

Energy Regulatory Office

<https://www.ure.gov.pl/en/energy-in-poland/24,Gas.html>
29.04.2024, 03:34

Gas

The gas market in Poland is still the market of a single buyer, in the form of PGNiG SA, including all (except transfer) activities connected with so called 'gas chain' – production, import, wholesale and retail trade, storing and distribution. In each of these fields PGNiG SA still holds the dominant position, with the share of over 98% of the market. Such market situation, apart from historic conditions, featured the following circumstances in 2008:

- Act concerning reserves, imposing an obligation on enterprises importing gas from abroad to stock reserves of gaseous fuels in stores situated on Polish territory,
- lack of access to gas stores and providing of storing services,
- limitations in distribution network - lack of diversification in supply directions as well as bottle neck on the entry and inside the system, almost total allocation of transmission possibilities by PGNiG SA,
- lack of current regulations: both system and tariff - unspecified model of gas market in Poland.

Present situation on the gas market in Poland is, in the opinion of the URE President, far from the expected competition conditions. This situation is due to historical conditions, legal as well as technical limitations - especially network, physical and contract limitations. Current situation influences on the selection of applied regulatory tools, and its consequence is full tariffication of natural gas prices. Maintaining full regulation of gas prices has a negative influence on obtaining new entrants on the market, which are not very interested in markets with full price regulation.

The competition condition of the gas market has also negative implications on energy security of the country, because the above described conditions constitute a barrier of entry for potential sellers, which could participate in co-financing of gas infrastructure fundamental from the security of deliveries point of view. On the other hand, development of such infrastructure from the point of a dominant enterprise increases the risk of losing the position of the main player on the market. Moreover, presently there are no regulatory tools allowing effective execution of realization of new investment. In market conditions many participants strive for ways of deliveries, and by financing their development increase their market share, as well as the energy security of the country.

Significant impact on the shape of the market has also the condition of trans-system gas connections and interaction of Polish system with other operators systems. Presently it is quite small and does not allow the transfer of gas from other markets. In this light, positively should be assessed the commencement of market needs analyses for new

connections with other systems conducted by Gaz-System SA on the basis of procedure called *market screening* as well as procedure called *Open Season*. In scope of the latter one, the transmission system operator examines the need for infrastructure, concludes binding agreements for, for example gas transfer by using new infrastructure and on the basis of that starts the construction of the network. In the opinion of the URE President, new infrastructure and transmission possibilities will have a direct influence on the appearance of new sellers and in turn on the development of competition in Poland, which will have a positive impact on the security of supplies. Another positive thing is also the designation of Storing System Operator (Operator Systemu Magazynowania) - from 31 December 2008 responsible for storing activities is Operator Systemu Magazynowania (OSM) operating in the form of a PGNiG S.A. subsidiary. OSM is responsible for non-discriminating realization of storing services for PGNiG SA as well as third parties. Separating OSM will allow the prices for storing services to be made real, obtaining funds to develop new infrastructure as well as to commercially provide services.

23.08.2021

[Previous Page](#)
[Next Page](#)