	DN=1000 L=161.6 km MOP 8.4 MPa	Tarnów	Design
13		16	**TG HOŁOWCZYCE** NEW COMPRESSOR UNIT (NASH)	Compression aggr. = 1 item Power = up to 13 MW	Rembelszczyzna	Design
14	CONNECTION PORTFOLIO	32	**CONNECTION OF EC KOZIENICE IN ŚWIERŻE GÓRNE**	DN=700 L= 20 km MOP 8.4 MPa	Rembelszczyzna	Design
15	MOR PORTFOLIO	71	**WĘŻERÓW GAS PIPELINE – TRANSPORT WITH WITH SSRP TRANSPORT**	DN=700 L=45 km MOP 8.4 MPa	Tarnów	Construction
16		72	**LEWIN BRZESKI – NYSA GAS PIPELINE WITH BRANCHES**	DN=500/150/100 L=41/10.1/1.6 km MOP 8.4 MPa	Świerklany	Design
17	NDSW PORTFOLIO	45	**REMBELSZCZYZNA – MORY GAS PIPELINE**	DN=700 L= 28.5 km MOP 8.4MPa	Rembelszczyzna	Construction
18		41	**WOLA KARCZEWSKA – KARCZEW GAS PIPELINE**	DN=500 L=14.4 km MOP=8.4 MPa	Rembelszczyzna	Design

Lp.	SWZI portfolio breakdown	Number on the map (Appendix 2)	Name of the project (investment/task)	Basic data	Branch	Project stage
19		42	**KARCZEW – GASSY GAS PIPELINE**	DN=400 L= 1.8 km MOP=8.4 MPa	Rembelszczyzna	Design
20		43	**STANISŁAWÓW (MIŃSK MAZOWIECKI) – WOLA KARCZEWSKA GAS PIPELINE**	DN=700 L=38 km MOP=8.4 MPa	Rembelszczyzna	Design
21		44	**MORA – REGUŁY GAS PIPELINE**	DN=400 L= 5.2 km MOP=8.4 MPa	Rembelszczyzna	Design
22	**LW GAS PORTFOLIO**	51	**KOTOWICE – HM LEGNICA GAS PIPELINE Northern section** (KOTOWICE – KRZECZYN)	DN=300 L= 37.9 km MOP=8.4 MPa	Wrocław	Design
23		52	**KOTOWICE – HM LEGNICA GAS PIPELINE Southern section** (KRZECZYN – HM LEGNICA)	DN=300 L= 25.8 km MOP=8.4 MPa	Wrocław	Design
24		53	**NOWE TŁOKI – SULECHÓW GAS PIPELINE** (RAKONIEWICE – ŚWIEBODZIN)	DN=300/150/100 L=42.9/23.6 /10.6 km MOP=8.4 MPa	Wrocław	Construction
25	**SGT PORTFOLIO**	61	**SSRP DŁUGA GOŚLINA**	DN=500 MOP=8.4 MPa Q=250 thousand m^3/h	Poznań	Construction
26		62	**TG LWÓWEK**	DN=1000 MOP=8.4 MPa Q(bidirection)= 1600 thousand m^3/h Compression aggr.= 3 items Capacity=24 MW	Poznań	Design
27		64	**SSRP WŁOCŁAWEK**	DN=1000 Q(bidirection)= 1000 thousand m^3/h	Gdańsk	Design

Lp.	SWZI portfolio breakdown	Number on the map (Appendix 2)	Name of the project (investment/task)	Basic data	Branch	Project stage
28		**65**	**SSRP WYDARTOWO**	DN=700 MOP=8.4 MPa Q(bidirection)= 1200 thousand m^3/h	Gdańsk	Construction
29		**66**	**SSRP CIECHANÓW-PAWŁOWO**	DN=700 MOP 8.4 MPa Q=250 thousand m^3/h	Rembelszczyzna	Design
30		**67**	**SSRP ZAMBRÓW**	DN=700 Q=1000 thousand m^3/h	Rembelszczyzna	Design and build
31	**FSRU PORTFOLIO**	**81**	**KOLNIK – GDAŃSK GAS PIPELINE** POM 1	DN1000 L= 34 km MOP 8.4 MPa	Gdańsk	Construction
32		**82**	**GARDEJA – KOLNIK GAS PIPELINE POM 2**	DN1000 L= approx. 88 km MOP 8.4 MPa	Gdańsk	Construction
33		**83**	**GUSTORZYN – GARDEJA GAS PIPELINE** POM 3	DN1000 L= approx. 128 km MOP 8.4 MPa	Tarnów	Construction

Source: OGP Gaz-System S.A.

The Renovation Plan in 2024 comprised 273 tasks, including 145 planned for completion in 2024, of which 140 (96.6%) were completed. The material effect of the renovations carried out was:

- elimination of 93 gas pipeline shallowings,
- replacement of 2,164 m of gas pipelines,
- replacement of 48 pieces of fittings,
- removal of 2 leaks on gas pipelines,
- repair of 19 corrosion protection stations, 31 gas facility devices,
- execution of 76 general construction works,
- decomissioning of 3 gas stations.

The financial implementation of the Renovation Plan in 2024 amounted to PLN 95.7 million, which is 92% of the plan. Renovation tasks not completed in 2024 (133) will be continued according to schedule in 2025.

With respect to Part B of the Development Plan for the years 2024–2033, OGP Gaz-System S.A. presented investments on the transmission network owned by the energy company SGT EuRoPol GAZ S.A., on which it acts as an operator in the ISO formula (hereinafter: TGPS infrastructure).

In this regard, it should be added that by decision of 17 November 2010, the President of URE appointed OGP Gaz-System S.A. *ex officio* as the gas transmission system operator on the Yamal-Western Europe section of the gas pipeline located in the territory of the Republic of Poland, owned by SGT EuRoPol GAZ S.A., for the period until 31 December 2025, and subsequently – by virtue of

the Act of 24 February 2022 amending the Energy Law Act[131], this period has been extended until 6 December 2068. In addition, pursuant to Article 9 para. 1 of the above-mentioned Act, the licence of SGT EuRoPol GAZ S.A. for the transmission of gaseous fuels expired on 1 January 2023[132]. The agreement provides for changes in the directions of gas transmission via the TGPS infrastructure and the entities commissioning the services. As a result, the scope of the entrusted assets has changed in accordance with the change in the use of the TGPS infrastructure after 1 January 2023. The aforementioned change in the scope of the entrustment agreement results in a reduction of the assets managed by OGP Gaz-System S.A., and thus a reduction in the number of investment tasks necessary to be included in the development plan and implementation by this Operator.

The investment tasks in the TGPS infrastructure in Part B of the Development Plan for the years 2024−2033 are of a modernisation and restoration nature and are intended to ensure the security, continuity, reliability and optimisation of gas transmission in accordance with the available transmission capacity. The scope of the anticipated investments of the plan in question includes three named tasks to separate the entrusted assets (hereinafter: TGPS Assets) from the TGPS assets that are not subject to entrustment. In addition, it collectively takes into account tasks related to the modernisation of: (i) gas stations and metering systems, (ii) communication systems, (iii) IT systems and (iv) TGPS facilities.

Gaseous fuel storage system operator (Gas Storage Poland Sp. z .o.o.)

Pursuant to Article 16[1] para. 8 of the Energy Law Act[133], the President of URE shall agree with the SSO on a development plan to meet the current and future demand for storage facility capacities for a period of 10 years, acting in consultation with the Minister responsible for energy. This plan shall be updated every two years.

Pursuant to Article 16[1] para. 2 of the Energy Law Act, the SSO development plan takes into account:

- the local spatial development plan,
- the energy policy of the state,
- a preventive action plan to be developed in accordance with Article 15fa para. 2,
- the development plan drawn up by the gas transmission system operator referred to in Article 16 para. 2.

The SSO's development plan also includes, pursuant to Article 16[1] para. 3 of the Energy Law Act, in particular:

- investments in the modernisation, expansion or construction of storage facilities,
- the anticipated method of financing the investment,
- expected revenues necessary to implement the investment,
- the planned schedule of the investment completion.

In 2024, Gas Storage Poland Sp. z o.o. (the only energy company in Poland with the SSO status) did not submit another draft development plan to the President of URE for approval. The deadline for preparing and submitting to the President of URE the next development plan to meet the current and future demand for storage facility capacities is 31 March 2025.[134]

[131] Journal of Laws of 2022 item 631.

[132] Agreement on the conferral of duties of the transmission system operator on the section of the Yamal − Western Europe Transit Gas Pipeline System located on the territory of the Republic of Poland, attached to the decision of the President of URE of 29 August 2022.

[133] The provision introduced on 21 December 2022 pursuant to Article 37 item 5 of the Act of 15 December 2022.

[134] Article 6 para. 3 item 2 of the Act of 5 August 2022.

Works carried out by OGP Gaz-System S.A. on the construction of interconnections

In the last few years, several significant investment projects of fundamental importance for the security of natural gas supply to Poland were implemented, involving the creation of new cross-border connections or the extension of the functionality of existing connections, which has enabled the company to become fully independent of supplies from the east. These projects, concerning interconnections completed by 2022, have been discussed in previous reports. In the current development plan, the key tasks include gas pipelines aimed at ensuring the operation of the gas system in the new supply system, primarily from the north – through the northern gate from the Baltic Pipe gas pipeline and from the LNG terminal in Świnoujście. The new tasks predominantly provide for the construction of gas pipelines enabling the distribution of gas from the northern direction within the country and supplying new customers, including in particular new natural gas-fired electricity generation sources. As already indicated in the previous part of the Report, the new tasks also include tasks enabling the operation of the Yamal gas pipeline owned by SGT EuRoPol GAZ S.A., on which OGP Gaz-System S.A. acts as an operator in the independent system operator formula, in a new power supply system, enabling its full integration with the transmission infrastructure owned by the latter entity.

The process of expanding cross-border connections has been supported by EU programmes related to projects of common interest (PCI). The status of PCI is assigned by means of an agreement between the company planning to undertake the project and the Member State (or companies and Member States), with the participation of the EU institutions (in particular the European Commission). Key cross-border infrastructure projects connecting the energy systems of EU Member States that are intended to help the EU achieve its energy policy and climate objectives − affordable, secure and sustainable energy for all citizens and the long-term decarbonisation of the economy in accordance with the Paris Agreement − may be recognised as PCIs.

It should be noted that the process of the European Commission's support for gas projects has changed. From the sixth PCI list onwards, support is possible under different rules: the possibility of co-financing projects based on the extraction of energy from fossil fuels, namely oil and natural gas, has been significantly reduced, and EU support has been redirected to offshore energy networks, hydrogen infrastructure and so-called smart grids. Gas projects will be able to retain EU support but only until 2029 and under the condition that they are adapted for the transmission or storage of hydrogen or biomethane. The TEN-E Regulation currently in force provides for the possibility of granting a PCI status to investments enabling the emergence of integrated European hydrogen infrastructure through the implementation of hydrogen transmission and storage projects and facilities for the off-take and regasification of liquefied hydrogen or hydrogen carried in other chemical substances (e.g. ammonia). The changes to the PCI status process are compatible with the decarbonisation targets for the EU economy defined in the 2030 horizon and take into account the conclusions of the European Green Deal.

As a result, there was no national project with PCI status in the natural gas area in 2024. On 28 November 2023, the European Commission published a list of investments that had been granted the status of projects of common interest in the energy sector. The Nordic-Baltic Hydrogen Corridor project including the national part planned to be implemented by OGP Gaz-System S.A. was included in the list. Its purpose is to enable the transfer of hydrogen from Finland via the Baltic States and Poland to Germany. To this end, the gas transmission system operators: Gaz-System (Poland), Gasgrid Finland (Finland), Elering (Estonia), Conexus Baltic Grid (Latvia), Amber Grid (Lithuania) and ONTRAS (Germany) signed a cooperation agreement and initiated work on a preliminary feasibility study. The Nordic-Baltic Hydrogen Corridor is designed to strengthen the region's energy security, reduce dependence on imported fossil energy and create a fast track for decarbonisation in significant sectors of the economy, including e.g. industry, transport, electricity and district heating to meet the REPowerUE 2030 targets. In the first phase of the project, a preliminary feasibility study will be performed, on the basis of which

a decision will be taken to proceed with the development of the project and further activities such as the design, construction and commissioning of the transmission network.

PCI projects can benefit from the best practices arising from the TEN-E Regulation, which means, among others, that they can benefit from an accelerated process for obtaining permits. Under certain conditions, PCI status also makes it possible to apply for co-financing from the Connecting Europe Facility (CEF).

The implementation of projects with PCI status and those applying for support under this procedure is subject to ongoing monitoring by the President of URE as part of the reconciliation of draft development plans and annual validation surveys in the course of ACER work.

In the area of natural gas, OGP Gaz-System S.A. submitted to TYNDP 2024 a project for the expansion of the LNG terminal in Świnoujście, the Poland-Czech Republic interconnection (STORK II), enabling reverse transmission on the Poland-Czech Republic interconnection in Cieszyn, the FSRU in Zatoka Gdańska and the north-south corridor in eastern Poland. In turn, in the area of hydrogen, the following were submitted: (1) the national hydrogen backbone network: Pomerania Green Hydrogen Cluster, Hydrogen Highway – northern section, Hydrogen Highway – southern section, Poland-Germany Interconnector, (2) Nordic-Baltic Hydrogen Corridor, (3) Baltic Sea Hydrogen Collector – connection to the Polish hydrogen system, (4) Hydrogen storage facility in Damasławek, (5) Ammonia terminal in Gdańsk. Hydrogen projects may apply for PCI status in subsequent proceedings.

Complaints against a transmission, storage, LNG or distribution system operator relating to their obligations under Directive 2009/73/EC

The President of URE is the body responsible for investigating complaints against energy companies, which may be submitted by any entity. In such a situation, the President of URE assesses whether the activity of a given company violated the provisions of the applicable acts of common law, that is EU regulations, acts, national regulations or decisions issued by the President of URE, including for example network codes.

4.1.4. Implementation of network guidelines and codes

TAR NC

In 2024, activities related to the implementation of the obligations under the TAR NC were continued. The Regulation entered into force on 6 April 2017, with the exception of Chapters VI and VIII, which have been applicable since 1 October 2017, and Chapters II, III and IV, which have been applicable since 31 May 2019. The TAR NC is one of the so-called 'network codes', the procedure for the development and adoption of which is provided for in Article 6 of Regulation 715/2009[135], which is binding in its entirety and directly applicable in all European Union Member States.

