A large, low-angle photograph of a white wind turbine against a bright blue sky with some light clouds. The turbine's blades are blurred, suggesting motion. The image is the background for the entire page.

# QUICK GUIDE TO THE 2020 POLISH AUCTION SYSTEM FOR RENEWABLES

Q&A GUIDE

June 1, 2020



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# INTRODUCTION

Dear Readers,

Wind energy is back in the game. After a few years of stagnation, there is well-grounded optimism for the dynamic development of onshore and offshore RES in Poland.

The recommendations formulated by the wind industry led to respective amendments in the RES Act facilitating so far the largest auction for new onshore wind installations in 2019. PLN 16.2 billion was contracted in the auction for new large wind and PV, of which PLN 16.1 billion concerned wind installations. Overall, 3.2 GW of new capacities were contracted in 2018 and 2019, owing to which the onshore wind energy potential in Poland will exceed 9.3 GW. The government is planning a large auction for industrial-size wind and PV installations in 2020. Power plants of total capacity of 1.5 GW have a chance for a government contract, including 800 MW in wind projects with valid building permits.

Poland has thus become one of the largest onshore wind farm construction sites in Europe – this year’s capacity growth in our country may be higher than the previous leader’s – Germany, where a clear slowdown is visible. The future is also bright for those who were forced to freeze wind projects as the government is planning the amendment of the Act on Investments in Wind Power Plants abolishing the so-called 10H distance rule, which blocks the development of wind farms.

What is more, the recently published draft bill on promoting electricity generation in offshore wind farms – in the shape expected by the wind industry – shall enable the development of 8–10 GW capacity from offshore wind energy. The National Energy and Climate Plan 2021–2030 expects the offshore wind technology to be of key importance in bringing the country closer to meeting the renewables’ 21–23% share in electricity generation.

Nowadays wind is the most cost-effective energy production technology – which fact is reflected by the ever-dropping reference prices for wind technology in RES auctions, which since 2018 decreased by almost 30%, up to 250 PLN/MWh planned in 2020. The spectacular drop in costs is a competitive advantage of wind energy, but at the same time it necessitates a constant urge to optimize projects – hence the need for innovative solutions.

We have a pleasure to present this guide on the auction system for renewables as a compendium of knowledge prepared by the Polish Wind Energy Association and one of its members – DWF Poland law firm.

We hope that you will find the guide useful.



**Janusz Gajowiecki**  
President of the Board  
Polish Wind Energy  
Association



**Karol Lasocki**  
Partner  
DWF Poland Jamka sp.k.



# 1. THE CONDITION OF WIND ENERGY IN POLAND

**Wind energy constitutes an increasingly vital element of the Polish energy mix. Many indicate that its role in the coming decades will increase further. Full exploitation of the onshore and offshore wind potential will enable transformation of the energy system towards a low-emission economy.**

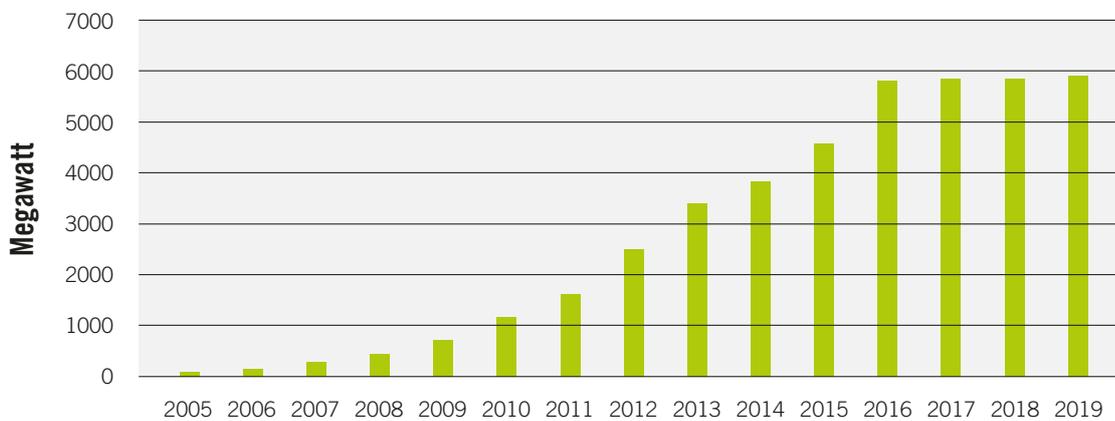
The National Power System in Poland, with total installed capacity exceeding 41 GW, is based primarily on coal-fired sources. The electricity sector is dominated by large baseload power plants and CHPs that use fossil fuels. In 2016 their total share in the NPS installed capacity reached 70.3%. However, the oldest power units will be decommissioned soon. In accordance with the cumulated decommissioning scenario presented by the transmission system

operator, it will be necessary to shut down more than 20 GW of generation sources by 2035. This is caused by their age and wear as well as the planned implementation of conclusions introducing the new BAT emissions standards.

The gaps in the system may be filled by renewable energy sources, whose dynamic growth started in 2005 with the introduction of a RES support scheme – the so-called green certificates scheme. Within the last 10+ years the renewable sector noted the highest installed capacity growth rates. At the end of December 2019 RES installed capacity amounted to 9,106.26 MW, of which 64.97% in wind, 10.68% in hydro, 16.39% in biomass, 2.69% in biogas and 5.24% in PV.

From 2005 to 2016 wind energy experienced the most dynamic growth rates among all RES in Poland, expanding almost 70-fold. The record breaking year was 2016, with 1225.38 MW of new capacity.

**Wind energy development in Poland**  
since the introduction of the support scheme



**Diagram No. 1**

Source: The Energy Regulatory Office  
<https://www.ure.gov.pl/pl/oze/potencjal-krajowy-oze/5753,Moc-zainstalowana-MW.html>



2016 was the last year when installations built under the green certificates scheme were commissioned. The introduction of the new, auction-based support scheme coincided with adverse changes to the regulatory environment of wind energy, which brought its dynamic growth to a halt. The introduced changes – the so-called 10 h principle and the increased tax base for wind turbines – actually precluded the construction of new projects. The situation of existing installations was additionally hindered by the oversupply of green certificates, which resulted in a radical decrease in their market prices, substantially hampering the investments' profitability.

