

Please note that this document is executed in Polish language version only. The translation is made for working purposes exclusively and should not be treated as binding or official.



JOURNAL OF LAWS OF THE REPUBLIC OF POLAND

Warsaw, 8th August 2023

No. 1561

REGULATION OF THE MINISTER OF CLIMATE¹

of 4th August 2023

on parameters for the main auction for delivery year 2028 and the parameters for the additional auctions for delivery year 2025

Pursuant to Article 34(1) of the Act of 8 December 2017 on the capacity market (Journal of Laws of 2021, item 1854 and Journal of Laws of 2022, item 2243), the following is hereby ordered:

Chapter 1

Parameters for the main auction for delivery year 2028

§ 1. The auction target capacity for the main auction for the delivery period relevant for the year 2028 shall be 5791 MW.

§ 2. The market entry price of a new generating unit reflecting the alternative cost of power generation by the operator by constructing a generating unit at the lowest operating and capital fixed costs, taking into account the potential margin on sale of electricity and provision of system services referred to in art. 9c(2)(8) of the Act dated April 10, 1997 - Energy Law (Journal of Laws of 2022, item 1385 as amended²), in main auction for delivery year 2028 is equal to 431 PLN/kW.

§ 3. The factor increasing the price referred to in § 2, used to calculate the maximum price applicable in the main auction for delivery year 2028 is equal to 1,05.

§ 4. The parameter determining the volume of capacity below the capacity demand in the main auction for which the price reaches the maximum value taking into account the coefficient referred to in § 3, for the delivery period relevant for the year 2028 shall be 10%.

§ 5. The parameter determining the volume of capacity exceeding the capacity demand in the main auction for which the price reaches the minimum value equal to 0.01 PLN/kW/month, for the delivery period relevant for the year 2028 shall be 60%.

§ 6. The maximum price set for the price taker, determined on the basis of capital and operating fixed costs, in the main auction for the delivery period relevant for the year 2028 shall be 183 PLN/kW.

§ 7. The maximum number of rounds of the main auction for the delivery period relevant for the year 2028 shall be 12.

§ 8. The unit level of net capital expenditures related to the net attainable capacity, entitling to offer capacity obligations in the main auction for the delivery period relevant for the year 2028 for no more than:

- 1) 15 delivery periods by a new generating capacity market unit amounts to 2400 PLN/kW;
- 2) 5 delivery periods by a new and refurbishing generating capacity market unit or a demand-side response capacity market unit amounts to 400 PLN/kW.

¹ The Minister of Climate manages the department of government administration - energy, pursuant to §1(2)(1) of the Regulation of the Prime Minister of 27th October 2021 on the detailed scope of activities of the Minister of Climate (Journal of Laws, item 1949).

² Amendments to the consolidated text of the aforementioned Act were announced in the Journal of Laws of 2022, items 1723, 2127, 2243, 2370 and 2687, and of 2023, items 295 and 1506.

§ 9. The minimum volume of the capacity obligations planned to be procured in the additional auctions for the delivery year 2028 is as follows:

- 1) 500 MW – for the first quarter;
- 2) 100 MW – for the second quarter;
- 3) 100 MW – for the third quarter;
- 4) 500 MW – for the fourth quarter.

§ 10. The de-rating factors for individual technology groups for the delivery period relevant for the year 2028 are defined at the level of:

- 1) 91,93% – for steam turbines, steam turbine systems, air turbines, fuel cells and the organic Rankine cycle;
- 2) 93,03% – for combined cycle gas turbines;
- 3) 93,28% – for simple cycle gas turbines and reciprocating engines;
- 4) 12,62% – for on-shore wind turbines;
- 5) 17,25% – for off-shore wind turbines;
- 6) 36,15% – for hydro – run-of-river power plants;
- 7) 97,54% – for hydro – run-of-river with reservoir, hydro – reservoir with pumping, hydro – run-of-river with reservoir and pumping power plants;
- 8) 1,56% – for solar power plants;
- 9) 95,00% – for electricity storages in form of accumulators, kinetic energy reservoirs and supercondensers;
- 10) 96,76% – for nuclear power plants;
- 11) 100% – for demand-side response units;
- 12) 88,85% – for other technologies.