The purpose of this regulation is to increase the transparency of the process of establishing gas transmission tariffs and to unify their structures across the EU. The TAR NC introduces consultation and publication obligations on the calculation methodology and technical parameters adopted for the calculation of transmission tariffs to ensure that users of the EU gas transmission systems have greater predictability in the level of fees and their comparability.

[135] Article 8(6)(k) of Regulation 715/2009 has been replaced with Article 71(2)(d) of Regulation 2024/1789. Pursuant to Article 88 of Regulation 2024/1789, references to the repealed Regulation 715/2009 are to be read as references to Regulation 2024/1789, according to the correlation table in Appendix III to this Regulation.

The implementation of the TAR NC is expected to contribute to a more integrated European gas market, increased security of supply and the development of interconnections, which in turn can improve the competitiveness of European companies and reduce household gas bills.

The financial stability of gas transmission system operators is to be strengthened by the so-called regulatory account introduced by the TAR NC. Thanks to its application, it is possible to settle and include in the calculation of tariffs for gaseous fuels transmission services for subsequent years the difference between revenues planned before the beginning of the tariff year and revenues actually generated by the transmission system operator in that period, as part of the reconciliation of the regulatory account referred to in Article 20 of the TAR NC. Thanks to this mechanism, the risk of transferring the effects of incorrect forecasts regarding, among others, planned long-term or short-term capacity orders, to the transmission system users was eliminated. Until now, a reconciliation of the regulatory account for OGP Gaz-System S.A. (for own network) was made as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023. On the other hand, with respect to the network owned by SGT EuRoPol GAZ S.A., the balance of the regulatory account was reconciled for the first time as at 31 December 2023. More comprehensive information on this matter has been included in the decisions approving tariffs for gas fuel transmission services, available on the Office's website. It should also be emphasised that the solutions concerning the regulatory account included in the TAR NC were probably an inspiration for the national legislator to introduce similar solutions for "other operators" in the Gas Tariff Ordinance (§ 10 para. 6 and § 10a).

In 2024, the following were applied: *Reference Price Methodology No. 2/OGP for the own transmission network of OGP Gaz-System S.A. for the period: from 6:00 am on 1 January 2023 to 6 am on 1 January 2025*[136], the *Reference Price Methodology No. 2/SGT for the transmission network owned by the energy company System Gazociągów Tranzytowych EuRoPol GAZ S.A. with its registered office in Warsaw for the period from 6:00 am on 1 January 2023 to 6:00 am on 1 January 2025*[137].

In the administrative proceedings for the approval of the above methodologies of determining reference prices, the results of consultations conducted by OGP Gaz-System S.A. in the period 31 August − 31 October 2021, concerning the years 2023−2024, with respect to its own transmission network[138] and the transmission network owned by SGT EuRoPol GAZ S.A., were used[139].

Between 31 August and 31 October 2023, the TSO conducted further consultations on the methodologies of determining reference prices for the years 2025−2026, including the elements specified in Article 26(1) of the TAR NC, separately with respect to the own transmission network of OGP Gaz-System S.A.[140] and with respect to the transmission network owned by the energy company SGT EuRoPol GAZ S.A.[141] The TSO was appointed by the President of URE by decision of 16 July 2018, pursuant to Article 5(1), Article 26(1) and Article 27(1) of the TAR NC, to conduct the above consultations.

After their completion, OGP Gaz-System S.A. published the answers obtained and their summary. In turn, pursuant to the provisions of Article 27(3) of the TAR NC, ACER published and sent to the Office and OGP Gaz-System S.A. conclusions from the analysis of consultation documents, carried out in accordance with para. 2 of the above-mentioned provision[142, 143].

[136] https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/metody-wyznaczania-cen-referen-1/10196,Decyzje-Prezesa-URE-w-sprawie-metod-wyznaczania-cen-referencyjnych-stosowanych-w.html

[137] https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/metody-wyznaczania-cen-referen-1/10196,Decyzje-Prezesa-URE-w-sprawie-metod-wyznaczania-cen-referencyjnych-stosowanych-w.html

[138] https://www.gaz-system.pl/pl/dla-klientow/uslugi-w-ksp/taryfa-ksp/nc-tar.html

[139] https://www.gaz-system.pl/pl/dla-klientow/uslugi-w-sgt/taryfa-sgt/nc-tar.html

[140] https://www.gaz-system.pl/pl/dla-mediow/komunikaty-prasowe/2023/sierpien/31-08-2023-konsultacje-metodologii-dla-krajowego-systemu-przesylowego-na-okres-2025-2026.html

[141] https://www.gaz-system.pl/pl/dla-mediow/komunikaty-prasowe/2023/sierpien/31-08-2023-konsultacje-metodologii-dla-systemu-gazociagow-tranzytowych-na-okres-2025-2026.html

[142] https://www.acer.europa.eu/sites/default/files/documents/Publications/2024_analysis_report_Poland.pdf

[143] https://www.acer.europa.eu/sites/default/files/documents/Publications/2023_analysis_report_Poland_TGPS.pdf

The results of the above consultations were taken into account in the decisions of the President of URE approving the methodologies of determining reference prices for the years 2025−2026 for the own network of OGP Gaz-System S.A. and the network of SGT EuRoPol GAZ S.A.:

a) of 10 April 2024 approving the *Reference Price Methodology No. 3/OGP for the own transmission network of OGP Gaz-System S.A. for the period: from 6:00 am on 1 January 2025 to 6 am on 1 January 2027*, constituting an annex to this decision (URE Bulletin – Gaseous Fuels No. 50 (2847) of 11 April 2024) and
b) of 20 March 2024 approving the *Reference Price Methodology No. 3/SGT for the transmission network owned by the energy company SGT EuRoPol GAZ S.A. with its registered office in Warsaw for the period: from 6:00 am on 1 January 2025 to 6:00 am on 1 January 2027*, which is attached to this decision (URE Bulletin – Gaseous Fuels No. 44 (2841) of 21 March 2024).

The above decisions were announced on the URE's website[144] and sent to ACER and the European Commission. Reference price methodologies are also available in English[145].

In the period from 21 October to 23 December 2024, the President of URE consulted for the seventh time[146] on the issues referred to in Article 28 of the TAR NC, concerning, among others, multipliers, seasonal factors, levels of discounts at entry points from the LNG terminal and discounts used to calculate base prices for standard interruptible capacity products. The consultations concerned the network of OGP Gaz-System S.A. and the transmission network owned by SGT EuRoPol GAZ S.A.

On 18 February 2025, the President of URE issued and published Information No. 9/2025 on the level of multipliers, seasonal factors and discounts referred to in Article 28(1)(a)-(c) of the Tariff Code, to be included in the calculation of tariffs for gaseous fuel transmission services for the period from 6:00 am on 1 January 2026 to 6:00 am on 1 January 2027[147]. The provisions of the above Information will be taken into account in the calculation of tariffs for 2026 for the network of OGP Gaz-System S.A. and the transmission network owned by SGT EuRoPol GAZ S.A.

Two main changes, for 2026 compared to 2025, introduced in the above information should be highlighted.

The first one concerns the abandonment in 2026 of the use of seasonal factors in the scope of OGP Gaz-System S.A.'s own network and the reduction of multipliers for particular transmission capacity products: quarterly from 1.27 to 1.10; monthly from 1.45 to 1.25 and daily and intraday from 2.20 to 1.95. These changes should contribute to an increase in the use of the transmission system (increase in short-term capacity reservations), among others through greater convergence with the multipliers applied by transmission system operators from neighbouring countries, which in most cases do not use seasonal coefficients, either. As a result, the approach for the own network of OGP Gaz-System S.A. and for the SGT network of EuRoPol GAZ S.A. was unified (the same values of multipliers and no seasonal coefficients).

The second change concerns the introduction of a gradual reduction of the discount at the entry point into the natural gas transmission system from the LNG terminal in Świnoujście, from the currently applicable level of 100% to 70% in 2026.

The analyses performed indicated that currently the 100% discount is not necessary to ensure the competitiveness of natural gas imported to Poland in the form of LNG and its reduction will not diminish the security of natural gas supplies to Poland. On the other hand, as a result of the reduction of the discount at the entry point from the LNG terminal (from 1 January 2026), transmission system

144 https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/inne-decyzje-informacj/4574,Inne-decyzje-informacje-sprawozdania-opublikowane-w-2024-r.html

145 https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/metody-wyznaczania-cen-referen-2

146 https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/mnozniki-wspolczynniki-sezonow-1/12236,Mnozniki-wspolczynniki-sezonowe-i-rabaty-na-2026-r-art-28-NC-TAR.html

147 https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/mnozniki-wspolczynniki-sezonow-1/12236,Mnozniki-wspolczynniki-sezonowe-i-rabaty-na-2026-r-art-28-NC-TAR.html

users using the other entry points will incur lower fees for entry into the transmission system, as there will be no need to recover the revenue lost as a result of this discount, which is used by the sole user of the LNG terminal. This change may have a positive impact on the development of the natural gas market in Poland, to the benefit of household and business customers.

Additional information on this subject can be found in the Consultation Document available on the Office's website[148].

Pursuant to Article 28(2) of the TAR NC, the aforementioned consultation shall take place during each tariff period. As defined in Article 3(23) of the TAR NC, a tariff period means the time period during which a particular level of reference price is applicable, which minimum duration is one year and maximum duration is the duration of the regulatory period. As the tariffs for gas transmission services are approved for a period of 12 months, this consultation is carried out every year. On 9 January 2024 the President of URE issued and published information[149] regarding the previous consultations referred to in Article 28(1)(a)-(c) of the TAR NC. The provisions of the above-mentioned information were taken into account in the calculation of tariffs for 2025.

CAM NC Regulation

In accordance with the CAM NC, the transmission system operator shall make the maximum technical capacity available at interconnection points. The TSO shall regularly perform an analysis of the technical capacity at the above-mentioned points in order to maximise the capacity made available to market participants. In fulfilling the provisions of Article 6 of the CAM NC, the TSO shall agree the results of the above-mentioned analyses with the system operators cooperating in accordance with the Regulation.

The table below presents a breakdown of natural gas flows at individual interconnection points, taking into account firm and interruptible capacities in 2024.

Table 28. Natural gas flows at interconnection points in 2024 (including SGT) [MWh/year]

System operator name	Operator's country	Interconnection point	Direction of supply	Total transmission capacity		Reserved capacity		Unreserved capacity		Unused reserved capacity		Transmission completed – firm and interruptible capacity
				firm	interruptible	firm	interruptible	firm	interruptible	firm	interruptible	
OSGT Gaz-System S.A.	Poland/ SGT	Interconnection Point (en)	Poland	101593311	30591211	439 298	0	101154013	30591211	30 536	0	408 762
OSGT Gaz-System S.A.	Poland	Interconnection Point (ex)	Poland /SGT	0	101593311	0	0	0	101593311	0	0	0
ONTRAS	Germany	GCP GAZ-SYSTEM/ ONTRAS (en)	Poland	17825371	12732408	6271629	0	11553742	12732408	778718	0	5 492 911
ONTRAS	Germany	GCP GAZ-SYSTEM/ ONTRAS (oex)	Germany	31 833	17825371	48	0	31 785	17825371	24	0	24
GasNet s.r.o.	Czech Republic	Branice Czech Republic	Poland	15 838	15 838	0	0	15 838	15 838	0	0	3 162
Net4Gas	Czech Republic	Cieszyn (en)	Poland	6621945	6596262	6349304	0	272 641	6596262	4105712	0	2 243 592
Net4Gas	Czech Republic	Cieszyn (ex)	Czech Republic	0	6621945	0	0	0	6621945	0	0	28 056
GasNet, s.r.o.	Czech Republic	Zlate Hory	Poland	49 413	231 851	0	0	49 413	231 851	0	0	0
GasNet, s.r.o.	Czech Republic	Zlate Hory	Czech Republic	0	0	0	0	0	0	0	0	0
Eustream	Slovakia	Vyrava (en)	Poland	63662040	6366204	49 080	0	63612960	6366204	6366204	49 080	49 080

148 https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/mnozniki-wspolczynniki-sezonow-1/12236,Mnozniki-wspolczynniki-sezonowe-i-rabaty-na-2026-r-art-28-NC-TAR.html

149 https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/2025-r-art-28-nc-tar/11270,Mnozniki-wspolczynniki-sezonowe-i-rabaty-na-2025-r-art-28-NC-TAR.html

System operator name	Operator's country	Interconnection point	Direction of supply	Total transmission capacity		Reserved capacity		Unreserved capacity		Unused reserved capacity		Transmission completed – firm and interruptible capacity
				firm	interruptible	firm	interruptible	firm	interruptible	firm	interruptible	
Eustream	Slovakia	Vyrava (ex)	Slovakia	52 888 464	5 288 846	11 269	0	52 877 195	5 288 846	11 248	0	21
LLC Gas TSO of Ukraine	Ukraine	GCP GAZ-SYSTEM/ UA TSO (EC)	Poland	49 629 600	49 133 304	13 101 462	0	36 528 138	49 133 304	163 203	0	12 938 259
LLC Gas TSO of Ukraine	Ukraine	GCP GAZ-SYSTEM/UA TSO (ex)	Ukraine	0	54 040 668	264	1 545 600	0	52 495 068	0	1538136	7 464
AB Amber Grid	Lithuania	Santaka (en)	Poland	21 253 327	6 893 833	2 732 812	0	18 520 515	6 893 833	184 391	0	2 548 421
AB Amber Grid	Lithuania	Santaka (ex)	Lithuania	25 226 652	19 000 670	2 568 545	0	22 658 107	19 000 670	1080510	0	1 488 035
Energinet	Denmark	FAXE (Baltic Pipe entrance)	Poland	117802224	78 912 250	93 676 698	0	24 125 526	78 912 250	14683932	0	78 982 766
Energinet	Denmark	FAXE (Baltic Pipe Exit)	Denmark	33 842 468	3 384 247	3 646	0	33 838 822	3 384 247	1 383	0	2 263
GASCADE Gastransport Gmbh	Germany	Mallnow SGT (en)	Poland	101593311	21 999 387	439 298	0	101154013	21 999 387	30 536	0	408 762
GASCADE Gastransport Gmbh	Germany	Mallnow SGT (ex)	Germany	0	101593311	0	0	0	101593311	0	0	0

Source: URE's own analysis based on data from OGP Gaz-System S.A.

In 2024, bundled capacity was offered at the following interconnection points: Cieszyn (connection to the Czech Republic), FAXE (connection to Denmark), Santaka (connection to Lithuania), Vyrava (connection to Slovakia), Mallnow reverse (connection to Germany), GCP Gaz-System Ontras (connection to Germany) and PWP point (connection of the national transmission system to the transit system). The capacity ordering process in 2024 took place on the GSA and RBP auction platform and proceeded smoothly.