In mid-2018, the industry partially succeeded in breaking the stalemate. The amendment to the RES Act restored the previous taxation rules and paved the way for holding substantial RES auctions for new installations. In the meantime, green certificate prices also increased, improving the financial standing of wind energy investments.

In accordance with the data published by the Energy Regulatory Office, at the end of 2019 wind farm installed capacity in Poland amounted to almost 5.9 GW, which corresponds to more than 14% of cumulated generation capacity in the National Power System. Electricity produced by the onshore wind power plants accounted for over 9% of domestic electricity production share in 2019, according to data provided by PSE-Operator.

During the auction held at the end of 2019 investors obtained aid for the construction of a further 2.2 GW of wind capacity. The auction reflected a global trend, according to which onshore wind energy is currently the least expensive source of electricity – the average price of 1 MWh offered by investors has fallen below PLN 200.

In the face of increasing prices of electricity from conventional sources, whose production is subject to high CO2 emission allowance costs, as well as the threat of a failure in the achievement of the EU RES target, the Polish government assures that the 2020 auctions are going forward. Auction volumes for 2021 are expected to be comparable to those already published for 2020. The auctions may legally take place until 30 June 2021, however it may be reasonably expected that the auction system will be prolonged.

The Polish government has declared to withdraw from the 10H principle, with its abolishment planned to enter into force from 1 January 2021. This should pave the way for the development of new wind projects. This is also crucial in the context of growing interest in the long-term corporate power purchase agreements among industrial customers. The first of such agreements were concluded in Poland at the end of 2018. Representatives of the industry, looking for inexpensive, clean electricity sources and electricity producers seeking investment financing outside the support scheme alike are increasingly willing to use this formula.

Wind farms in operation in Poland are only onshore installations. However, assumptions of the National Energy and Climate Plan (NECP) filed by the Polish government with the European Commission demonstrate that up to 3.8 GW of offshore wind farms will be commissioned in the Polish part of the Baltic Sea by 2030, with offshore wind development gradually increasing to 8 GW by 2040. Currently, works on the Spatial Development Plan for Polish Maritime Areas are pending. The plan will determine the extent to which the Baltic Sea offshore wind potential will be exploited. Experts estimate that the actual offshore potential in the Polish Exclusive Economic Zone substantially exceeds



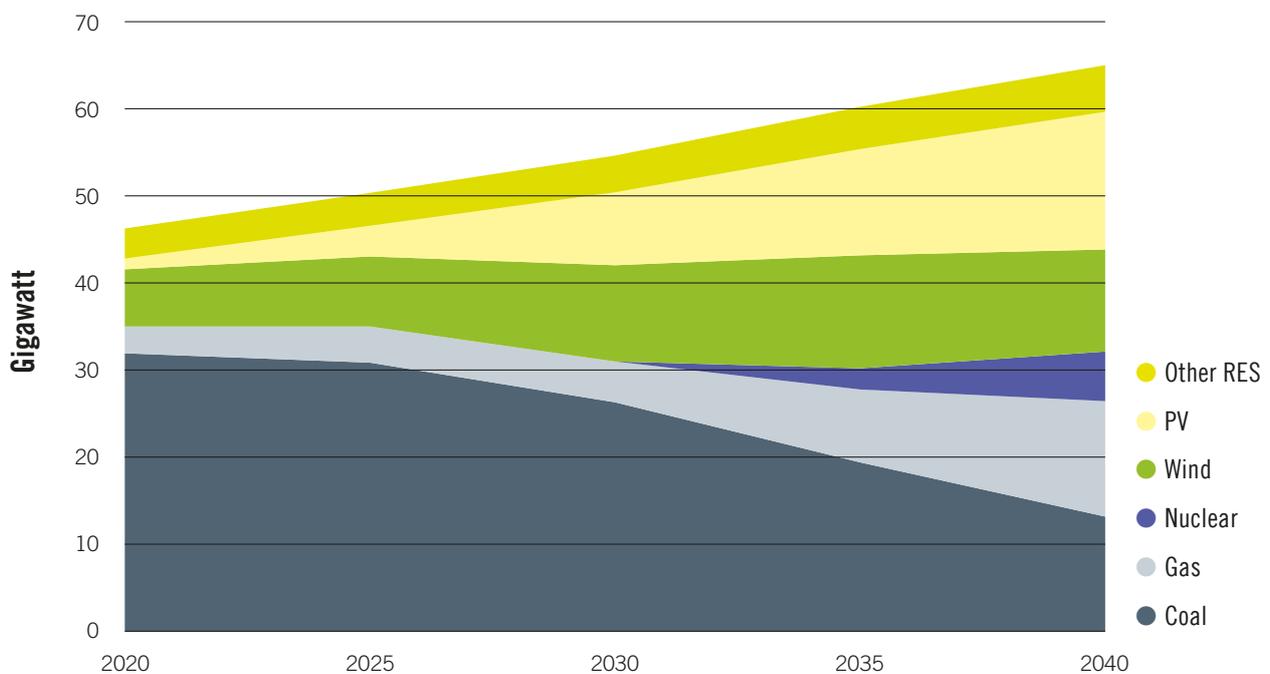
the governmental ambitions in that respect – it is estimated at 12–14 GW.

As of January 2020 the draft bill on promoting electricity production from offshore wind farms was published (currently at the stage of inter-ministerial consultations), which is a very positive signal for the development of the offshore sector in Poland. The draft bill creates the legal framework for offshore investment implementation, defining the investment support-scheme in the form of contract for difference.

Thus, the bill offers long-term stability for investors while ensuring competition between companies. Adoption of the bill will be the first step to unlock investments in the Polish offshore sector, which will enable the country to become an important European market for offshore on very short notice.