§ 11. The maximum volumes of capacity obligations for the zones referred to in Article 6(6) of the Act of 8th December 2017 on the capacity market for the delivery period relevant for the year 2028 shall be:

- 1) 1820 MW – for synchronous profile zone;
- 2) 424 MW – for Lithuania;
- 3) 600 MW – for Sweden.

Chapter 2

Parameters for the additional auctions for delivery year 2025

§ 12. The auction target capacity in the additional auctions for delivery period relevant for the year 2025 shall be as follows:

- 1) 3520 MW – for the first quarter;
- 2) 1131 MW – for the second quarter;
- 3) 500 MW – for the third quarter;
- 4) 842 MW – for the fourth quarter.

§ 13. The market entry price of a new generating unit reflecting the alternative cost of power generation by the operator by constructing a generating unit at the lowest operating and capital fixed costs, taking into account the potential margin on sale of electricity and provision of system services referred to in art. 9c(2)(8) of the Act dated April 10, 1997 - Energy Law, in the additional auctions for delivery periods relevant for year 2025 for all quarters is equal to 431 PLN/kW.

§ 14. The factor increasing the price referred to in §13, used to calculate the maximum price applicable in the additional auctions for delivery periods relevant for year 2025 for all quarters is equal to 1,0.

§ 15. The parameter determining the volume of capacity below the capacity demand in the additional auctions for which the price reaches the maximum value taking into account the coefficient referred to in §14, for the delivery period relevant for the year 2025 shall be as follows:

- 1) 12,52% – for the first quarter;
- 2) 38,96% – for the second quarter;
- 3) 88,14% – for the third quarter;
- 4) 52,34% – for the fourth quarter.

§ 16. The parameter determining the volume of capacity exceeding the capacity demand in the additional auctions, for which the price reaches the minimum value equal to 0.01 PLN/kW/month, for the delivery period relevant for the year 2025 shall be as follows:

- 1) 7,10% – for the first quarter;
- 2) 22,10% – for the second quarter;
- 3) 50,00% – for the third quarter;
- 4) 29,69% – for the fourth quarter.

§ 17. The maximum price set for the price taker, determined on the basis of capital and operating fixed costs, in the additional auctions for the delivery period relevant for the year 2025 shall be 169 PLN/kW.

§ 18. The maximum number of rounds of the additional auctions for the delivery period relevant for the year 2025 shall be 12.

§ 19. The de-rating factors for individual technology groups for the additional auctions for the delivery year 2025 are defined at the level of:

- 1) 92,58% – for steam turbines, steam turbine systems, air turbines, fuel cells and the Organic Rankine Cycle;
- 2) 93,94% – for combined cycle gas turbines;
- 3) 93,40% – for simple cycle gas turbines and reciprocation engines;
- 4) 13,93% – for on-shore wind turbines;
- 5) 20,34% – for off-shore wind turbines;
- 6) 46,81% – for hydro – run-of-river power plants;
- 7) 99,37% – for hydro – run-of-river with reservoir, hydro – reservoir with pumping, hydro – run-of-river with reservoir and pumping power plants;
- 8) 2,27% – for solar power plants;
- 9) 96,11% – for electricity storages in form of accumulators, kinetic energy reservoirs and supercondensers;
- 10) 100% – for demand-side response units
- 11) 90,78% – for other technologies.

§ 20. The maximum volumes of capacity obligations for the zones referred to in Article 6(6) of the Act of 8 December 2017 on the capacity market, on additional auctions for the delivery period relevant for the:

- 1) first quarter of delivery year 2025, shall be as follows:
 - a) 829 MW – for synchronous profile zone,
 - b) 153 MW – for Lithuania,
 - c) 536 MW – for Sweden,
- 2) second quarter of delivery year 2025, shall be as follows:
 - a) 2810 MW – for synchronous profile zone,
 - b) 458 MW – for Lithuania,
 - c) 597 MW – for Sweden,
- 3) third quarter of delivery year 2025, shall be as follows:
 - a) 2172 MW – for synchronous profile zone,
 - b) 433 MW – for Lithuania,
 - c) 599 MW – for Sweden,
- 4) fourth quarter of delivery year 2025, shall be as follows:
 - a) 1169 MW – for synchronous profile zone,
 - b) 365 MW – for Lithuania,
 - c) 593 MW – for Sweden,

Chapter 3

Final Provision

§ 21. The Regulation shall enter into force on the day following the day of its publication.

Minister of Climate: *A. Moskwa*