Incremental capacity projects

INCREMENTAL PROJECT 2023–2025 Poland-Ukraine

Genesis of the project

In the Market Demand Assessment Report (MDAR)[150] non-binding requests received through the Market Demand Assessment conducted from 3 July to 28 August 2023 were evaluated. The non-binding requests received by Gaz-System and LLC "Gas Transmission System Operator of Ukraine" (hereinafter: "GTSOU") were identical and amounted to 4,181,150 [(kWh/h)/year] for the direction from Polish to Ukraine, for the gas years 2029/2030 − 2044/2045.

On the basis of the results of the MDAR for the incremental capacity process starting in 2023 between the Polish gas transmission system and the Ukrainian gas system, published on the websites of both TSOs on 23 October 2023, the operators started the project preparation phase under Article 27 of the CAM NC.

As a result of the technical analyses performed, OGP Gaz-System S.A. and GTSOU proposed the implementation of an incremental capacity project at the current interconnection point of the GCP Gaz-System/UA TSO (towards UA) between Poland and Ukraine. Considering the previous incremental capacity process 2021−2023 and based on the requests received under the incremental procedure 2023−2025, OGP Gaz-System S.A. and GTSOU took into account the same incremental capacity level,

[150] Report on the market demand for incremental capacity between the Polish gas transmission system and the Ukrainian gas transmission system of 23.10.2023. The report is available on the website of Gaz-System S.A. at: https://www.gaz-system.pl/pl/dla-klientow/konsultacje-rynkowe/procedura-incremental.html

that is 3,869,863 kWh/h[3] and the technical solution that was approved by the national regulatory authorities in 2023.

Given the maturity of the technical solution that formed the basis for the national regulatory authorities' decisions in 2023, both transmission system operators declared their readiness to conduct the auction in July 2024. An auction of incremental capacity for the border between bidding zones Poland-Ukraine[151] took place on 1 July 2024 in accordance with the information described in the section "Completion of the Incremental process 2023−2025 Poland-Ukraine" below. This approach was intended to enable the planning of the investment process immediately after the completion of the project phase.

As part of the public consultations[152] on the preliminary project proposal, launched by OGP Gaz-System S.A. and GTSOU in accordance with the CAM NC, which lasted from 30 October to 30 November 2023, neither OGP Gaz-System S.A. nor GTSOU received comments on the incremental capacity project or on the general terms and conditions for participation and access to capacity in the binding phase of incremental capacity allocation on the Poland-Ukraine border.

Submitting a formal application to the regulator

The application of the energy company OGP Gaz-System S.A. entitled "Application of the Gas Transmission Operator Gaz – System S.A. for approval of the incremental capacity project on the Poland-Ukraine border" was submitted to the President of URE and accepted as complete on 8 January 2024.

The process was carried out in accordance with the CAM NC on the basis of applications for approval of the incremental capacity project approved by the decisions of the relevant national regulatory authorities – for OGP Gaz-System S.A. by the decision of the President of URE of 26 April 2024 and for GTSOU by the decision of the Ukrainian regulatory authority (National Energy and Utilities Regulatory Commission of Ukraine – NEURC) of 30 April 2024.

The related bid level of 3,095,890 kWh/h/y was to be made available to the market from the gas year 2030/2031 and be offered in an annual capacity auction for a period of 15 years. The substantive elements of the project proposal, as set out in Article 28(1) of the CAM NC, were determined in coordination with the Ukrainian energy regulator NEURC.

Completion of the Incremental 2023−2025 Poland-Ukraine process

In the incremental capacity auction for the border between the Poland-Ukraine bidding zones, which took place on 1 July 2024, OGP Gaz-System S.A. and GTSOU made available a common level of incremental capacity offered as bundled capacity at the GCP Gaz-System/UA TSO interconnection point. Market participants did not make binding indications for incremental capacity. Therefore, the economic test, with zero capacity reservation, is assumed to be negative. In accordance with Article 22(3) of the CAM NC, in case no offer level results in a positive outcome, the specific incremental capacity process shall be terminated.

[151] The auction results can be found on the GSA Platform website: https://gsaplatform.eu/

[152] The information entitled: "GAZ-SYSTEM and LLC 'GAS TRANSMISSION SYSTEM OPERATOR OF UKRAINE' launch consultations on the project of incremental capacity between the transmission systems of Poland and Ukraine" together with the projects to download is available on the website of Gaz-System S.A. at: https://www.gaz-system.pl/pl/dla-klientow/konsultacje-rynkowe/procedura-incremental.html

Table 29. Decisions of the President of URE issued in the incremental process in 2024

Applicant/obliged entity	Subject matter of the decision	Legal basis
OGP Gaz-System S.A.	Application of OGP Gaz-System S.A. for approval of the proposal for the project of incremental capacity on the Poland-Ukraine border	Article 28(1) of the CAM NC[153]
OGP Gaz-System S.A.	Obligation for the energy company OGP Gaz-System S.A. to carry out an economic test for the bid level of 3,095,890 kWh/h of the incremental capacity project for the Poland-Ukraine bidding zone border in the part implemented by it, after obtaining binding commitments of network users in the field of contracting incremental capacity	Article 22(1) of the CAM NC

Source: URE

Fulfilment of obligations under the BAL NC

In 2024, OGP Gaz-System S.A. undertook balancing activities on TGE S.A. as part of standard short-term products, under which it purchased 597 GWh (60 balancing activities) and sold 611 GWh (97 balancing activities).

Within the TGPS and Lw balancing zone, OGP Gaz-System S.A. did not undertake balancing activities on TGE S.A. in 2024.

In 2024, as in previous years, the President of URE approved gas trading in adjacent balancing zones and gas transmission to and from these balancing zones in order to perform balancing tasks[154]. However, in 2024, the TSO did not undertake balancing activities in the adjacent balancing zone.

Balancing services were applied at the Branice interconnection point on the Polish-Czech border. The rules for their use are set out in Article 8 of the BAL NC and the contract for the provision of these services, which is concluded by the TSO after a non-discriminatory tendering procedure. As part of balancing services at the Branice entry point, 3.1 GWh were supplied to the transmission system in 2024.

OGP Gaz-System S.A. continued to apply the mechanism to ensure cost neutrality introduced by the TSO on 1 June 2020 by virtue of the decision of the President of URE of 27 May 2020 approving the "Mechanism to ensure cost neutrality of balancing activities of Gas Transmission Operator Gaz-System S.A.". This document sets out the methodologies for calculating fees related to the cost neutrality of the operator's balancing activities.

By decision of 8 November 2024, the President of URE approved the methodology of calculating fees related to balancing neutrality, included in the document "Mechanism to ensure cost neutrality of balancing activities of Gas Transmission Operator Gaz-System S.A. in accordance with Commission Regulation (EU) No. 312/2014 of 26 March 2014 establishing a network code on gas balancing of transmission networks". The changes came into force on 1 February 2025 at 06:00.

The rules for balancing specified in the TNC and GPTS TNC, including the methodology for calculating imbalance fees and additional information on balancing, are available in the Balancing tab on the Operator's website.

[153] https://www.ure.gov.pl/pl/paliwa-gazowe/europejski-rynek-gazu-1/decyzje/11922,Rynek-gazu-Prezes-URE-zatwierdzil-projekt-przepustowosci-przyrostowej-dla-polacz.html

[154] GAZ-SYSTEM received the consent of the President of the Energy Regulatory Office for gas trading in adjacent balancing zones - Decisions - Energy Regulatory Office

The Operator provides the Transmission Service Ordering Party (TSOP) with information on the quantities delivered and withdrawn during the gas day – information on the estimated value of the imbalance is provided to particular TSOPs individually through the Information Exchange System (IES):

- for the first 4 hours of a given gas day, information provided to TSOP by 2:00 pm of a given gas day,
- for the first 8 hours of a given gas day, information is provided to TSOP by 6:00 pm of a given gas day,
- for a given gas day, information is provided to ZTSOP by 12:00 pm of the next gas day.

TSOP receives in the IES the values of the operative allocation for all entry and exit points at which it is allocated, as well as information about the imbalance status.

In addition, OGP Gaz-System S.A. provides TSOP with forecasts of the DSOs in the scope of the quantities received by TSOP measured less frequently than daily (the forecast on the D-1 day is provided by 1:00 pm, two updates of the forecast during the day are made available by 2:00 pm and 8:00 pm on a given gas day).

Billing data on the quantities delivered and received by TSOP are provided immediately after the end of the month to which the settlement relates.

INT NC

In 2024, OGP Gaz-System S.A. continued its cooperation with the following operators: Czech NET4GAS s.r.o., German GASCADE Gastransport GmbH and Ontras Gastransport GmbH, Ukrainian LLC "Gas Transmission System Operator of Ukraine", Lithuanian AB Amber Grid, Slovakia's Eustream a.s. and Danish Energinet SOV in accordance with the provisions of inter-operator agreements.

In 2024, the company continued to comply with the following obligations in accordance with the INT NC:

- publication of the points in which the current operational balancing account (OBA) agreements apply[155],
- implementation of OBA agreements containing detailed arrangements on: nomination matching rules, rules for allocation of gas quantities, communication procedure in case of exceptional events,
- promoting common solutions for the electronic exchange of information related to the execution of transmission contracts, which is based on the electronic document interchange (EDI) standard, in the version developed for the gas industry called EDIG@S[156],
- promotion of common data exchange solutions based on the AS4 protocol[157],
- publication of daily data (in accordance with Article 16 of the INT NC) for each interconnection point regarding Wobbe index and calorific value[158].

All the above-mentioned information is also available in English.

4.2. Competition and market functioning

4.2.1. Wholesale market

Natural gas acquisition and flows

Gas purchases from abroad for the needs of customers in Poland, in the amount of 168.5 TWh, were supplemented by gas from domestic sources in the amount of 37.8 TWh. Total gas supplies from

[155] https://www.gaz-system.pl/pl/dla-klientow/informacje-rynkowe/wymiana-danych.html
[156] https://www.gaz-system.pl/pl/dla-klientow/informacje-rynkowe/wymiana-danych.html
[157] https://www.gaz-system.pl/pl/dla-klientow/informacje-rynkowe/wymiana-danych.html
[158] https://swi.gaz-system.pl/publications/sgt/gcv/daily

abroad included imports and intra-Community acquisitions. The change in natural gas stocks was 8.1 TWh.

225.0 TWh of high-methane gas and 9.1 TWh of nitrogenous gas flowed through the Polish transmission system. The table below presents the most important directions of gas flow in the transmission system.

Table 30. Balance of trade flows* of high-methane gas through the National Transmission System and the Transit Gas Pipeline System and of nitrogenous gas through the National Transmission System in 2024 [TWh]

Gas Type		High-methane gas	Nitrogenous gas
Entering the system in total		**225.0**	**9.1**
of which:	mines and denitrification plants	19.5	1.9
	storages	34.0	0.0
	non-EU supplies	12.9	0.0
	supplies from the EU	89.7	0.0
	LNG terminal	67.3	0.0
	other (entries from distribution)	1.6	7.2
Exit from the system in total		**225.0**	**9.1**
of which:	Mixing and denitrification plants	0.0	0.8
	storages	28.0	0.0
	to the distribution network	142.5	8.1
	to final customers on the transmission network	52.2	0.2
	supplies to the EU [MWh]	1.5	0.0
	supplies outside the EU	0.0	0.0
	operator's own needs (including change of operator account balance)	0.8	0.0

* The data refers to the amount of gas injected into the network and off-taken from the transmission network as a result of execution of transmission contracts by the TSO. The data may differ from physical flows in the system.

Source: URE based on data from OGP Gaz-System S.A.

Trade in natural gas

At the end of 2024, 185 entities held a licence to trade in gaseous fuels, compared to 178 at the end of 2023 (85 companies actively participated in trading in natural gas, 100 companies were inactive). Gas trading companies from outside Orlen Group (GK Orlen) acquired 73.2 TWh of natural gas. Data on gas purchases and sales by trading companies are presented in the table below. The volume of gas obtained does not take into account the acquisition for own needs by the trading companies under monitoring, including the acquisition of gas by energy companies that are also large final customers.

Table 31. Volumes of gas acquired and sold as wholesale trade by the surveyed trading companies in 2024 [TWh]

	Total	GK Orlen	Other trading companies
Gas acquisition (purchase and production)	**417.5**	344.2	73.2
Wholesale of gas	**139.9**	119.3	20.6

Source: Data from the Ministry of Climate and Environment and the Energy Regulatory Office.

Natural Gas Exchange

The sale and purchase of gaseous fuels on the Polish wholesale market takes place primarily on the commodity exchange operated by TGE S.A. (Commodity Market – CM and as of 1 May 2020 – Organised Trading Facility – OTF). Exchange market participants are mainly gaseous fuel trading companies and the largest final customers which can act independently after concluding an appropriate agreement with TGE S.A., becoming members of CM or OTF, respectively, or through brokerage houses or through other entities having the status of a CM and OTF member from its own group which may conclude transactions for the benefit of other entities belonging to the same group.

Stock exchange trading takes place by concluding sales agreements (transactions) between members of CM and OTF.

In 2024, TGE S.A. operated the following markets for the sale of gaseous fuels: the Intraday Market (IDMg), the Day-Ahead Market (DAMg) and the Gas Forwards Market (GFM) of the Organised Trading Facility (OTF).

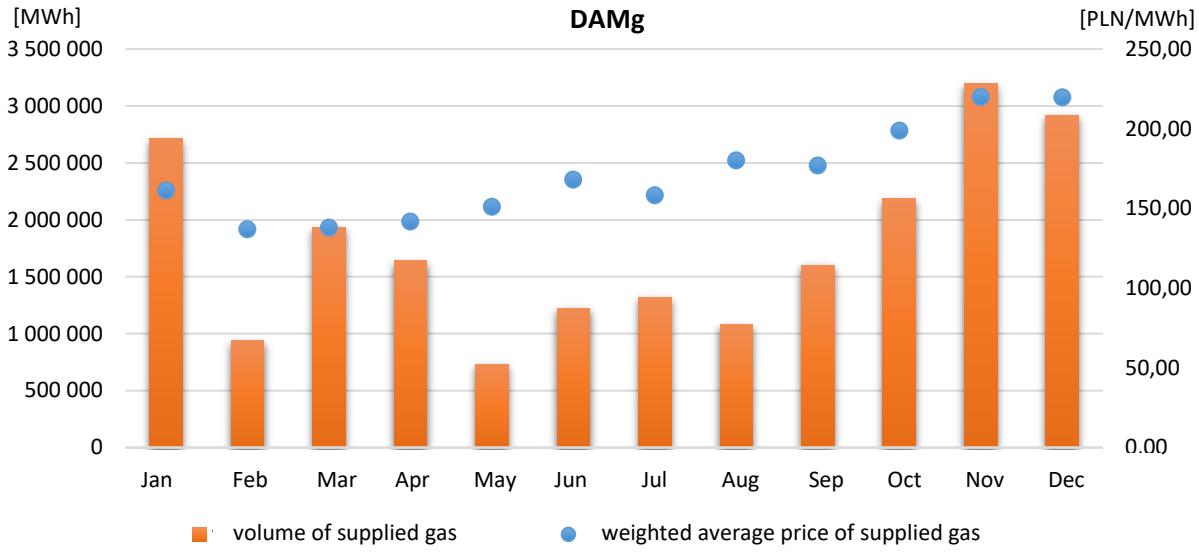
The subject of trading on GFM OTF was the supply of gas in equal quantities during all hours of the delivery period in accordance with the instrument standard (weekly, monthly, quarterly, seasonal and annual).