Both the National Energy and Climate Plan for Poland of 18 December 2019 and the energy policy published about a month earlier provide for ambitious decarbonisation measures after 2030, with less

**NECP scenario: installed capacity by source\***  
Electricity mix – installed capacity



**Diagram No. 2**

\* Onshore and offshore wind are not shown separately in the draft NECP.

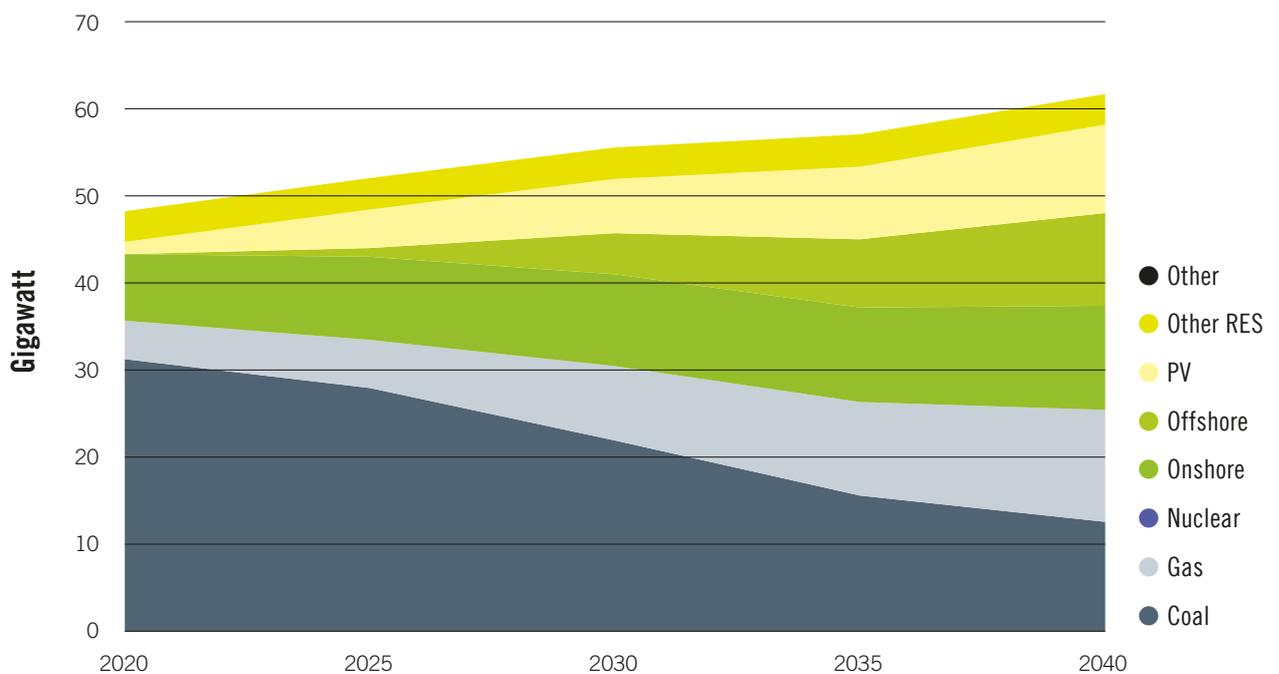


substantial reductions before 2030. Both rely on renewable energy and gas-fired capacity to close gaps left by the phasing-out of coal, but do not fully utilize the potential of wind (particularly onshore) while proposing a nuclear project to be commissioned in 2033 (which seems doubtful to many).

The approach proposed by PWEA would allow the country to: meet the demand for electricity, which is underestimated in the NECP; fulfil RES-related targets; reduce CO2 emissions at a faster pace than it is planned by the Polish government; and contain the escalation of electricity costs.

PWEA believes the potential of wind – onshore & offshore – supported by gas-fired capacity is enough to meet more ambitious targets without the need to develop a (highly uncertain) nuclear project.

**PWEA scenario: installed capacity by source\*\***  
Electricity mix – installed capacity



**Diagram No. 3**

\*\* Onshore and offshore wind is not included separately in the draft NECP. The division has been estimated by PWEA based on the draft energy policy published a month before the NECP.



## 2. AUCTIONS IN 2020

On January 22, 2020 the new regulation on the maximum volumes and values of electricity from renewable energy sources that might be auctioned in 2020 was officially announced. The maximum volume of electricity to be contracted from small PV and wind installations was set at 11,760,000.00 MWh of the value of PLN 4,527,600,000.00 (over 1 billion EUR). The previous draft of the regulation assumed 7,350,000.00 MWh for this technology basket.

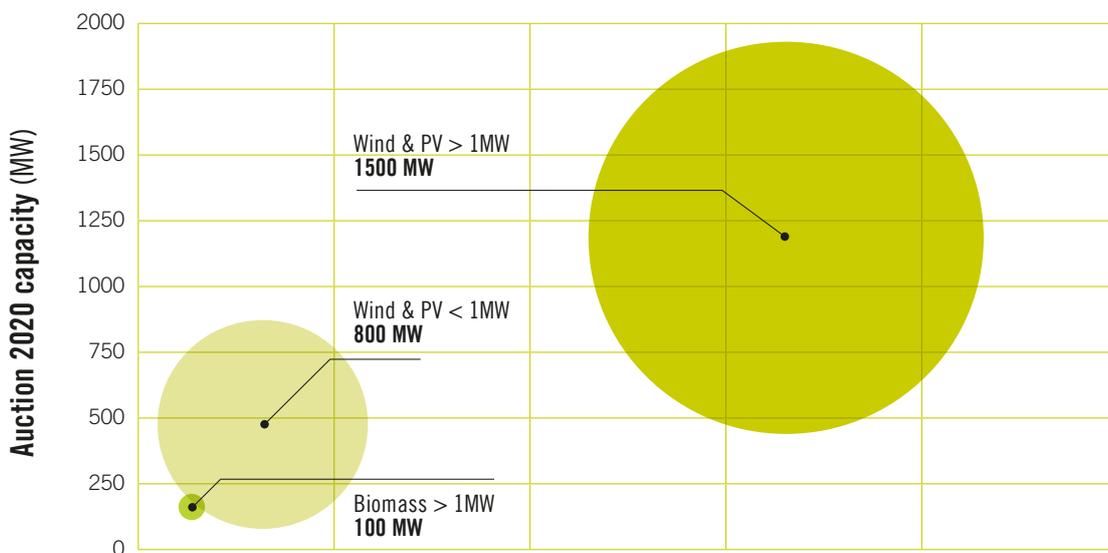
Regarding industrial-size PV and wind installations, the maximum volume was set at 46,290,000.00 MWh of the value of PLN 14,015,850,000.00 (over

3 billion EUR). The previous draft of the regulation assumed the maximum of 14,700,000.00 MWh to be contracted, which indicates that the government positively acknowledged the voices opting for increasing the maximum volume of electricity to be auctioned.

