

Energy Regulatory Office

<https://www.ure.gov.pl/en/communication/news/221,URE-about-main-developments-in-electricity-and-gas-markets-in-2014-and-plans-for.html>
05.05.2024, 18:03

The page is in the archive.

URE about main developments in electricity and gas markets in 2014 and plans for 2015

New regulations further extend the powers of the President of URE

One of the most important legal changes, which took place in 2014, was an introduction to the Energy Law Act of new rules for obtaining a license for production and trade in liquid fuels purchased from abroad. Also, the amended Energy Law Act provides for the security on property, which shall be submitted by an entity applying for a licence for this type of activity.

Moreover, the changes introduced by the amended Act include also new type of sanctions for running business in the field of production or trade in liquid fuels (including foreign trade in liquid fuels) without required licence. In the provisions concerning powers of the President of URE, the legislator listed the competence to control and punish energy undertakings which conduct business activity without required licence.

By the amendment of the above-mentioned Act, in March 2014 the support system for energy undertakings producing electricity and heat in co-generation processes were reinstated. The act also determined the quotas for the obligation to obtain and submit for redeeming the certificates of origin from cogeneration for subsequent years, until 2018.

The attention should also be paid to the amendment of the act on controlling and monitoring of fuels quality, which introduced i.a. rules for controlling of solid fuels quality and definition of solid fuels. The aim of this amendment was to introduce the control of the quality of hard coal imported to Poland and stored in coal yards for retail trade. The changes introduced by the above act are strictly connected with advanced legislative works on the next draft Energy Law Act's amendment, which will introduce the licences for hard coal trading. The draft amendment provides for empowering the President of URE to license and control business activity related to hard coal trading.

In 2014 the act on biocomponents and liquid biofuels was also amended. The most important changes include regulations on rules of conducting business activity in the field of intra-Community purchase or imports of biocomponents, as well as certification of compliance with sustainability criteria and certification principles. Some of these changes entered into force at the beginning of 2015.

In the previous year the intensive legislative works were conducted in order to introduce important changes to renewable energy segment. According to the proposed amendment, the regulations on renewable energy sources will be extracted from the Energy Law Act and put into the separate act.

There were also works in progress on the next amendment to the Energy Law Act, which ensure applicability of the Regulation of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT). The regulation is designed to prevent abuses in the wholesale energy market. The Member States were obliged to implement regulations which will allow for REMIT enforcement. In consequence, in this regard the proposed changes to the Energy Law Act will result in further extension of powers of the President of URE to monitor wholesale energy market and to cooperate with ACER, national regulatory authorities in the EU Members States, the President of OCCP (Office of Competition and Consumer Protection) and Chairman of the Polish Financial Supervision Authority, to the extent necessary to fulfil the obligations under REMIT. Furthermore, according to the draft, the list of URE's duties will be extended to transmitting to ACER information on suspected market manipulation, keeping the register of wholesale market participants, carrying out the control and investigations on market manipulation or attempts to manipulate, as well as on improper use of inside information in the energy market. In such cases, the President of URE would be empowered to impose penalties.

The issues which have not been finished in 2014 probably will be at the top of the agenda in 2015. As it was announced, in 1Q of 2015 the legislative process concerning the act on renewable energy will be completed. Also in 2015 the provisions regarding obligations under REMIT will be implemented into the national law.

Market integration

In 2014 the Polish electricity and gas markets achieved significant progress in the integration with the markets of other EU Member States, while the protection of national end-users was maintained.

URE continued its involvement in ACER, within which the works on harmonization of electricity and gas market rules were carried on. In 2014, among other things, the contractual congestion management rules and capacity allocation mechanisms were implemented. Subsequent regulations will be implemented in 2015. Moreover, the rules for functioning of harmonized electricity markets were prepared and are now awaiting approval by the European Commission.

Also, in the middle of 2014 the President of URE gave the strong support to actions undertaken jointly by PSE S.A. (transmission system operator for electricity) and POLPX (national power exchange) aimed at ensuring full participation of these entities in the process of organization of European electricity trading. This will ensure effective cross-border electricity trading via power exchange.

One of the most important tasks for 2015 will be the change of the gas market balancing model, according to the provisions of Network Code on Gas Balancing of Transmission Networks adopted in 2014. Implementation of these rules will contribute to increasing of the wholesale gas market liquidity, in particular spot market.

In the wholesale gas market, in 2014, the significant growth of liquidity at virtual trading point was observed. It concerned mainly the trading via POLPX, what increased transparency of wholesale market and reliability of price signals for all market participants. Maintaining the pace of growth of wholesale trading in 2015 shall contribute to further liberalization of this market.

There are many signals that in 2015 further increase in reliability of price indexes in the wholesale gas and electricity markets will be noted, i.a. as a result of REMIT implementation.

Consumers empowerment

In 2014 Regulator continued the works on strengthening the market position of consumers, in particular households.

In 2014 URE conducted information campaigns aimed at enhancing knowledge of consumer rights. Moreover, Regulator prepared the Electricity and Gas Consumer Checklists. The documents contain practical information about consumers rights and functioning of the electricity and gas markets. Already in 2014 suppliers started providing household consumers with the checklists.

Gas market development

Number of entities which started operation in the field of gas trading increased in the previous year.

In 2014 one could note the speeding up of the gas market liberalization process. The number of entities holding a licence for gas trading (OPG) and for foreign trade in natural gas (OGZ) was growing systematically. At the beginning of November 2014 there were 139 entities holding a OPG licence and 47 entities with a licence for foreign trade in natural gas. Since the beginning of 2014 the President of URE granted 22 OPG licences and 14 OGZ licences. The growing interest in obtaining these types of licences as well as growing number of tariffs approved by the regulator in this area give evidence of positive effects of natural gas market liberalization in Poland.

In 2014 a new company PGNiG Obrót Detaliczny Sp. z o.o. was separated from PGNiG S.A.

capital group. The company obtained a licence for gas trading and started operation on 1 August 2014. The company serves the end-users who consume less than 25 mcm of gas per year (6,5 m consumers). The restructuring of PGNiG S.A. resulted in a growth of gas volumes which are subject to gas exchange obligation, as a new undertaking buys nearly all gas via POLPX.

In 2014 the President of URE carried out certification proceedings of Gaz-System S.A. under two unbundling models. In case of ownership unbundling model (OU), the proceeding was completed on 22 September 2014 with granting the company the certification of independence. The certification proceeding under ISO model (independent system operator) is still pending and will be completed in the first half of 2015.

Additional important change which took place in 2014 in the Polish gas market was an introduction, as of 1 August 2014, of the obligation to carry out gas supplies settlement in units of energy. This will facilitate comparison of fees for other energy carriers as well as comparison of fees paid by market participants in other EU Members States.

Moreover, in the previous year the Polish regulator actively participated in the process of issuing harmonized CBCA decisions concerning gas interconnections with Czech Republic, Slovakia and Lithuania. Implementation of these projects will contribute to diversification of sources of gas supplies to Poland and will have positive impact on our energy security.

More energy from renewables

The installed capacity of RES units is growing systematically.

At the end of 2014 the installed capacity of RES sources got close to 6 000 MW (at the end of 3Q 2014 it was close to 5 844 MW, compared with less than 5 511 MW at the end 3Q 2013). In October 2014 the President of URE issued a 100-thousandth certificate of origin of electricity generated from RES.

23.08.2021

[Next Page](#)