The supply of gas in equal volumes at all hours of the delivery day is subject of trade on the Day-Ahead Market for gas (DAMg). It is a base instrument and one contract corresponds to the delivery of 1 MWh of gas in each hour of the delivery day. Trading is conducted during one day preceding the date of delivery in the continuous trading system. In addition, the subject of trading on the day-ahead gas market are weekend instruments with the delivery period from 6:00 am on Saturday to 6:00 am on Monday (gas weekend) in the equal amount of 1 MWh for each hour of the contract execution deadline. Quotations of the weekend instrument are carried out for two days preceding the delivery period.

Trading on the IDMg is carried out in the continuous trading system.

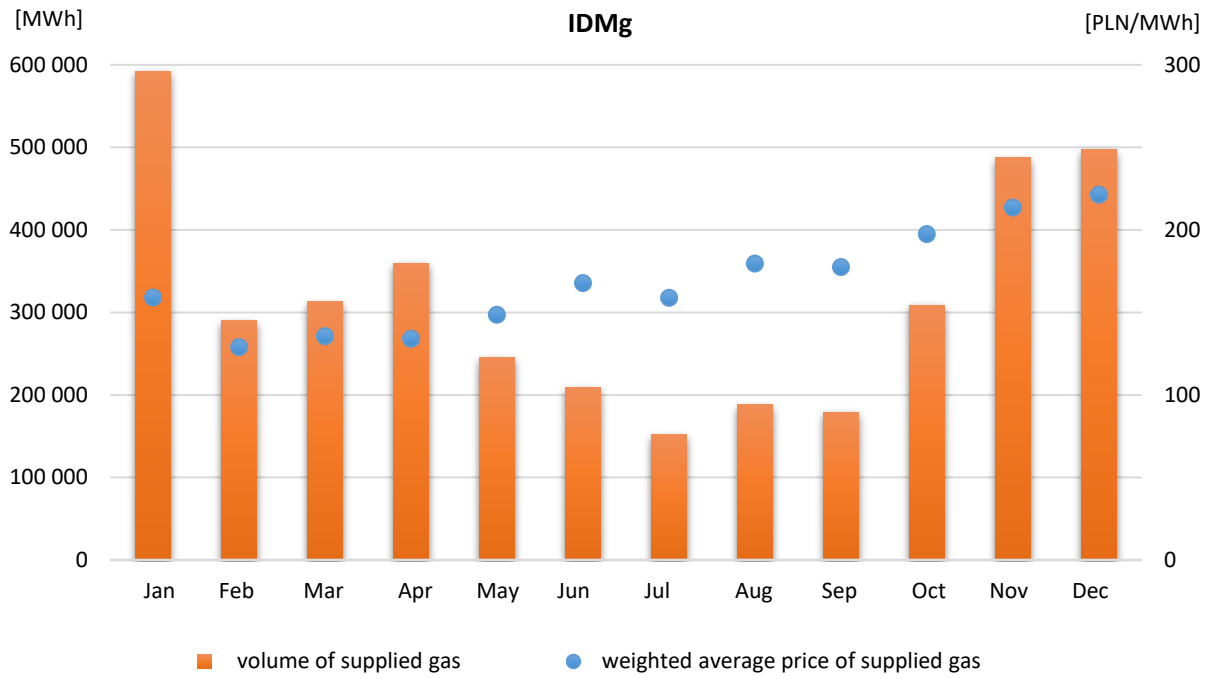
The figures below show the volume and price of gas supplied under contracts concluded on the Day-Ahead Market, Intra-day Market and Gas Forward Market (GFM OTF).

Figure 31. Volume and weighted average monthly price of gas supplied as a result of the performance of contracts concluded on the Day-Ahead Market (DAMg) in 2024



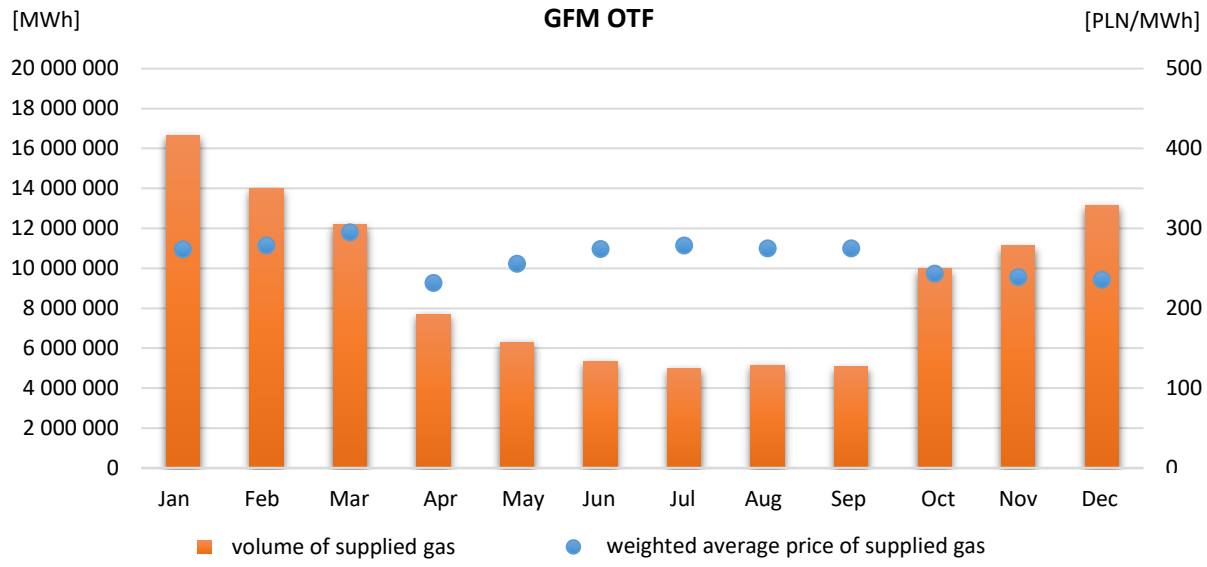
Source: In-house analysis based on TGE S.A. data.

Figure 32. Volume and weighted monthly average price of gas supplied as a result of the performance of contracts concluded on the Intra-Day Market for gas (IDMg) in 2024



Source: In-house analysis based on TGE S.A. data.

Figure 33. Volume and weighted average monthly price of gas supplied as a result of the execution of contracts executed on the Commodity Forward Instruments Market and the Gas Forward Market (GFM) on OTFs, which were executed in 2024.



Source: In-house analysis based on TGE S.A. data.

In 2024, as a result of the performance of contracts concluded on TGE S.A., throughout the entire quotation period of a given type of contract, 136,948,385 MWh of natural gas was delivered at an average price of 247.03 PLN/MWh (21,477,760 MWh on the DAMg at an average price of 179.06 PLN/MWh, 3,821,712 MWh on the IDMg at an average price of 172.32 PLN/MWh and 111,648,913 MWh on the forward market at an average price of 262.67 PLN/MWh).

Trading in high-methane natural gas at an OTC virtual point

The President of URE also monitored transactions concluded at a virtual point on the OTC market. According to the definition from the OGP-Gaz System S.A.'s TNC, it is a point in a given balancing zone of the transmission system with an unspecified physical location, where gaseous fuel is traded. As a result of the performance of contracts concluded at this point on the OTC market, regardless of the date of the contract, 25.0 TWh of natural gas was delivered in 2024 at the weighted average annual price of 190.30 PLN/MWh. Prices in individual quarters are as shown in the table below.

Table 32. Comparison of average natural gas prices from sales contracts at a virtual OTC point and sales through TGE S.A. in individual quarters of 2024 [PLN/MWh]

	I quarter	II quarter	III quarter	IV quarter
Average prices from sales contracts at a virtual OTC point for delivery in a specified period	180.41	172.59	192.15	215.81
Average prices from sales contracts through TGE S.A. with delivery in a specified period	263.41	233.05	252.29	233.71

Source: URE.

4.2.2. Retail market

The retail gas market is understood as the market for sales to final customers, irrespective of the volume of fuel purchased.

In 2024, sales to final customers connected to the natural gas transmission network were conducted by 11 companies from among entities holding a licence to trade in gaseous fuels.

In 2024, trading companies had 201 contracts signed with distribution system operators (DSOs). 26 companies were active in the field of household supplies and 82[159] companies in the field of supplies to other customers.

For the PSG Sp. z o.o. network, the number of contracts signed with trading companies was 54. Of these, 20 companies sold natural gas to households and 44 to other customers.

As at 31 December 2024, 7,078,563 customers (7,734,861 gas consumption points − GCP) were connected to the DSO networks covered by the study. The tables below present data on the number of customers of high-methane and nitrogenous natural gas, divided into households and other customers.

Table 33. Customers connected to the high-methane gas distribution network

Customer groups	Households		Other customers	
	number	[%]	number	[%]
Number of customers	6 516 869	97.15	191 118	2.85
Number of gas consumption points [GCP]	7 050 102	96.04	290 688	3.96

Source: URE based on survey data.

[159] Data changed in relation to the Report on the activities of the President of URE in 2024 due to the correction of data by trading companies.

Table 34. Customers connected to the nitrogenous gas distribution network

Customer groups	Households		Other recipients	
	number	[%]	number	[%]
Number of customers	355 650	95.97	14 926	4.03
Number of gas consumption points [GCP]	373 905	94.88	20 166	5.12

Source: URE based on survey data.

As can be seen from the above data, over 97.09% of customers connected to the distribution network are household customers.

In the reporting year, the total sales of high-methane and nitrogenous gaseous fuel to final customers connected to the grid, based on data provided by trading companies, amounted to 192,468,123 MWh[160], of which the highest share, namely as much as 71.63%[161], went to customers other than household customers, and 28.37%[162] to households.

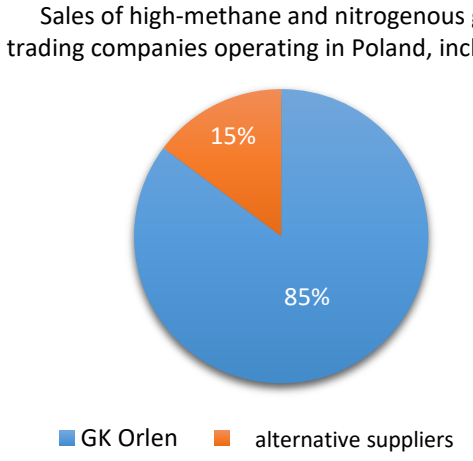
The sales structure was as follows, taking into account the share of GK Orlen.

Table 35. Structure of sales of high-methane and nitrogenous gas to final customers connected to the grid in 2024[163]

Sales of high-methane and nitrogenous gas [MWh] to final customers	GK Orlen	Alternative suppliers	Amount
Gas sales to final customers by trading companies operating in Poland, including:	**164 055 604**	**28 412 519**	**192 468 123**
households	52 815 353	1 788 806	54 604 159
other customers	111 240 251	26 623 714	137 863 964

Source: URE based on survey data.

Figure 34. Share in sales of high-methane and nitrogenous gas in 2024 (by volume of gas sold)



Source: URE.

The retail market for natural gas (high-methane and nitrogenous gas) is highly concentrated. The share of GK Orlen entities in gas sales to final customers was 85%.

[160] As above.
[161] As above.
[162] As above.
[163] As above.

4.2.2.1. Price monitoring, market transparency and openness to competition

Tariffs for gaseous fuels

In 2024 the President of URE approved 85 tariffs or tariff amendments for enterprises operating in the field of trading in gaseous fuels (that is sales of gaseous fuels to customers referred to in Article 62b para. 1 item 2 of the Energy Law Act).

In the tariff/tariff amendment approval proceedings, the President of URE is obliged in particular to examine whether the prices and fee rates set therein have been calculated in accordance with Article 45 of the Energy Law Act, that is, whether they ensure that only justified costs are covered, as well as whether they guarantee the protection of customers' interests against their unjustified level.

Tariffs established by energy companies for the sale of natural gas were subject to approval by the President of URE when gas was sold to customers in households and to customers performing important public utility tasks[164].

In connection with the Act of 15 December 2022, the gaseous fuel prices approved by the President of URE in tariffs/amended tariffs, were not applicable for eligible customers due to the freezing of gaseous fuel prices and fee rates. For eligible consumers in 2024:

1) The price of gas was frozen:
   – by 30 June 2024 at the level of 200.17 PLN/MWh[165];
   – from 1 July 2024 at the level of the price of gaseous fuels approved in the PGNiG Obrót Detaliczny Sp. z o.o. Tariff No. 15 for trading in gaseous fuels[166],
2) The subscription fee rate was frozen at the level applicable on 1 January 2022[167],
3) The rates of fees for the provision of gaseous fuel distribution services were frozen until 30 June 2024 at the level of distribution rates from the distribution system operator's tariff applicable on 31 December 2022[168].

Therefore, in 2024, the prices of gaseous fuels approved by the President of URE in tariffs/tariff amendments did not apply to eligible consumers due to the freezing of gaseous fuel prices – as long as they were higher than the maximum price established for gaseous fuels. If the tariff sets higher prices for gaseous fuels than the maximum price of gaseous fuels, enterprises operating in the field of trading in gaseous fuels received compensation from the budget for reduced revenues in connection with the application of the maximum price.

In 2024, the President of URE, in fulfilment of its duties under Article 14 para. 2 of the Act of 15 December 2022, called on 14 energy companies to amend their tariffs by reducing the prices of gaseous fuels. This call was a result of the situation in the gas market at the time (falling prices). As a result of the aforementioned actions, 13 entities submitted applications to amend tariffs by reducing the prices of gaseous fuels. The reduced prices in the approved amendments applied to the establishment of amount of compensation possible to be obtained (if they were higher than in the tariff of PGNiG OD Sp. z o.o.). Importantly, due to the provisions of the Act of 15 December 2022, the prices from the amended tariff applied from the date of submission to the President of URE of the application for its amendment.