The Polish government estimates that the figures should translate into at least:

- 700 MW of new industrial-size PV projects and 800 MW in industrial-size onshore wind (1,500 MW together in the auction basket, however ratios may be different between wind and PV, which depends on investors' offers and availability of wind projects in the market);

**2020 Auction**  
New Capacities in Polish Grid



**Diagram No. 4**



### Auction budgets 2020 description for each RES technology and comparison to year 2019

Technology	Cap.	2020 budget		2019 budget		Change	
		(GWh)	(PLN)	(GWh)	(PLN)	(%vol.)	(%val.)
Wind & PV	< 1MW	11,760.00	4,527,600,000.00	11,445.00	4,213,650,000.00	+3%	+7%
Biomass	> 1MW	10,950.00	5,182,500,000.00	14,910.00	5,577,600,000.00	-27%	-7%
Wind & PV	> 1 MW	46,290.00	14,015,850,000.00	113,970.00	32,577,000,000.00	-59%	-57%
Agri biogas		1,800.00	1,152,000,000.00	2,512.00	1,617,874,880.00	-28%	-29%
Other		1,620.00	788,400,000.00	734.40	356,400,000.00	+121%	+121%
Existing installations		2,500.00	1,600,000,000.00	41,177.73	25,282,012,130.00	-94%	-94%
<b>Total</b>		<b>74,920.00</b>	<b>27,266,350,000.00</b>	<b>184,749.13</b>	<b>69,624,537,010.00</b>	<b>-59%</b>	<b>-61%</b>

Table No. 2

Source: own study.

- 800 MW in small PV and wind projects (it is expected that the entire volume will be taken up by small PV).

The significant increase in the volumes indicates that it is likely that in 2020 two RES auctions will be announced instead of one (mid year and at the end of the year) – which is permissible under the currently binding provisions.

### 3. WHEN DID THE LAST AUCTIONS TAKE PLACE?

The most recent auctions for onshore wind and PV took place on 5th December and 10th December 2019, respectively for installations above and up to 1 MW capacity. More wind (in particular, offshore) and solar auctions are expected in 2020.

### 4. HOW DOES A PROJECT QUALIFY FOR PARTICIPATION IN AN AUCTION?

Ready-to-build onshore wind, solar as well as biogas, biomass and waste thermal treatment (including CHP) projects can participate in an auction if they:

1. hold a certificate of admission to an auction, and
2. pay a deposit of PLN 60 (ca. EUR 14) per 1 kW, or provide an equivalent bank guarantee.

Obtaining a certificate of admission to an auction is preceded by a pre-qualification procedure carried out by the President of the Energy Regulatory Office. Investors need to evidence that they possess ready-to-build installations, i.e. that the following criteria are met:



1. interconnection conditions or an agreement is in place,
2. the project has a final and non-appealable building permit (valid for at least 6 months),
3. an installation scheme is provided,
4. a schedule of works and expenditures for the completion of construction is presented.

Once the prequalification criteria are fulfilled, a certificate of admission to an auction is issued within 30 days by the President of the Energy Regulatory Office. The certificate remains valid for 12 months from the date of issue.

## 5. HOW DOES WINNING AN AUCTION IMPACT GRID INTERCONNECTION?

Interconnection conditions or a concluded interconnection agreement is required for participation in an auction. Interconnection conditions are valid for 2 years from the day of their service upon an applicant. In this period they constitute a binding obligation on the part of a grid operator to conclude an interconnection agreement.

An interconnection agreement specifies a period for implementation of an interconnection and contains a deadline for first delivery of electricity produced by a renewables installation. This deadline cannot exceed 4 years from the date of execution of an interconnection agreement. Non-delivery of electricity within the deadline constitutes statutory grounds for termination of an interconnection agreement by a distribution/transmission system operator (under the

applicable provision termination cannot occur up to 30 June 2021).

The Polish RES Law, however, provides for a mechanism to extend the deadline for first delivery of electricity for projects which have won an auction. Grid operators are obliged to adjust the deadline in interconnection agreements for the winning projects to be in line with the deadlines from the auction (e.g. for onshore wind – 33 months from the auction closure date). Annexes to interconnection agreements will then be concluded so that the agreements do not expire before the deadline for commissioning of a project.

## 6. WHAT IS THE COURSE OF AN AUCTION AND WHO WINS?

The date of an auction is announced by the President of the Energy Regulatory Office at least 30 days in advance before the auction.

A bidder – prospective producer submits a bid which includes the volume of electricity in MWh and the price in PLN per 1 MWh, at which the bidder agrees to sell electricity on the basis of a quasi contract for difference. The support is awarded to the lowest bidders. The auction continues until the volume and value of electricity specified in an announcement of an auction is fully exhausted. When several bidders offer the same lowest selling price, and the volume of electricity declared to be produced exceeds the volume referred to in the announcement of the auction, the order of submitted bids is decisive. Winning producers' offers may not jointly exceed 100% of the value of electricity specified in the announcement of the auction and 80% of the volume of electricity covered by all bids.



This second cap is aimed at guaranteeing sufficiently competitive auctions.

Within 21 days from an auction closure date, the President of the Energy Regulatory Office publicly announces, on its website, information about:

1. the results of the auction (i.e. the producers who won the auction, the minimum and maximum price at which electricity was sold in the auction, as well as the total volume of electricity sold and its value), or
2. invalidation of an auction, if that happens.

