

De-rating factor for mixed technologies

In connection with the approval by the President of the Energy Regulatory Office (URE) of the Capacity Market Rules update card no. RRM/Z/7/2023 dated February 5, 2024, we inform you that from the effective date of the regulation changes, i.e., August 1, 2024, it is possible to submit an application for determining an individual de-rating factor for physical units comprising more than one generation technology, hereinafter referred to as the "**individual de-rating factor application**".

How to submit an application?

An individual de-rating factor application shall be submitted by any user authorized to submit applications for certification in regard to capacity auctions concerning a specific capacity provider. The individual de-rating factor application shall be sent via the Capacity Market User Portal (PURM), through the communication panel ("Communication" -> "Create a message").

What the application shall contain?

Detailed requirements regarding its contents are specified in section 7.4.5.6 of the Capacity Market Rules effective from August 1, 2024, which are available at: <https://www.pse.pl/regulamin-ryнку-mocy>. The application shall contain documents confirming the net maximum capacity values of the generating units or energy storage facilities forming part of the physical generating unit, such as:

- a) a certified copy of the grid connection agreement, or
- b) a certified copy of the connection conditions, if a grid connection agreement has not been concluded yet, or
- c) a certified copy of the agreement for the provision of electricity transmission services, or
- d) a certified copy of the agreement for the provision of electricity distribution services, or
- e) a statement from the capacity provider regarding the net maximum capacity values of the generating units or energy storage facilities forming part of the physical generating unit— in case of lack of the above documents.

The suggested template for the individual de-rating factor application is available at: <https://www.pse.pl/web/pse-eng/areas-of-activity/capacity-market/pre-auction>

When shall I submit the application?

The individual de-rating factor application must be submitted no earlier than the date of issuance of the regulation referred to in Article 34, paragraph 1 of the Capacity Market Act, specifying the de-rating factors for individual technology groups for the delivery year to which the individual de-rating factor will be applied and no later than 10 business days before the start of certification for the auction. Failure to meet the above deadline will result in the application being unprocessed.

NOTE!

An application for an individual de-rating factor (KWD_{JF}) for a given physical generating unit cannot be submitted if the unit is forming part of a capacity market unit with a valid certificate for the given delivery year.

How is the individual de-rating factor (KWD_{JF}) calculated?

Based on the data contained in the application, the TSO will determine the value of the individual de-rating factor according to the following formula:

$$KWD_{JF} = \min \left[1, \frac{\sum_{j=1}^{j=J} (P_j \cdot KWD_j)}{P_{JF}} \right]$$

where,

- KWD_{JF} - means the individual de-rating factor of a given physical generating unit for a specific delivery year, expressed in % and rounded down to two decimal places;
- P_j - means the net maximum capacity of the j -th generating unit or electricity storage facility included in the given physical generating unit, where J is the number of all generating units and electricity storage facilities forming part of the physical generating unit, expressed in MW;
- KWD_j - means the de-rating factor applicable to the technology of the j -th generating unit or electricity storage facility for a given delivery year, expressed in %;
- P_{JF} - means the net maximum capacity of the given physical generating unit, expressed in MW.

How is the application verified?

The TSO verifies the application within 3 working days. If the application is found to be incomplete or does not meet the requirements specified in the regulations, the TSO will reject the application and immediately inform the capacity provider by publishing the relevant information in the register, along with an explanation of the reasons for the rejection.

If the application has been rejected the user submitting the application has the option to file a complaint through the system within 4 working days, in accordance with section 19 of the Capacity Market Rules.

What is the process for submitting an individual de-rating factor application for physical cross-border units?

To submit an application for an individual de-rating factor for physical cross-border unit, the registry user shall use the dedicated application template available at the following address: <https://www.pse.pl/web/pse-eng/areas-of-activity/capacity-market/pre-auction>.

If a physical cross-border unit has been already registered in the Polish Capacity Market due to participation in certification in previous years, it is necessary to provide the physical unit code in accordance with the capacity market register subject to case of physical generating unit cannot be submitted if the unit is forming part of a capacity market unit with a valid certificate for the given delivery year.