From the point of view of eligible consumers, the PGNiG OD Sp. z o.o. tariff was of key importance, as it is used to settle more than 90% of consumers.

[164] Article 62b para. 1 item 2 of the Energy Law Act.
[165] Article 3 para. 1 item 1 of the Act of 15 December 2022.
[166] Article 3 para. 1 item 2 of the Act of 15 December 2022.
[167] Article 3 para. 6 of the Act of 15 December 2022.
[168] Article 3 para. 7 of the Act of 15 December 2022.

In 2024 the President of URE conducted four proceedings for the above-mentioned company. Two of them were discontinued:

- by decision of the President of URE of 2 July 2024 discontinuing the administrative proceedings regarding *the amendment to Tariff No. 13 of PGNiG Obrót Detaliczny Sp. z o.o. for trading in gaseous fuels* established by the energy company PGNiG OD Sp. z o.o. in connection with the fact that the company's application in this case concerned the shortening of the term of validity *of Tariff No. 13 of PGNiG Obrót Detaliczny Sp. z o.o. for trading in gaseous fuels*, which, pursuant to Article 63a para. 1 of the Act of 15 December 2022, ceased to apply on 30 June 2024,
- by decision of the President of URE of 5 July 2024 discontinuing the administrative proceedings to approve *Tariff No. 14 of PGNiG Obrót Detaliczny Sp. z o.o. for trading in gaseous fuels*, established by the company, in connection with the approval by the President of URE, by decision of 27 June 2024, of Tariff No. 15 for trading in gaseous fuels, for the period from 1 July 2024 to 30 June 2025, pursuant to Article 63a para. 2 of the Act of 15 December 2022, further administrative proceedings to approve PGNiG Obrót Detaliczny Sp. z o.o.'s Tariff No. 14 for trading in gaseous fuels became invalid.

One of the proceedings concerned an amendment to Tariff No. 13 of PGNiG OD Sp. z o.o. for trading in gaseous fuels in connection with a letter from the President of URE, in which, acting pursuant to Article 47 para. 1 of the Energy Law Act and Article 14 para. 2 of the Act of 15 December 2022, it called on PGNiG OD Sp. z o.o. to submit an application for an amendment to the Tariff No. 13 for trading in gaseous fuels.

On 29 February 2024, the President of URE approved *Amendment No. 1 to* Tariff *No. 13 of PGNiG Obrót Detaliczny Sp. z o.o. for trading in gaseous fuels*. Gas prices in the amended tariff fell by 8.54% (from 318.14 PLN/MWh to 290.97 PLN/MWh).

The approved Amendment No. 1 to PGNiG OD Sp. z o.o.'s Tariff No. 1a for trading in gaseous fuels did not affect the amount of the comprehensive net payment of eligible customers until 30 June 2024. On the other hand, the amount of compensation paid to entrepreneurs depended on the level of tariffs.

On 13 June 2024, the Energy Voucher Act entered into force, which amended the Act of 15 December 2022, establishing, among others, a mechanism for “freezing gas prices” applicable from 1 July 2024 to 31 December 2024.

Pursuant to Article 63a item 1 of the Act of 15 December 2022, *Tariff No. 13 of PGNiG Obrót Detaliczny Sp. z o.o. for trading in gaseous fuels* ceased to apply on 30 June 2024.

Therefore, pursuant to Article 63a para. 2 of the Act of 15 December 2022, on 19 June 2024, PGNiG OD Sp. z o.o. submitted an application for approval of *Tariff No. 15 for trading in gaseous fuels* for the period from 1 July 2024 to 30 June 2025.

On 27 June 2024 the President of URE approved *Tariff No. 15 of PGNiG Obrót Detaliczny Sp. z o.o. for trading in gaseous fuels* until 30 June 2025 established by PGNiG OD Sp. z o.o.

Gas prices in the tariff approved for PGNiG OD Sp. z o.o. for trading in gaseous fuels for eligible customers are approximately 17.6% lower than in Tariff No. 13 approved in Amendment No. 1. The price of gas in the new tariff for tariff groups W-1 to W-4 will decrease to 239.65 PLN/MWh and for the W-5 group to 239.18 PLN/MWh, while in the tariff in force until 30 June 2024 it is 290.97 PLN/MWh and 290.40 PLN/MWh, respectively.

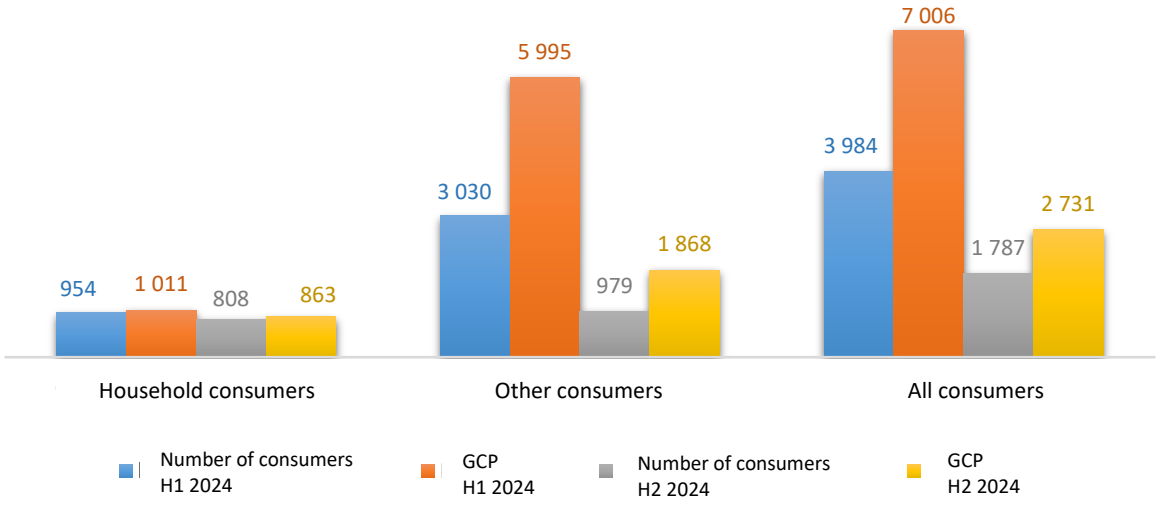
In the case of PGNiG OD Sp. z o.o., as of 1 July 2024, the freezing of gas sales prices for eligible consumers, including household consumers, ended. In the case of other gas suppliers, in the period from 1 July to 31 December 2024, the price of the freeze was the price of gas in the approved Tariff No. 15 of PGNiG Obrót Detaliczny Sp. z o.o. for trading in gaseous fuels.

The subscription fee rates – in the period from 1 July to 31 December 2024 – were applied in an amount not higher than the one in force on 1 January 2022.

Supplier switching

The President of URE systematically monitors the degree to which gaseous fuel customers actually exercise their right to choose a supplier. An analysis of the data for 2024 shows that in the first half of the year, a much higher dynamics of supplier switching was recorded than in the second half of the year, especially among co other than households. In addition, there is an increase in the number of switches calculated on the basis of GCP. This suggests that a single customer may have multiple GCPs in different locations across the country, and that supplier switching affected many of these points.

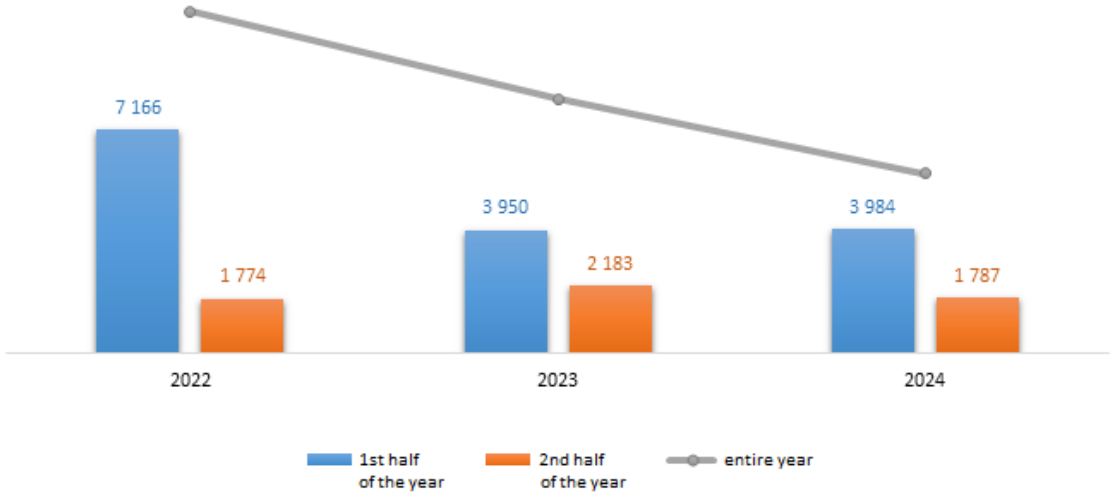
Figure 35. Number of natural gas supplier switches in the first and second half of 2024



Source: URE.

The figure below shows the downward trend in the number of supplier switches over the last three years[169]. Moreover, an interesting observation is that each year supplier switches were much more frequent in the first half of the year than in the second.

Figure 36. Number of gas supplier switches in 2022–2024



Source: URE.

[169] A new methodology was adopted for the 2024 study. Nevertheless, the data show a trend that has been observed for several years.

Compliance Programmes

Pursuant to the Energy Law Act, the obligation to adopt the Compliance Programme is imposed on distribution system operators and storage system operators operating within the structures of a vertically integrated enterprise, referred to in Article 9d para. 1d and 1f of the Energy Law Act. This obligation is fulfilled by submitting the Compliance Programme to the President of URE. The above obligation does not apply to distribution system operators referred to in Article 9d para. 7 and 7a, that is operators which meet the conditions set out in these provisions, in particular with regard to the number of customers connected to the gas distribution system.

In 2024, the approved Compliance Programme of the distribution system operator – PSG Sp. z o.o. – was in force. Additionally, on 26 July 2024, the President of URE issued a decision approving the Compliance Programme for Energomedia Sp. z o.o. and set the date of its entry into force at 1 January 2025.

By decision of 22 February 2024 the President of URE approved the amendment to the Compliance Programme of the storage system operator. The reason for the changes was the approval of the Storage Code for the company by the President of URE in a decision of 27 October 2023.

By decision of 29 October 2024 the President of URE repealed the decision approving the SSO's Compliance Programme. On 28 June 2024, 100% of the shares of Gas Storage Poland Sp. z o.o. were transferred to OGP Gaz-System S.A., and thus the operator ceased to remain in the structures of the vertically integrated enterprise.

The Operators complied with their obligation to publish the Programmes on their websites. Reports on the implementation of the Compliance Programmes for 2024 were submitted by the statutory deadline – by the end of March 2025 and published on the URE's website[170].

An analysis of the content of the reports, particularly the report submitted by the Compliance Officer of PSG Sp. z o.o., shows the increasing importance of the Programme and the role of the Compliance Officer. There are Compliance Programme Coordinators in all branches of PSG Sp. z o.o., monitoring observance of the compliance rules and working closely with the Compliance Officer in dealing with local cases. In addition, they are fulfilling the training obligation for newly hired employees in the company's field units.

The Compliance Officer of Gas Storage Poland Sp. z o.o. undertook educational and training activities related to the Compliance Programme. The main objective of the training was to familiarise employees with the content of compliance regulations, with a particular emphasis on the purpose and scope of the Compliance Programme, the obligations imposed and the possible sanctions in the event of their violation. All employees undergoing the training submitted statements confirming that they had acquainted themselves with the Compliance Programme and at the same time committed to absolute compliance with the provisions contained therein.

One of the main objectives of the Officers' activities was to monitor compliance with the principle of equal and non-discriminatory treatment of system users by the Company's employees. The activity of the Officers was largely based on issuing opinions and positions. The Compliance Officers were also engaged in interpreting the provisions of the Compliance Programmes, advising, consulting, interpreting the provisions and handling notifications in cases requiring clarification. The Compliance Officers interpreted the provisions of the Programmes, presenting risks and recommendations on how to resolve individual cases with arguments for taking or abandoning a particular action.

In 2024, the activities of the Compliance Officer of PSG Sp. z o.o. mainly concerned the following substantive areas: ICT, cybersecurity, procurement, projects, implementation of holding regulations,

[170] https://bip.ure.gov.pl/bip/taryfy-i-inne-decyzje-b/inne-decyzje-informacj/4771,Inne-decyzje-informacje-sprawozdania-opublikowane-w-2025-r.html

protection of confidential information, controlling, investments, communication, gas network development, customer service, and research and development. The activities undertaken by the Officer were aimed at building employee awareness in the area of compliance, shaping proper relations with contractors and improving the existing mechanisms. The Officer defined appropriate behaviour towards stakeholders in accordance with the role played by PSG Sp. z o.o. on the market, namely as a neutral operator enabling the development of competition in the gaseous fuel sales segment. Compliance with the principles of equality and non-discrimination in distribution activities is a priority for the Company.

The Officer agreed on the participation of PSG Sp. z o.o. in projects implemented at GK Orlen. As part of these activities, s/he indicated the conditions for the Company's participation or presented and explained obstacles of a formal or substantive nature that prevented involvement in a given holding project. Part of the Officer's activity with respect to relations in a vertically integrated enterprise concerned issuing opinions on the permissible scope of implementation of holding regulations, that is regulations developed by the parent company intended to be applied by all or most of the entities in the holding.

Throughout the reporting period, the Compliance Officer of Gas Storage Poland Sp. z o.o. was actively involved in the process of monitoring activities related to, on the one hand, the company's entry into the new group, and on the other hand, the implementation of the condition from the decision regarding the relinquishment of control over the storage system operator by the new owner and the possibility of making information on SSO available for the purposes of implementing the remedy. The Officer was involved in giving opinions on requests and inquiries and verified the possibility of providing specific data concerning the Company. The Officer supported both the company's management board and employees on an ongoing basis in assessing the possibility of SFO adopting the regulations in force in GK Orlen, although in the reporting period – due to the planned exit from GK Orlen – fewer and fewer regulations were addressed to Gas Storage Poland Sp. z o.o. Those received by the company were subject to a system of verification of compliance with the principles contained in the Compliance Programme, in particular with regard to the independence criteria of the DSO and the company's internal procedures.

Operators also took measures to ensure the security and protection of sensitive information.