An auction may be invalidated only if all offers have been rejected or if it could not be carried out for technical reasons. If the results of an auction have already been published, the auction is settled and final.

## 7. WHAT IS THE PERIOD OF SUPPORT?

The period of support amounts to 15 years from the date of first sale of electricity, however not later than until 30 June 2039.

## 8. WHAT IS THE MECHANISM OF SUPPORT?

Industrial-size installations (above 0.5 MW) that have won an auction, sell the produced electricity on the electricity market at the market price, to a chosen offtaker, after which they may apply for additional payments to reach their auction price. This is done by way of an application to cover the “negative balance”. The monies are paid out by Zarządca Rozliczeń S.A., a state-owned corporation responsible for carrying out the settlements of the “negative balance”. Under the Polish RES Law, the “negative balance” is the difference between the net value of the sale of electricity in a given month (as calculated on the basis of a commodities exchange index) and the value of that electricity determined on the basis of the price contained in a producer’s offer that won an auction. Please also note that the latter is indexed annually to the inflation rate in Poland.

The volume of electricity subject to the settlement is determined on the basis of actual indications of measuring devices in a given month. A producer from an installation informs Zarządca Rozliczeń S.A., within 10 days after the end of the month, of:

1. the volumes and prices of electricity sold in the previous month,
2. data on the value of the electricity (prices published by the Polish Power Exchange – TGeBase index) and
3. the producer submits an application to cover the negative balance.





In consequence, the “negative balance” is the difference between the value of produced electricity calculated on the basis of the TGeBase index and the value of such electricity established pursuant to the price from a respective auction bid of an individual producer. Zarządca Rozliczeń S.A. is obliged to verify an application for covering the “negative balance” within 30 days and pay the producer in question the relevant funds, as per the example below.



Please note that in the example below the balance can also be positive, especially in case of a substantial increase of wholesale electricity prices. In such a scenario, the producer could be obliged to pay back the positive balance to Zarządca Rozliczeń S.A. Any positive balance is set off against any future negative balance on an “as-we-go” monthly basis. An outstanding positive balance is returned to Zarządca Rozliczeń S.A. in 6 equal monthly installments at the end of the 15-year support period.



There is no obligation to sell electricity produced by renewables through a commodities exchange.

## 9. WHAT ENERGY PRODUCING EQUIPMENT CAN BE INSTALLED?

An investor who won an auction is restricted in terms of generating devices that can be installed. The Polish RES law stipulates that devices used for generating and processing electricity must be new, and produced within certain dates proceeding the day of first production of electricity. This is detailed in the table below.

Category of renewable installation	Equipment not older than
Onshore wind	33 months
Photovoltaics	24 months
Offshore wind	72 months
Biomass	42 months

Table No. 3

## 10. WHAT ARE THE RESPONSIBILITIES OF AN INVESTOR WHO WON AN AUCTION?

The first obligation imposed on an investor is to produce electricity for the first time, while already holding a generation concession, within certain deadlines from the auction closure date. Failure to



timely meet this obligation results in an exclusion from the auction system and loss of the deposit. This is detailed in the table below.

Category of renewable installation	Deadline to produce electricity with a concession in place
Onshore wind	33 months from the auction closure date
Photovoltaics	24 months from the auction closure date
Offshore wind	72 months from the auction closure date
Biomass	42 months from the auction closure date

**Table No. 4**

The second obligation is to produce the volume of electricity declared in the offer. However, an option of one update of the offer following the auction, with respect to, in particular, the planned date of commencement of the period of use of the support system and the volume of electricity planned for sale in subsequent calendar years (the total volume will however need to remain constant). The volume is settled after the expiry of each 3 full calendar years in which support was granted, and after the lapse of the entire period of support. If an installation fails to produce at least 85% of the volume specified in a winning offer in a relevant settlement period, the producer is subject to a fine. The fine is calculated as 50% of the product of the auction price and the difference between the electricity that was supposed to have been produced, pursuant to the auction offer and the energy actually produced. However, the financial penalty will not apply if the required volume of electricity was not produced as a result of:

1. application of the generally binding law;
2. the need to ensure security of the grid;
3. a power system failure;
4. force majeure, e.g., natural disasters, war, acts of terrorism, riots;
5. the technical failure of an installation – violent, unpredictable and independent of the producer, damage or destruction of an installation or destruction of buildings or facilities essential for its operation.

## 11. THE IMPACT OF COVID-19 PANDEMIC LEGISLATION ON THE RESPONSIBILITIES OF ELECTRICITY PRODUCERS WITHIN THE AUCTION SYSTEM

Due to the global outbreak of COVID-19 pandemic and subsequent introduction of the state of epidemic in Poland, Polish government adopted a set of legislation aimed at casting off the emerging economic crisis, including the Act of 31 March 2020 on the amendment of the Act on specific measures to prevent, combat and eradicate COVID-19, other transmissible diseases and their associated emergencies. Also known as Anti-Crisis Shield 1.0, the Act introduced amendments to the RES Act of 20 February 2015. The amendment enabled the RES energy producers benefiting from the auction support system, in the event of specific circumstances caused by the state of epidemic (or the state of epidemic hazard), to apply to the President of the



ERO for an extension (by a maximum of 12 months) of the deadline to sell electricity generated in the RES installation for the first time within the auction system and for an extension of the permissible “age” of equipment included in the RES installations. For PV, the deadline for the first sale of electricity will be thus a maximum of 36 months (instead of the previous 24) and for onshore wind – 45 months (instead of the previous 33).

The President of the ERO, at the request of a producer, shall issue a decision to extend the indicated deadlines in case of delays in the implementation of investments in the new RES installations involving a delay:

1. in the delivery of equipment that is part of the RES installation;
2. in the supply of elements necessary for the construction of the RES installation;
3. in the construction of the RES installation and connections to the power grid;
4. in carrying out the technical acceptance or start-up of the RES installation;
5. in obtaining a concession or entry in the registers specified in the RES Act, caused by the state of epidemic (or the state of epidemic hazard).

