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**REGULATION OF THE
MINISTER OF ENERGY^A**

of 2nd August 2019

on parameters for the main auction for delivery year 2024 and the parameters for the additional auctions for delivery year 2021

Pursuant to Article 34(1) of the Act of 8 December 2017 on the capacity market (Journal of Laws of 2018, item 9 and 2019, item 42), the following is hereby ordered:

Chapter 1

Parameters for the main auction for delivery year 2024

§ 1. The auction target capacity for the main auction for the delivery period relevant for the year 2024 shall be 9088 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, in main auction for delivery year 2024 is equal to 311 PLN/kW.

§ 3. The factor increasing the price referred to in Section (2), used to calculate the maximum price applicable in the main auction for delivery year 2024 is equal to 1.3.

§ 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 Section 3, for the delivery period relevant for the year 2024 shall be 21.06%.

§ 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 2024 shall be 17.42%.

§ 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 2024 shall be 183 PLN/kW.

§ 7. The maximum number of rounds of the main auction for the delivery period relevant for the year 2024 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 2024 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.

^A The Minister of Energy manages the department of government administration - energy, pursuant to § 1 (2) (1) of the Regulation of the Prime Minister of 13th December 2017 on the detailed scope of activities of the Minister of Energy (Journal of Laws, item 2314).

§ 9. The minimum volume of the capacity obligations planned to be procured in the additional auctions for the delivery year 2024 is as follows:

- 1) 1160 MW – for the first quarter;
- 2) 1160 MW – for the second quarter;
- 3) 1160 MW – for the third quarter;
- 4) 1160 MW – for the fourth quarter.

§ 10. The de-rating factors for individual technology groups for the delivery period relevant for the year 2024 are defined at the level of:

- 1) 91.76% – for steam turbines, steam turbine systems, air turbines, fuel cells and the organic Rankine cycle;
- 2) 94.82% – for combined cycle gas turbines;
- 3) 93.48% – for simple cycle gas turbines and reciprocating engines;
- 4) 12.04% – for on-shore wind turbines;
- 5) 18.42% – for off-shore wind turbines;
- 6) 45.97% – for hydro – run-of-river power plants;
- 7) 99.29% – for hydro – run-of-river with reservoir, hydro – reservoir with pumping, hydro – run-of-river with reservoir and pumping power plants;
- 8) 1.74% – 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) 89.30% – 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 2024 shall be 0.

Chapter 2

Parameters for the additional auctions for delivery year 2021

§ 12. The auction target capacity in the additional auctions for delivery period relevant for the year 2021 shall be as follows:

- 1) 2608 MW – for the first quarter;
- 2) 1160 MW – for the second quarter;
- 3) 1160 MW – for the third quarter;
- 4) 3098 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, in the additional auctions for delivery periods relevant for year 2021 for all quarters is equal to 312 PLN/kW.

§ 14. The factor increasing the price referred to in Section (13), used to calculate the maximum price applicable in the additional auctions for delivery periods relevant for year 2021 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 Section 14, for the delivery period relevant for the year 2021 shall be as follows:

- 1) 18.39% – for the first quarter;
- 2) 41.34% – for the second quarter;
- 3) 41.34% – for the third quarter;
- 4) 15.48% – 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 2021 shall be as follows:

- 1) 24.41% – for the first quarter;
- 2) 54.88% – for the second quarter;
- 3) 54.88% – for the third quarter;
- 4) 20.55% – 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 2021 shall be 178 PLN/kW.

§ 18. The maximum number of rounds of the additional auctions for the delivery period relevant for the year 2021 shall be 12.

§ 19. The de-rating factors for individual technology groups for the additional auctions for the delivery year 2021 are defined at the level of:

- 1) 91,54% – for steam turbines, steam turbine systems, air turbines, fuel cells and the Organic Rankine Cycle;
- 2) 91,80% – for combined cycle gas turbines;
- 3) 93,21% – for simple cycle gas turbines and reciprocation engines;
- 4) 10,94% – for on-shore wind turbines;
- 5) 44,39% – for hydro – run-of-river power plants;
- 6) 97,61% – for hydro – run-of-river with reservoir, hydro – reservoir with pumping, hydro – run-of-river with reservoir and pumping power plants;
- 7) 2,07% – for solar power plants;
- 8) 96,11% – for electricity storages in form of accumulators, kinetic energy reservoirs and supercondensers;
- 9) 87,76% – 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 year 2021 shall be, for each quarter, as follows:

- 1) 500 MW – for synchronous profile zone;
- 2) 253 MW – for Lithuania;
- 3) 407 MW – for Sweden.

Chapter 3

Final Provision

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

Minister of Energy: *K. Tchórzewski*