According to the reports, the Compliance Officers monitor observance of the Compliance Programmes on an ongoing basis. They were provided with conditions for independent operation in the company and were able to contact the management board directly. The provisions of the Compliance Programme in 2024 were implemented correctly. In 2024 neither the SSO nor the DSO were found to have violated the principle of equal and non-discriminatory treatment of users, or to have a conflict of interest as defined the Compliance Programme. The Compliance Officers and the President of URE did not receive any complaints regarding breaches of the provisions of the Compliance Programme, no notifications of suspected conflicts of interest were recorded, either.

Suspension of supplies

In 2024, based on data from DSOs, supplies to 38,241 customers of high-methane and nitrogenous natural gas (46,483 GCP) were suspended, of which 88.52% were household customers. The reason for most of the suspensions of supplies was the lack of timely payment for the natural gas received (68.75%), and for households it was as much as 73.35%.

There was no suspension of supplies on the transmission network.

4.2.2.2. Consumer protection and dispute resolution

Dispute resolution

Pursuant to Article 8 of the Energy Law Act, the President of URE resolves, upon a request of a party, disputes concerning:

- refusal to conclude:
  - grid connection contracts, including those for increasing the connection capacity;
  - comprehensive contracts;
  - sales contracts;
  - contracts for the provision of gaseous fuel transmission or distribution services;
  - contracts for the provision of natural gas liquefaction services,
- unjustified suspension of the supply of gaseous fuels.

An energy company has a public-law obligation to conclude contracts for connection to the gas network if the statutory conditions are met, that is if there are technical and economic conditions for connection and off-take, the entity requesting the conclusion of the contract meets the conditions for connection to the network and off-take, and has a legal title to use the real estate, facility or premises to which gaseous fuels are to be supplied. The consequence of the existence of a public-law obligation to connect to the grid, in the event of a dispute as to the existence of this obligation, is the shape of a connection contract with a fixed amount of the connection fee determined under Article 7 para. 8 of the Energy Law Act.

With regard to the resolution of disputes referred to in Article 8 para. 1 of the Energy Law Act, in the reporting period, the President of URE considered 432 applications regarding gaseous fuels. The number of applications for resolution of the above-mentioned disputes that were received in 2024, compared to the previous period, remained at the same level. Applications for the resolution of a dispute over refusal to conclude a gas network connection contract (including those for increasing capacity) dominated – in 2024, 231 such applications were considered. As in previous years, some of the disputes concerned the issue of suspension of supplies, mainly in connection with arrears in payments (10 applications). One dispute concerning the refusal to conclude a gas distribution service contract and one dispute concerning the refusal to conclude a comprehensive contract were also processed.

The administrative decisions issued in 2024 resolving the cases on the substance of the dispute (132) overwhelmingly confirmed the absence of a public law obligation on the part of DSOs to connect to the gas network. In most of these cases, the lack of obligation for the company to connect resulted from the lack of economic conditions allowing for connection. In some cases, an agreement was reached between the parties in the course of the proceedings as to the content of the grid connection contract, as a result of which the administrative proceedings were discontinued (63 cases). In other cases, the cases ended with a refusal to initiate proceedings, leaving the application without consideration or returning the application.

In the proceedings to resolve the dispute over the refusal to conclude a gas network connection contract, the way in which the DSO presented its technical and economic analysis, that is the lack of indication of the IRR coefficient, was still problematic for the regulator.

Other entities assisting customers in resolving disputes with energy companies

Since May 2017, the Coordinator for Negotiations has been operating with the President of URE. The Coordinator's tasks include conducting proceedings on out of court resolution of disputes between consumers of gaseous fuels, electricity or heat in households and energy undertakings, aggregator or citizen energy communities or between renewable energy prosumers, collective prosumers of

renewable energy, active customers that are consumers and energy undertakings, aggregator or citizen energy communities, arisen under the following contracts:

- on connection to the electricity, gas or heating network, including connection of micro-installations,
- for the provision of electricity or natural gas transmission or distribution services,
- for the provision of heat transmission and distribution services,
- sales contracts,
- comprehensive contracts,
- aggregation contracts,
- for the provision of electricity storage services.

In addition, there are Municipal and District Consumer Ombudsmen in Poland, to whom customers can complain in individual cases, including the energy-related cases. The competences of Customer Ombudsmen comprise, among others, providing free of charge consumer advice and legal advice on the protection of consumer interests, bringing proceedings for the consumers and joining the ongoing proceedings on the protection of consumer interests upon the consumer consent.

Protection of legitimate interests of consumers

The competences of the President of URE in the field of consumer protection are described in section 3.2.2.

Providing access to consumption data

Pursuant to the provisions of the Energy Law Act, gaseous fuels suppliers are obliged to inform their customers about the amount of gaseous fuels consumed by these customers in the previous year and about the place where information about the average consumption of gaseous fuels for a given tariff group which these customers used is available, as well as about energy efficiency improvement measures and energy-efficient technical equipment.

In addition, an energy company making a settlement under gaseous fuels received or transmission services performed, provides a customer, along with the billing relevant for the settlement type, the following information:

- readings of the metering and billing system at the beginning and end of the settlement period, expressed in [m^3] – for customers consuming gaseous fuels in amounts not greater than 110 kWh/h,
- consumption of gaseous fuels in the settlement period, expressed in [m^3],
- value of the conversion factor,
- consumption of gaseous fuels in the settlement period, expressed in [kWh],
- whether the indicated consumption is the actual consumption, forecasted consumption or consumption established in the event when it is not possible to read the indication of the metering and billing system − on the basis of average 24-hour consumption of gaseous fuel by the customer, established on the basis of correctly measured consumption of that fuel in a comparable period, multiplied by the number of days in the billing period,
- the amount of gaseous fuel remaining to be consumed or the amount that remains to be used from the previously paid fee − in the case of customers who have a prepaid metering and billing system installed,
- comparison of the consumption of gaseous fuels by a final customer, consuming gaseous fuels in the amount of no more than 110 [kWh/h], in the period which the settlement concerns, with the consumption of gaseous fuels in the corresponding period in the previous year,
- the price of gaseous fuels, the rates of transmission or distribution fees and the rate of subscription fee currently applied in settlements for the supply of gaseous fuels to a final customer,

- place of publication of analyses of the average consumption of gaseous fuels by customers consuming gaseous fuels in amounts no greater than 110 [kWh/h], and information on energy efficiency improvement measures,
- tariff group.

In addition, the energy company provides the customer with the possibility of access to an electronic form of information on settlements and invoices issued to them.

4.3. Security of supply

In 2024, the Polish authority competent for matters related to the security of gaseous fuel supply changed. In the first part of the year, this body was the minister responsible for energy, whose role was performed by the Minister of Climate and Environment. As of 1 July 2024, pursuant to Article 12 para. 2a of the Energy Law Act, in conjunction with Article 11a para. 1 item 5 of the Act on Government Administration Departments[171], competences concerning energy resources and fuels, including security of supply of energy raw materials and fuels, were assigned to the Minister of Industry, acting as the minister responsible for energy resources management. The Minister also acts as a competent authority within the meaning of Regulation 2017/1938, that is as a body responsible for implementing the measures specified in the above-mentioned Regulation to ensure the security of natural gas supply.

Pursuant to Article 49a para. 1 of the Act on Stocks, in the event of the occurrence of the conditions referred to in Article 11(1)(a) or (b) of Regulation 2017/1938, the minister responsible for the management of energy resources, upon receipt of information from the gas system operator or the operator of the interconnected gas system, declares, by way of a regulation, a state of crisis**,** referred to in Article 11(1)(a) or (b) of that Regulation, taking into account the expected inability to cover customers' demand for natural gas.

Pursuant to Article 49a para. 2 of the Act on Stocks, the state of emergency referred to in Article 11(1)(c) of Regulation 2017/1938 is announced by the minister responsible for the management of energy resources, by way of a regulation, after receiving information from the gas system operator or the interconnected gas system operator about the occurrence of at least one of the following situations:

1) threats to the gas security of the state,
2) disruptions in the supply of natural gas to the gas system,
3) sudden, unforeseen damage or destruction of devices, installations or networks, resulting in interruption in their use or loss of their properties threatening the safety of the gas system's operation,
4) unforeseen increase in natural gas consumption

taking into account the need to ensure uninterrupted supplies of natural gas to customers.

In the event of a state of emergency, the gas system operator takes the necessary measures to ensure or restore the proper functioning of the gas system (Article 51 para. 1 of the Act on Stocks). These measures include, in particular, the gas transmission system operator or the interconnected gas system operator requesting the minister responsible for energy resources management to approve the release of mandatory stocks of natural gas or submitting a request to the Council of Ministers to introduce restrictions on the consumption of natural gas (Article 51 para. 1a of the Act on Stocks).

Taking into account the concept of gas security of the state, defined in Article 2 para. 1 item 1a of the Act on Stocks as a state enabling the current and prospective coverage of customers' demand for natural gas, in a specified amount and time, in a technically and economically justified manner,

[171] The Act of 4 September 1997 on Government Administration Departments (Journal of Laws of 2022, item 2512, as amended) and the entry into force of the Act of 15 May 2024 amending certain acts related to the functioning of government administration (Journal of Laws of 2024, item 834), which amended this Act.

to the extent enabling the proper functioning of the economy, security of natural gas supply is the area of security in question which, under statutory regulations is also monitored by the President of URE.

The monitoring of the security of gaseous fuel supply carried out in 2024 was focused on those areas of market operation that referred in particular to issues related to:

- **licences**

Licences for foreign trade in natural gas are issued with consideration of diversification of natural gas supplies and energy security. An energy company dealing with foreign trade in natural gas is obliged to diversify natural gas supplies from abroad (Article 32 para. 2 of the Energy Law Act). In addition, in 2024, licences for foreign trade in natural gas included a condition relating to the obligation to diversify natural gas supplies. As part of the procedure for granting licences for foreign trade in natural gas, the President of URE also verifies whether the applicant has submitted a declaration undertaking to comply with the diversification obligation.

- **diversification of natural gas supplies from abroad**

In 2024, the President of URE continued to monitor compliance with the provisions of the Ordinance of the Council of Ministers of 24 April 2017 on the minimum level of diversification of natural gas supplies from abroad[172] by energy companies holding a licence to trade natural gas with foreign countries in 2022. The monitoring covered 27 entities. Also in 2024 the President of URE began to verify the correct fulfilment of the diversification obligation for 2023 by energy companies holding a licence to trade natural gas with foreign countries in 2023.

- **tariffs**

An indirect method of monitoring the security of gaseous fuels supply is tariffing of infrastructure companies. In the course of the tariff process, the extent of financing of assets (transmission, distribution, storage and liquefied natural gas installations), necessary for the supply of fuels to customers, is resolved. The amount of investment expenditures on network assets and the amounts allocated to repairs and modernisation of these assets determine their physical condition, that is operational security. The issue of tariff approval is further explained in Sections 4.1.1 and 4.2.2.1.

- **approval of plans to introduce restrictions on natural gas consumption by operators**

The Council of Ministers, at the request of the minister responsible for energy resources, may introduce by means of an ordinance, restrictions for a specified period of time, on the territory of the Republic of Poland or a part thereof, taking into account the importance of customers for the economy and functioning of the state, in particular the tasks performed by these customers and the period for which these restrictions will be introduced[173]. At this point, it should be emphasised that the introduction of restrictions on the consumption of natural gas by the Council of Ministers may take place only in special situations, namely in the event of the declaration of a state of emergency referred to in Article 49a para. 2[174] of the Act on Stocks and when other measures aimed at restoring the state's

[172] Journal of Laws of 2017 item 902

[173] Pursuant to Article 56 para. 1 of the Act on Stocks. The provision was amended by the Act of 15 May 2024, under the previous legal status, the competence to submit an appropriate application to the Council of Ministers belonged to the minister responsible for energy.

[174] The state of emergency referred to in Article 11(1)(c) of Regulation 2017/1938 is declared by the minister responsible for the management of energy resources, by way of an ordinance, after receiving information from the gas system operator or the operator of the interconnected gas system about the occurrence of at least one of the following situations:

1) threats to the gas security of the state,
2) disruptions in the supply of natural gas to the gas system,
3) sudden, unforeseen damage to or destruction of devices, installations or networks, resulting in interruption in their use or loss of their properties threatening the safety of the gas system's operation,
4) unforeseen increase in natural gas consumption

– taking into account the need to ensure uninterrupted supplies of natural gas to customers. The provision was amended by the Act of 15 May 2024, under the previous legal status, the competence to submit an appropriate application to the Council of Ministers belonged to the minister responsible for energy.

gas security prove insufficient. The introduction of the aforementioned restrictions is intended to allow for the achievement of natural gas savings sufficient to ensure the state's gas security and to guarantee gas supplies to protected customers in the contracted quantities, despite the restrictions on natural gas consumption in force.

Gas transmission system operators, gas distribution system operators and gas interconnection system operators or energy enterprises acting as operators are obliged to develop a plan for introducing restrictions in the consumption of natural gas[175] (restriction plan). Pursuant to Article 58 para. 17 of the Act on Stocks, the aforementioned operators update the plans for introducing restrictions annually and submit them, by 15 November of a given year, for approval by way of a decision.

The restriction plans developed by operators or energy companies acting as operators specify the maximum hourly and daily volumes of natural gas consumption by individual customers connected to their network, for individual supply limitation levels. Pursuant to Article 58 para. 3 of the Act on Stocks and § 6 para. 6 of the Ordinance of the Council of Ministers of 17 February 2021 on the Manner and Procedure for Introducing Restrictions on the Consumption of Natural Gas[176], the entities developing plans for introducing restrictions inform customers of the maximum volumes of natural gas consumption in individual supply limitation levels established for them in the approved plan for introducing restrictions. These volumes, specified in the approved restriction introduction plans, shall become an integral part of sales contracts, contracts for the provision of natural gas transmission or distribution services and comprehensive contracts, as defined in Article 5 para. 2 item 1 and 2 and para. 3 of the Energy Law Act.

Compared to 2023, the number of entities obliged to submit a plan to introduce restrictions on natural gas consumption decreased by two.

The difference between the number of operators functioning in the country and the number of applications for approval of the plan for introducing restrictions on natural gas consumption is due to the fact that companies acting as operators of systems of gases other than natural gas (e.g. coke-oven gas, hydrogen, biomethane) are not covered by the relevant obligation. The Act on Stocks applies only to natural gas, while the Energy Law Act also applies to other types of gaseous fuels and hydrogen, which is treated separately from them. In addition, it should be borne in mind that once the network system operator status has been granted, it is necessary to take further steps to enable the actual commencement of operations, so that a natural gas system operator which actually carries out a licensed activity, has an approved tariff and has concluded distribution contracts may apply for approval of a plan for introducing restrictions on natural gas consumption.