In the request, the producer shall provide, among others, a statement of supplier (or of the producer) confirming that a delay in the delivery of equipment or the start-up of the RES installation is due to the above mentioned circumstances.

All the RES installations that have won the auctions and which have not yet met the deadline for starting the production/sale of electricity in the auction system may exercise the right to extend the spoken periods.

The application must be submitted by the producer at the latest 30 days before the deadline for fulfilment of the obligation.

The existing right to change the deadline for the first sale of energy (as per art. 17(3) of the Act of 19 July 2019 amending the RES Act and certain other acts) and the new right to extend the deadlines due to the COVID-19 pandemic are non-competitive with each other. That means that the producer may exercise both these rights together.

In order to fully meet the needs of RES electricity producers, the possibility of extending the above described deadlines was harmonized with respective right concerning the grid connection agreements. The Anti-Crisis Shield 2.0, i.e. the Act of 16 April 2020 on specific support instruments in relation to the spread of the SARS-CoV-2 virus provided the amendment to the RES Act, on the basis of which power companies are obliged to adjust in the grid connection agreements the date of the first delivery of electricity from the RES installations to the grid, taking into account the extension of the deadline granted by the President of ERO under the Anti-Crisis Shield 1.0, within 30 days of the day on which the producer informed them of winning the auction.

## 12. HOW IS THE FINANCING OF THE AUCTION SYSTEM SECURED?

Funds in the auction system are required for the payment of the “negative balance” and the functioning of the entity covering the balance



Zarządca Rozliczeń S.A. They are secured via a renewables fee. The renewables fee is collected by distribution system operators (“DSO”). DSOs collect the renewables fee predominantly from



final off-takers interconnected directly to their grid, i.e. mainly households. Therefore, financing of the auction system is not influenced by the government budget.

The rules for calculating the renewables fee by DSOs are set forth in the respective statute. DSOs calculate it as a product of the renewables fee rate and the sum of electricity consumed. The renewables fee rate is published in the bulletin of the President of the Energy Regulatory Office until 30 November of each calendar year.

### **13. WHAT IS THE RISK OF THE STATE EVADING ITS RESPONSIBILITIES FOLLOWING AN AUCTION?**

Although no written agreement is entered into between Zarządca Rozliczeń S.A. and the auction winner, the legal relationship between such a producer and the Polish state takes the form of a binding obligation, by statutory law. The elements of this obligation are construed on the basis of the Polish RES Law and documents published by the President of the Energy Regulatory Office – published auction results. In consequence, if Zarządca Rozliczeń S.A. fails to pay a due amount of money, a producer can enforce its rights in a common court. A producer can also be protected by bilateral investment treaties or the Energy Charter Treaty, providing for investment arbitration outside Poland, provided that the investment is adequately structured in advance. It’s worth mentioning, that this arrangement is deemed sufficient to bank financing on a non-recourse basis (project finance).



## 14. IS IT POSSIBLE TO TRANSFER THE RIGHTS AND OBLIGATIONS ACQUIRED AT AN AUCTION?

Under the Polish RES Law, it is admissible to either acquire a project which won an auction or acquire shares in a company holding such a project. In the former case, it is necessary to apply to the President of the Energy Regulatory Office for consent. Granting of such consent is dependent on a statement by a buyer, which should include a declaration by the buyer that electricity will be produced purely from renewables, in the installation related to the auction and that the buyer accepts the rights and obligations of a RES producer.

## 15. SUMMARY OF THE SELECTED 2019 AUCTIONS

The last auctions for wind and solar projects took place in December 2019. The volume of electricity from new small PV and wind installations was set at 11.445 TWh of the value of over PLN 4 billion (ca. EUR 980 million). The reference price for electricity from wind installations up to 1 MW was 320 PLN/MWh, while for electricity from small PV installations – 385 PLN/MWh. The auction for new small wind and PV installations was the most popular among the producers. Over 400 participants entered the auction, submitting over 1,000 bids for sale of energy, all of which concerned PV installations. Over 11.43 TWh of electricity of the value of over PLN 3.6 billion was contracted, among the 759 winning offers submitted by 260 producers.

The minimum price at which electricity was sold in this auction was 269 PLN/MWh, while the maximum price was 327 PLN/MWh. Among the winning producers were PGE Energia Odnawialna S.A., Sabowind Polska Sp. z o.o., ECO-INVEST SOLUTIONS Sp. z o.o.

For the onshore wind and solar power technological basket (projects above 1 MW of installed capacity), the government in 2019 envisaged the maximum auction volume of 113.970 TWh for 15 years. The value of support was over PLN 32.5 billion (over EUR 7.5 billion). The maximum price (i.e. reference price) that could be submitted in a bid for wind above 1 MW was 285 PLN/MWh (ca. EUR 66), while for solar 365 PLN/MWh (ca. EUR 84). PLN 16.2 billion was contracted in the auction for new large wind and PV installations, of which PLN 16.1 billion concerned wind installations. That corresponds to the creation of over 2.2 GW of new installed electrical capacity in wind technology. On the other hand, concerning large PV installations, electricity of the value of over PLN 129 million was contracted. Overall, almost 78 TWh of electricity was sold in this auction. The cheapest electricity in this technology basket was sold for 162.83 PLN/MWh, and the most expensive for 233.29 PLN/MWh. The winners included Elawan Energy Polska Sp. z o.o., Energa Invest Sp. z o.o. or companies from the Polenergia group.