Plans for the introduction of restrictions on natural gas consumption were submitted for approval by the President of URE based on the applicable provisions of the Act on Stocks and the Restrictions Ordinance, as well as on the information dedicated to the aforementioned plans posted on the URE website, including a sample template for the restrictions plan. Due to the change in the procedure for introducing restrictions and the transfer of some competences in this area from the minister responsible for energy to the minister responsible for energy resources management, in accordance with the Act of 15 May 2024, these issues were taken into account in the contents of the plans submitted in 2024.

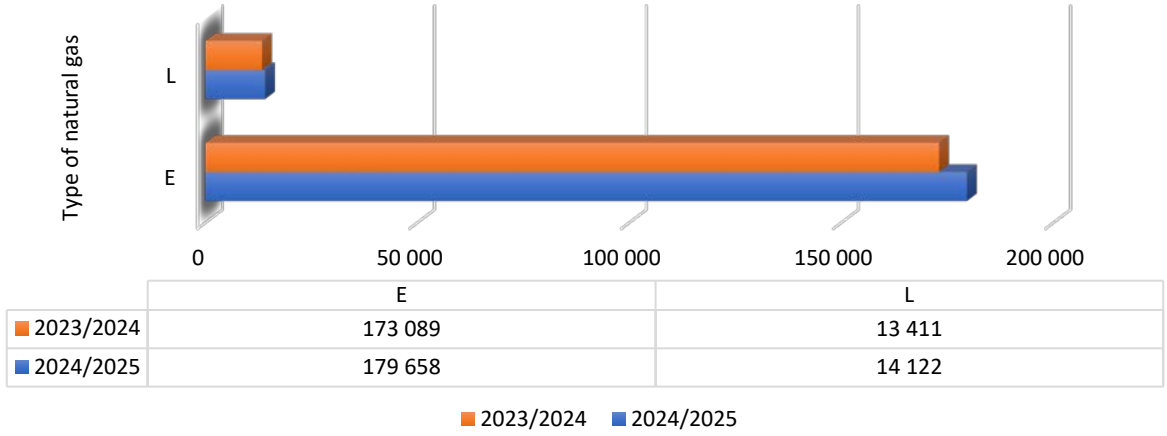
In 2024 the President of URE approved 26 plans to introduce restrictions on natural gas consumption for the 2024/2025 season. Proceedings on the remaining restriction plans were continued at the beginning of 2025. A total of 193,780 customers were included in the approved restriction plans for the 2024/2025 season, that is approximately 4% more than in the restriction plans approved for the 2023/2024 season. This represents a reversal of the trend in the number

[175] Pursuant to Article 58 para. 1 of the Act on Stocks.

[176] Journal of Laws of 2021 item 549, hereinafter: ”the Restrictions Ordinance”.

of customers, as the plans approved for the 2023/24 period include around 9% fewer customers than in the previous plan.

Figure 37. Number of customers for each type of natural gas included in the restriction plans approved for the 2023/2024 and 2024/2025 seasons

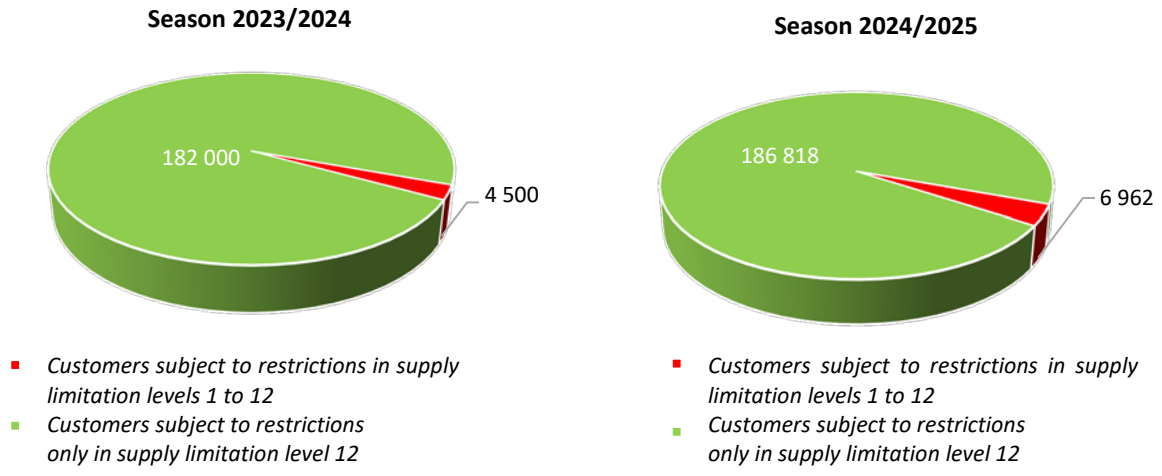


	E	L
2023/2024	173 089	13 411
2024/2025	179 658	14 122

Source: URE on the basis of data from restriction plans.

The vast majority of consumers (186,818; 96%) included in the currently approved plans are subject to restrictions only if the last – 12th supply level – is introduced. The remaining customers (6,962) are subject to restrictions in supply limitation levels from 1 to 12, however, the full scope of restrictions with the obligation to reduce intermediate levels between 2 and 10 applies only to 728 largest natural gas customers. With reference to the above, in the case of customers other than protected customers, whose contractual capacity specified in the contract referred to in Article 5 para. 2 and para. 3 and 4 of the Energy Law Act is less than 5 500 kWh/h, pursuant to § 7 para. 10 of the Ordinance, the volume of natural gas consumption specified in supply limitation levels 3 to 9 is equal to the volume of consumption in the second supply level, that is the average hourly and daily amount of natural gas consumed by the customer at a given exit point from the gas system in the period from 1 July of the preceding year to 30 June of the year in which the plan was developed, excluding days for which the daily off-take at the exit point from the gas system was equal to 0 kWh/day.

Figure 38. Number of customers included in restriction plans subject to restrictions in supply levels 1 to 12, and only if supply level 12 is introduced in 2023/2024 and 2024/2025 seasons



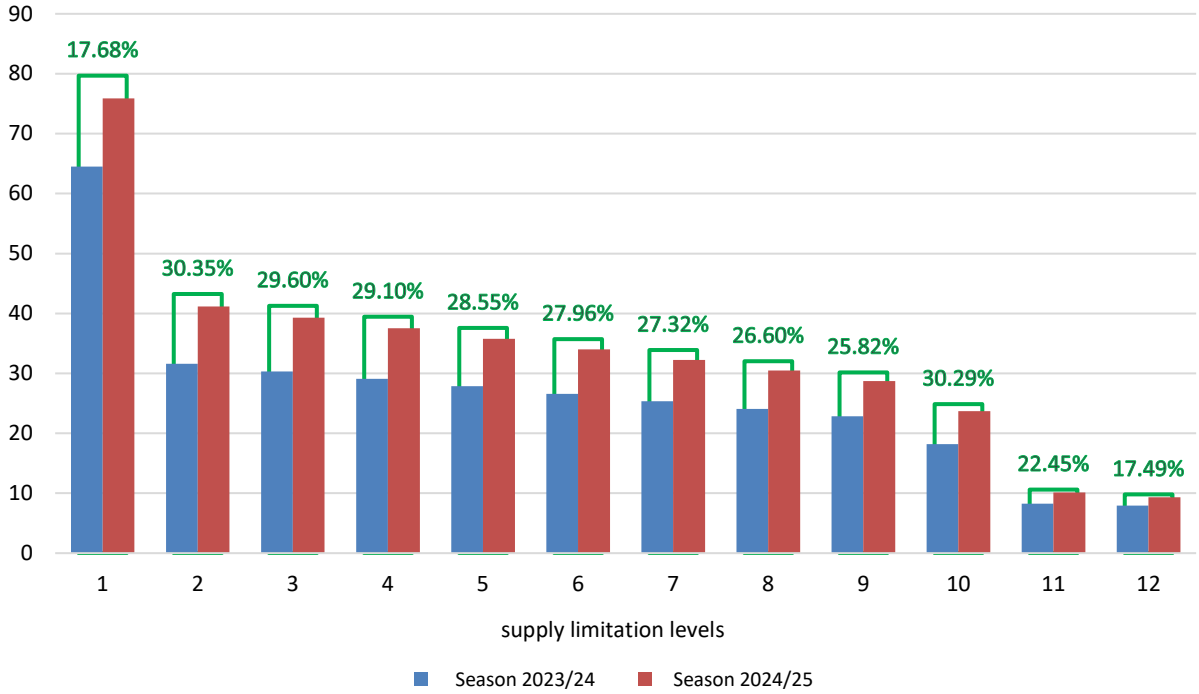
Source: URE on the basis of data from restriction plans.

Both the total contracted capacity of customers subject to restrictions in individual levels of the plan (supply limitation level 1) and the total volume of natural gas consumption in supply limitation levels from 2 to 10 of customers included in the restriction plans for the 2024/2025 season increased compared to the 2023/2024 season. It should be noted that the total contracted capacity increased to a much lesser extent than the total natural gas consumption in supply limitation levels 2 to 10.

The reason for this is a significant increase in natural gas consumption in the reference period, taken into account for the determination of individual supply limitation levels from 2 to 10, in relation to the previous period (that is in the period from 1 July 2023 to 30 June 2024, referring that to the period from 1 July 2022 to 30 June 2023). In addition, it is important that level 1 is not determined on the basis of historical data, but current ones and the previous plan showed increases in contracted capacity with a lower consumption history. In the previous restriction plan, developed for the period 2023/2024, we were dealing with a situation in which the contracted capacity (that is level 1) was increased, while the supply limitation levels from 2 to 10 were lower than in the preceding plan. The reason for this was due to the fact that in the reference period (consumption history) taken into account when developing the restriction plans for the 2023/2024 season, natural gas prices were at a significantly high level, which resulted from the ongoing armed conflict between the Russian Federation and Ukraine, which consequently translated into reduced consumption by final customers.

On the other hand, lower increases in the total volumes of natural gas consumption in supply levels 11 and 12 of customers included in the restriction plans for the 2024/2025 season are due to the fact that these volumes are not affected by the history of consumption. As a rule, they depend on changes in the amount of contracted capacity allocated to customers not subject to restrictions in supply limitation levels 11 and 12.

Figure 39. Total maximum daily consumption volumes of natural gas E in [million m^3/day] in the 2023/2024 and 2024/2025 seasons by customers other than protected customers, subject to restrictions in supply levels 1 to 12



Source: URE on the basis of data from restrictions plans.

As in previous years, in 2024 the President of URE responded to the inquiries of the customers included in the above-mentioned plans. It should be noted that both the scale of inquiries and the type of doubts indicated by customers confirmed their perception of supply conditions as more predictable, which means stabilisation of business conditions and moving away from crisis conditions. This state of

affairs also confirms that natural gas final customers have already become accustomed to the rules for developing plans for introducing consumption restrictions, introduced in 2021, and that this process no longer raises such concerns as in previous periods, when they applied for (i) protection (partial or full) with respect to the application of possible restrictions on natural gas consumption, (ii) changes in the volume of the approved maximum consumption capacity in a given supply limitation level, etc.

With reference to the above, it should be noted that the Restrictions Ordinance presents a strictly defined and closed set of protected customers that are not subject to restrictions in consumption of natural gas in supply limitation levels 1 to 12 and in levels 1 to 11 (protected customers subject to restrictions only in supply limitation level 12), and the President of URE is not competent to expand this group of customers. In turn, the volumes of individual supply limitation levels are determined, in principle, on the basis of § 7 of the aforementioned Ordinance, which is largely based on the natural gas consumption history of the customer in question.

In 2024, no restrictions on natural gas consumption in the country or in part of it were introduced. The last time the procedure under the legislation in question was applied was in 2009.

- **agreeing on draft development plans for gas companies**

Agreeing with the President of URE on the draft network development plan allows companies dealing with transmission or distribution of gaseous fuels to secure adequate financial resources for the planned investment tasks, including tasks related to maintaining an appropriate level of reliability and quality of the network services provided, which have a direct impact on the security of gas supply. Monitoring of the implementation of tasks resulting from development plans in 2023 highlighted further progress in efforts to diversify sources and directions of natural gas supply, that is activities contributing to market liberalisation and directly enhancing the level of security of natural gas supply to Poland. In this context, of particular importance is the expansion of import capacity in the field of liquefied natural gas, carried out as part of the project for the construction of a new FSRU terminal at Zatoka Gdańska, expansion of the existing regasification capacity of the terminal in Świnoujście and a number of investment tasks conducted within the national transmission system, such as the programme for the construction of the North-South Corridor, enabling appropriate gas distribution within the territory of Poland and between the serviced cross-border connections. The participation of the Polish transmission operator in European initiatives related to the development of a common market for renewable fuels, such as the Nordic-Baltic Hydrogen Corridor, is also important in this context.

Detailed information on the fulfilment by energy enterprises, the transmission system operator and distribution system operators of obligations resulting from Article 16 para. 1 and para. 13 of the Energy Law Act is presented in section 4.1.2.

- **maintaining mandatory stocks of natural gas**

Mandatory stocks of natural gas are maintained in the period from 1 October of a given year to 30 September of the following year. Thus, when describing issues related to the maintenance of mandatory stocks of natural gas in 2024, two sub-periods may be distinguished: from the beginning of the year until 30 September and from 1 October until the end of the year.

Two categories of entities (hereinafter jointly referred to as “obligated entities”) are required to maintain mandatory stocks of natural gas (hereinafter referred to as “gas storage obligation”):

a) energy companies engaged in the business of trading natural gas with foreign countries, hereinafter referred to as “companies” and
b) importers of natural gas, hereinafter referred to as “entities”.

The first category includes companies holding a licence to trade natural gas with foreign countries.

The second category generally comprises entities that import natural gas into the territory of the Republic of Poland as an intra-Community acquisition or imports for purposes other than trading in that gas. For example, entities importing natural gas are customers importing natural gas for their

own use, including companies engaged in the transmission or distribution of natural gas, importing gas for purposes related to their own network activity.

In 2024 the Act on Stocks provided for the implementation of the gas storage obligation in three different formulas:

a) under a storage contract with a domestic SSO,
b) under a storage contract with foreign SSOs,
c) under what is known as a stock ticket contract with an energy company engaged in natural gas foreign trading or gaseous fuel trading (contractor).
   A stock ticket contract consists in allowing obligated entities to outsource the obligation to create and maintain mandatory stocks to another energy company. It is possible to create stocks on gaseous fuel belonging to both the principal and the contractor. The stocks so created can be held both domestically and internationally.

The tasks of the President of URE under the Act on Stocks related to, among others, establishing or verifying the volume of mandatory stocks, granting or refusing consent to conclude a stock ticket contract, controlling obligated entities with regard to the correctness of fulfilment of the gas storage obligation, sanctioning irregularities. Monitoring of the fulfilment of the obligation to maintain mandatory stocks of natural gas therefore covers both activities preceding the commencement of the obligation execution and its fulfilment.

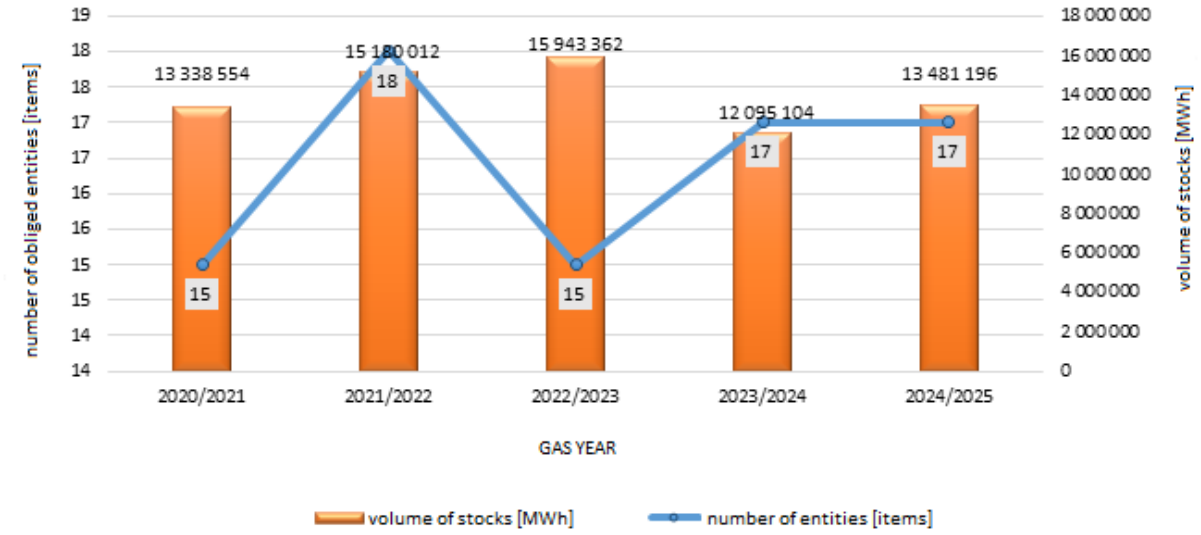
In 2024, for both periods of the obligation to maintain mandatory stocks, that is until 30 September 2024 and from 1 October 2024, the number of entities obliged to fulfil the mandatory stocks obligation was the same as in 2023, while the total amount of mandatory stocks created increased.

The President of URE verified and determined the mandatory stocks of natural gas for the period from 1 October 2024 in the total amount of 13,481,196 MWh, which means an increase by approximately 11.5% in the approved volume of mandatory stocks compared to the volume of stocks approved for the previous annual period. The number of entities obliged to hold stocks in the period from 1 October 2024 remained the same (17).

In 2024, mandatory stocks were not released.

The scope of the gas storage obligation, that is the total amount of mandatory stocks determined for obliged entities in 2020−2025, is presented in the chart below.

Figure 40. Volume of approved mandatory stocks of natural gas



Source: URE's own analysis.

In 2024, work was carried out to amend the Act on Stocks (UC50 draft), aimed at replacing the current model of maintaining mandatory stocks with another solution. In the first half of the year, the work was carried out within the Ministry of Climate and Environment, as the lead ministry, and then, due to the change in the rules of government administration, it was continued later in the year under the direction of the Ministry of Industry.

The aim of this work was to ensure the security of natural gas supplies at the same level as at present, while reducing the administrative burden on market participants, in particular importers and traders storing natural gas outside the territory of the Republic of Poland. The draft act provides that from the next period, entities obligated under the current regulations to maintain mandatory stocks of natural gas will not be subject to this obligation, and the task of creating and maintaining strategic gas stocks will be taken over by the Government Agency for Strategic Reserves (RARS). The purchase of natural gas and the costs of its storage by RARS would be financed from a special fund, financed by a monthly fee paid by companies commissioning gas transmission services. RARS would buy gas on the exchange, as well as via tenders, auctions or public procurement. As a result, the obligation to maintain mandatory stocks would not be determined by the fact of importing natural gas to Poland and the balance of imports and exports during the reference period taken into account for determining the size of mandatory stocks. Furthermore, the implementation of the obligation in its new form would, in principle, be reduced solely to a financial dimension and would not involve the ordering of any services by the obligated entities. The draft act, despite being significantly advanced, did not pass the full legislative path in 2024.

Stock ticket contracts

The year 2024 was the eighth year in which obligated entities had the possibility to fulfil their gas storage obligation by concluding the so-called “stock ticket contract” referred to in Article 24b of the Act on Stocks. An energy company carrying out economic activity in the field of foreign trade in natural gas and an entity importing natural gas may commission, under a contract, the performance of tasks related to the maintenance of mandatory stocks of natural gas to another energy company carrying out economic activity in the field of foreign trade in natural gas or to an energy company carrying out economic activity in the field of trade in gaseous fuels[177]. The basic requirements for the content of such a contract are contained in Article 24b para. 3 of the Act on Stocks. In addition, the Act indicates that in the event that the mandatory stocks of natural gas, maintained in accordance with Article 24b para. 1, do not constitute the property of the energy company carrying out economic activity in the field of foreign trade in natural gas or of the natural gas importer commissioning the maintenance of these stocks, the contract should also contain provisions guaranteeing the commissioning party the right to purchase these stocks within its duration and specifying the method of determining the resale price of these stocks[178].

Before concluding a stock ticket contract, an energy company performing economic activity in the field of foreign trade in natural gas and an entity importing natural gas (as entities obligated to fulfil the gas storage obligation) shall be obliged to submit a draft of the contract to the President of URE and obtain consent for its conclusion[179]. The President of URE, by way of a decision, shall either consent or refuse to consent to the conclusion of the contract, within 30 days from the date of receipt of a complete application for consent to the conclusion of the contract[180]. The President of URE shall refuse to consent to the conclusion of a stock ticket contract if: (1) a draft of this contract does not contain the provisions referred to in Article 24b para. 3 of the Act on Stocks, (2) the location or technical parameters of the storage facilities and the gas networks to which these facilities are

[177] Article 24b para. 1 of the Act on Stocks.
[178] Article 24b para. 4 of the Act on Stocks.
[179] Article 24b para. 6 of the Act on Stocks.
[180] Article 24b para. 7 of the Act on Stocks.

connected do not ensure the possibility of supplying the total quantity of mandatory natural gas stocks to the gas system within a period of no more than 50 days[181].

The extension of the required period for the supply of the total quantities of the mandatory stock to the gas system from the previous 40 to 50 days is a solution introduced in 2022 under Article 70d of the Act on Stocks. This change was intended to enable more flexible management of storage capacity. The solution is limited in time, the extension of the above-mentioned period is valid until 30 September 2025.

In the case of the implementation of the gas storage obligation based on stock ticket contracts, in 2024, as in the preceding year, the efficient conduct of administrative proceedings was of particular importance, as the conclusion of the relevant contract is conditional on the President of URE's consent to its conclusion in the form of a decision, and this should be issued within 30 days of receipt of a complete application[182].

In consideration thereof, after prior submission of draft stock ticket contracts by the companies and entities concerned, the President of URE issued consents for the conclusion of ten stock ticket contracts (or annexes thereto), by way of decision, to obligated entities. None of the ten applications for consent to conclude a stock ticket contract for the 2024/2025 season submitted to the President of URE in 2024 was refused.

In the 2024/2025 season, all stock ticket contracts pertained to the maintenance of stock in the territory of the Republic of Poland.

- **reporting obligations related to the maintenance of mandatory stocks**

The statutory tool for monitoring obligations relating to the maintenance of mandatory stocks of natural gas are the provisions of Article 27 para. 2 item 1 and item 2 of the Act on Stocks.

Pursuant to these provisions, energy companies performing economic activity in the field of foreign trade in natural gas and entities importing natural gas were required to submit information on the actual volume of mandatory stocks of natural gas maintained and the place of their storage as at 15 September 2024 – by 20 September 2024.

In addition, entities engaged in foreign trade in natural gas and entities importing natural gas were required to submit by 15 May 2024[183] to the minister responsible for energy resources management and the President of URE information on: (1) actions taken with a view to ensure the state's fuel security with regard to foreign trade in natural gas or imports of natural gas in the period from 1 January to 31 December of the preceding year, and (2) fulfilment of the obligation to maintain mandatory stocks of natural gas.

The scope of the expected information, concerning actions taken to ensure the state's fuel security in the field of foreign trade in natural gas and the fulfilment of the gas storage obligation, and provided pursuant to Article 27 para. 2 item 2 of the Act on Stocks, is indicated on the URE's website in the gaseous fuels tab[184]. The above-mentioned information draws attention to the fact that the disclosure obligation is referred by the legislator to the concept of the state's fuel security (understood as a condition allowing for the current coverage of the customers' demand for crude oil, petroleum products and natural gas, in a specific amount and time, to the extent enabling the proper functioning of the economy − Article 2 para. 1 item 1 of the Act on Stocks) and therefore this obligation has a broader scope than only directly related to the imports of natural gas, foreign trade in natural gas or only the implementation of the obligation to maintain natural gas stocks.

[181] The grounds for refusal to consent to the conclusion of a contract by the President of URE are specified in Article 24b para. 8 of the Act.

[182] Article 24a et seq. of the Act on Stocks.

[183] Cyclical obligation under Article 27 para. 2 item 2 of the Act on Stocks.

[184] https://www.ure.gov.pl/pl/paliwa-gazowe/zapasy-obowiazkowe-gazu-ziemne/11860,Zapasy-obowiazkowe-gazu-ziemnego.html

For the period beginning on 1 October 2024, information on the fulfilment of the gas storage obligation was obtained by the President of URE on the basis of a questionnaire dedicated to selected enterprises subject to the relevant obligation.

In the period in question − as in preceding years − compliance with the obligation to maintain mandatory stocks of natural gas was monitored using information from obligated entities, to the extent referred to above, as well as information provided by these entities in applications to the President of URE in other matters, or documents submitted in the performance of other obligations, e.g. providing information on the implementation of contracts for the purchase of natural gas from abroad pursuant to Article 49c of the Energy Law Act. The information also came from other entities, including the transmission system operator, distribution system operators and the storage system operator, other trading companies, as well as administrative bodies (e.g. customs authorities pursuant to Article 25 para. 11 of the Act on Stocks). In order to identify the entities obliged to fulfil the obligation in question (entities that declared importing natural gas in the aforementioned period), data from the resources of the Energy Regulatory Office, the TSO and the Ministry of Finance were used.

The monitoring carried out in the manner described above showed that:

- 17 entities that were obligated to establish mandatory stocks, including 16 energy companies trading in natural gas with foreign countries and one natural gas importer, complied with their gas storage obligation ending 30 September 2024,
- 16 entities obligated to establish mandatory stocks complied with the obligation to establish mandatory stocks (out of 17 for which mandatory stocks were verified) as at 1 October 2024, including 15 energy companies trading in natural gas with foreign countries and one natural gas importer,
- in one case, failure to comply with the obligation to submit, by the required deadline of 15 May 2024, information on the determined volume of mandatory stocks of natural gas for the period from 1 October 2024 to 30 September 2025 to the President of URE for verification was found, as a result of which a fine was imposed. In this case, the required information on the determined volume of mandatory natural gas stocks was received after the statutory deadline,
- one enterprise failed to create a mandatory stock (as a result, a fine referred to in Article 63 para. 1 item 1 of the Act on Stocks was imposed on the enterprise). In this case, the mandatory stock in the required quantity was created with delay**,**
- in one case, failure to comply with the obligation to provide the President of URE with information on the actual volume of mandatory stocks of natural gas and the place of their storage as at 15 September 2024, by the required deadline, namely 20 September 2024, was identified. Therefore, on 3 December 2024 a decision on imposing a financial penalty was issued,
- in cases where violations were found, the actions taken contributed to the cessation of violations of the provisions of the Act on Stocks and irregularities were finally eliminated.

- **aggregation of information provided to the President of URE by the gas transmission system operator pursuant to Article 24 para. 3b, Article 24a para. 4 and Article 52a para. 1 of the Act on Stocks**

Pursuant to Article 24 para. 3b of the Act on Stocks, in the event that it is identified that the technical parameters of the storage facilities do not ensure the possibility of supplying mandatory stocks of natural gas to the gas system in a period of not more than 50 days, the gas transmission system operator or the gas combined system operator shall notify the President of URE of this fact within 7 days.

In the reporting year 2022, the aforementioned period for the delivery of natural gas to the gas system was extended to 50 days under Article 70d of the Act on Amending Certain Acts to Strengthen the Gas Security of the State due to the Situation on the Gas Market[185]. This regulation was in force throughout the entire year 2024. In 2024, the President of URE did not receive information from the gas transmission system operator provided pursuant to Article 24 para. 3b of the Act on Stocks, which should lead to the conclusion that the technical parameters of the storage facilities in 2024 ensured the possibility of supplying mandatory stocks of natural gas to the gas system in an appropriate period of time.

In turn, pursuant to Article 24a para. 4 of the Act on Stocks, the gas transmission system operator or the operator of the combined gas systems shall notify the President of URE of the fact of the use of the capacity reserved for the supply of the total quantity of mandatory stocks of natural gas maintained outside the territory of the Republic of Poland to the national transmission or distribution network for other purposes within 7 days of the establishment of that fact. In 2024, OGP Gaz-System S.A. did not inform the President of URE of the use by obligated entities of transmission capacity dedicated to the delivery of mandatory natural gas stocks maintained outside the territory of the Republic of Poland to the national transmission network for other needs.

On the other hand, pursuant to Article 52a para. 1 of the Act on Stocks, the gas transmission system operator or the gas combined system operator shall, after the end of each gas day in which mandatory stocks of natural gas have been released, by 12:00 hours, provide the President of URE with information on:

a) the date and quantity of mandatory natural gas stocks released during that gas day and the storage facilities from which they were released,
b) the energy undertakings and entities referred to in Article 52 para. 7 item 1 from which the mandatory stocks of natural gas have been offtaken in that gas day.

In 2024 the President of URE did not receive from the gas transmission system operator the information provided pursuant to Article 52a para. 1 of the Act on Stocks, due to the absence of a need to release mandatory stocks.

[185] Journal of Laws of 2022, item 1723.