**2019 auction results**  
New installations (GWh)

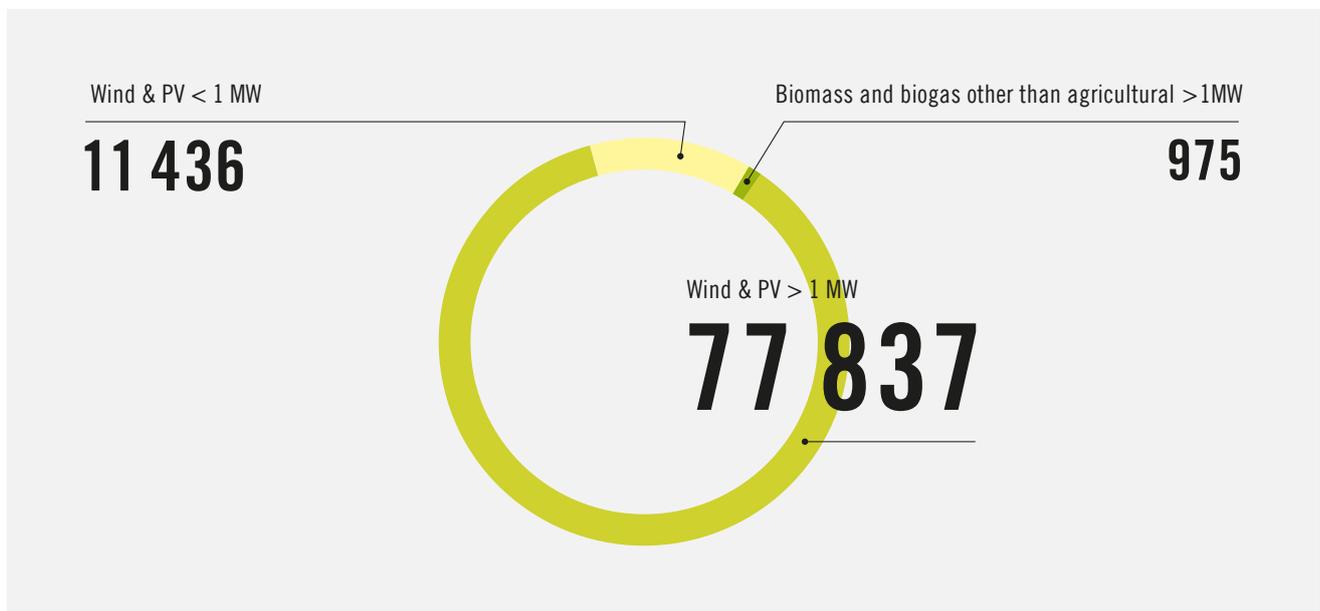


Diagram No. 5

**2019 RES auctions**  
for biomass, biogas, existing RES installations

Absent	Budget		Execution	
	Value (MWh)	Value (PLN)	Value (MWh)	Value (PLN)
Agricultural biogas (including CHP) – New > 1 MW	1,170,000	678,600,000	0	0
Biogas (other than agricultural), biomass, and waste thermal treatment (including CHP) – New > 1 MW	14,910,000	577,600,000	975,000	390,000,000
Existing installations (various)	41,177,726	25,282,012,130	0	0

Table No. 5

## 16. REFERENCE PRICES (MAXIMUM BID PRICES) FOR DIFFERENT CATEGORIES OF RENEWABLES FOR 2020

No.	Type of renewables installation	Reference price (PLN/MWh)
1.	Installations with a capacity below 0.5 MW using only agricultural biogas	650
2.	Installations with a capacity below 0.5 MW using only agricultural biogas in high-efficiency cogeneration	760
3.	Installations with a capacity below 0.5 MW using only biogas obtained from landfills	560
4.	Installations with a capacity below 0.5 MW using only biogas obtained from landfills in high-efficiency cogeneration	620
5.	Installations with a capacity below 0.5 MW using only biogas obtained from sewage treatment plants	420
6.	Installations with a capacity below 0.5 MW using only biogas obtained from sewage treatment plants in high-efficiency cogeneration	510
7.	Installations with a capacity below 0.5 MW using only biogas other than obtained from agricultural biogas, landfills or sewage treatment plants	470
8.	Installations with a capacity below 0.5 MW using only biogas other than obtained from agricultural biogas, landfills or sewage treatment plants in high-efficiency cogeneration	530
9.	Installations with a capacity below 0.5 MW using only hydropower	620
10.	Installations with a capacity not below 0.5 MW and not exceeding 1 MW using only agricultural biogas	590
11.	Installations with a capacity not below 0.5 MW and not exceeding 1 MW using only agricultural biogas in high-efficiency cogeneration	700

No.	Type of renewables installation	Reference price (PLN/MWh)
12.	Large Installations (above 1 MW) using only agricultural biogas	570
13.	Large Installations (above 1 MW) using only agricultural biogas in high-efficiency cogeneration	670
14.	Installations with a capacity not below 0.5 MW using only biogas obtained from landfills	550
15.	Installations with a capacity not below 0.5 MW using only biogas obtained from landfills in high-efficiency cogeneration	610
16.	Installations with a capacity not below 0.5 MW using only biogas obtained from wastewater treatment plants	385
17.	Installations with a capacity not below 0.5 MW using only biogas obtained from wastewater treatment plants in high-efficiency cogeneration	475
18.	Installations with a capacity not below 0.5 MW using only biogas other than obtained from agricultural biogas landfills or sewage treatment plants	435
19.	Installations with a capacity not below 0.5 MW using only biogas other than obtained from agricultural biogas landfills or sewage treatment plants in high-efficiency cogeneration	495
20.	Dedicated biomass combustion installations or hybrid systems	465
21.	Thermal waste treatment installations or dedicated multi-fuel combustion installations	350
22.	Installations with a capacity not exceeding 50 MW in a dedicated biomass combustion installation or hybrid systems, in high-efficiency cogeneration	490
23.	Installations with a capacity higher than 50 MW in a dedicated biomass combustion installation or hybrid systems, in high-efficiency cogeneration	465
24.	Installations using only bio-liquids	475
25.	Installations with a capacity not exceeding 1 MW using only onshore wind energy	320



No.	Type of renewables installation	Reference price (PLN/MWh)
26.	Large Installations (capacity higher than 1 MW) using only onshore wind energy	250
27.	Installations with a capacity of not below 0.5 MW and not exceeding 1 MW using only hydropower	560
28.	Large Installations using only hydropower	535
29.	Installations using only geothermal energy	455
30.	Installations with a capacity not exceeding 1 MW using only solar energy	360
31.	Large Installations (capacity higher than 1 MW) using only solar energy	340
32.	Installations using only offshore wind energy	450
33.	Small hybrid installations	415
34.	Large hybrid installations	410

**Table No. 6**

*This guide is based on selected publicly available information and does not constitute legal advice.*



The Polish Wind Energy Association (PWEA) is a non-governmental organization, established in 1999, to support and promote the development of wind energy in Poland. PWEA is an association of around 100 leading wind energy companies active on the Polish market: investors, developers, turbine and component manufacturers. PWEA groups key industry players from abroad, as well as Polish entrepreneurs, investors, producers and service providers across the entire onshore & offshore wind supply chain.

Main areas of PWEA activity are:

- participation in consultations of legislative regulations, strategies, policies and sectoral programs and taking action to implement new legal regulations fostering wind energy development in Poland;
- direct cooperation with the ministry in charge of economy, the environment as well as other ministries directly or indirectly related to energy and renewable energy sources;
- cooperation with European Union institutions;
- cooperation with Polish and European Parliament MPs;
- promotion of wind energy and knowledge about the technology;
- increasing social and political awareness concerning wind energy;
- participation in national and international industry conferences as an expert on wind energy in Poland.

PWEA is a member of the WindEurope and Polish Committee of World Energy Council.

**[www.psew.pl](http://www.psew.pl)**



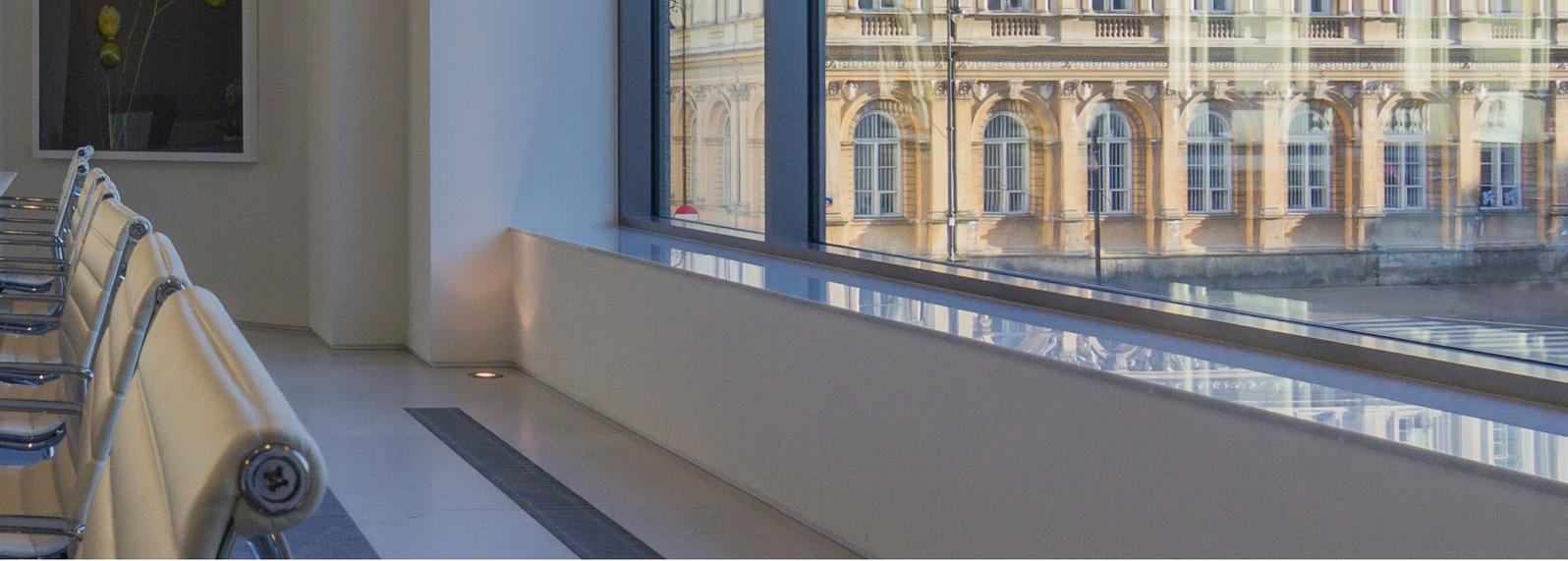


DWF is a global legal business, transforming legal services through our people for our clients. Like our clients, we recognise that the world is changing fast and the old rules no longer apply. That's why we're always finding agile ways to tackle new challenges together. But we don't simply claim to be different. We prove it through every detail of our work, across every level. We go beyond conventions and expectations.

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DWF Associations: Argentina, Colombia, KSA, Republic of Panama, Turkey

By questioning traditions and thinking beyond conventions, we achieve outstanding levels of innovation through our range of consultative services, technology and products that complement our legal offering.

We have received recognition for our work by The Financial Times, who named us as one of Europe's most innovative legal advisers.

Join us on our shared journey to redefine legal services and you'll benefit from the most innovative thinkers, technical experts and outstanding sector specialists, and together we will find agile ways to tackle your business challenges.

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# INNOVATIVE ENERGY PRACTICE

Our Warsaw Office has a distinctive, full-size, comprehensive practice devoted entirely to innovative energy. It is one of the most recognized RES practices on the Polish market, and a one-stop-shop for clients active in that sector.

We assist in all legal matters related to the RES sector, including investment projects (development, transactions, environmental issues), day-to-day operations, as well as disputes. We have been involved in acquisitions and development of a vast number of solar and wind projects, both onshore and offshore.

The Department is also renowned for advice in regulatory matters. We assist sector chambers and organizations, as well as individual clients, in solving



complex regulatory matters and building their position on sectoral issues. For example, we support clients in a number of energy regulatory disputes before the President of the Energy Regulatory Office (URE) and the Court of Competition and Consumer Protection.

Our lawyers assist the Polish Wind Energy Association (PWEA), strengthening the organization's efforts with respect to issues concerning the support scheme for renewables in Poland and the EU. Lawyers from the Warsaw Office are also involved in works of the

Offshore Taskforce of the PWEA in which they help to work out proposals for the regulatory environment for offshore wind.



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