

## FINAL SPRINT TO ADOPT THE EU CLEAN ENERGY PACKAGE

The EU-authorities have already reached a compromise as to the final shape of significant part of the 'Clean Energy for All Europeans' package ("Package") providing for the legislative framework needed to boost internal energy market and facilitate the clean energy transition, including achievement of commitments made within the Paris climate conference.

Most of the crucial measures covered by the Package are expected to be adopted by the end of the year.

One of them, namely the revised Renewable Energy Directive ("RES Directive"), modifies the general rules of development and support for renewable energy generation units.

### PROGRESS OF WORKS ON THE PACKAGE

ACT	STAGE OF NEGOTIATIONS BETWEEN EU-AUTORITIES	ASSUMED DATE OF OFFICIAL ADOPTION
Proposal for a revised energy performance of buildings Directive	Final compromise reached	ALREADY ADOPTED
Proposal for a revised Renewable Energy Directive	Final compromise reached on 14 June 2018	BY THE END OF 2018 (vote in EU Parliament expected in October)
Proposal for a revised energy efficiency Directive	Final compromise reached on 19 June 2018	BY THE END OF 2018
Proposal for a new regulation on the Governance of the Energy Union	Final compromise reached on 20 June 2018	BY THE END OF 2018
Proposal for a revised electricity regulation	Final stage of negotiations	BY THE END OF 2018
Proposal for a revised electricity Directive	Final stage of negotiations	BY THE END OF 2018
Proposal for a revised regulation on the European Agency for the Cooperation of Energy Regulators (ACER)	Officially trilogue not instigated yet	UNKNOWN
Proposal for a new regulation on risk preparedness in the electricity sector	Officially trilogue not instigated yet	UNKNOWN

## GENERAL ASSUMPTIONS OF THE PACKAGE

- **Development of short-term electricity markets and market coupling process.**
- **Eliminating minimum and maximum prices at the electricity markets.**
- **Enabling marginal pricing to ensure cost-effectiveness of grid management and cost-reflective charges for final consumers.** Promoting efficient management of local flexibility resources by the grid operators.
- **Withdrawal of priority right as regards connecting to the grid of the RES installations with high installed capacity.**
- **Cross-border coordination of electricity transmission and emergency response system.**
- **Increase in demand-side flexibility, including:**
  - ❖ **smart-metering development.** Those Member States, who do not deploy the smart-metering technology shall regularly verify the cost-effectiveness of implementation of such technology;
  - ❖ **demand side reduction (DSR) services** – all consumers should be entitled to offer DSR services;
  - ❖ **promoting dynamic price contracts in relations with final customers.**
- **Coordination of the systems ensuring capacity adequacy,** i.a. controlling national levels of demand and promoting cross-border cooperation.
- **Promoting energy storage mainly by implementing *scarcity pricing*.**

## CRUCIAL PROVISIONS OF THE REVISED RES DIRECTIVE

Revised RES Directive assumes the following 2030 shares of RES energy across the EU:

in total generation capacity:

50%

in final consumption:

32%

On the other hand RES Directive does not specify any new binding levels (i.e. other than those specified for the year 2020) of RES energy share to be applied separately to specific Member States.

The foregoing targets to be achieved by:

- **market-oriented and predictable incentive measures;**
- **simplifying administrative procedures applicable to development of RES installations** - the permitting process covering relevant administrative permits to build, repower and/or operate plants and assets should not exceed 2 years (3 years in extraordinary circumstances);
- **facilitating grid connection procedures for RES installations:**
  - **in case of small-scale projects below 10.8 kW – obligatory simple notification procedure**  
(i.e. connection conditions fully compliant with the application of the investor shall be deemed issued if no objection is raised by the grid operator within 1-month period);
  - **in case of projects up to 50kW or energy storage** – extending the simple notification procedure to all projects up to 50kW and energy storage shall be **dependant on the decision of each Member State**;
- **promoting self-consumer model and incentivizing local energy communities**, including by the following measures:
  - possible adoption of requirements / incentives in building regulations which would increase application of the self-consumer model and the on-site energy storage;
  - small-scale installations (up to 30 kW) cannot be burdened with discriminatory or disproportionate procedures (e.g. license procedure) or grid charges which would not be cost-reflective (such as grid fees for electricity produced/stored by prosumers without export to the grid).

The adjustment of incentive schemes for RES energy shall be subject to the following principles:

- **enhanced use of financial instruments (equity, loans, guarantees relating to the EU budget) in order to:**
  - reduce cost of capital for renewable energy projects;
  - develop transmission and distribution grid infrastructure, intelligent networks, storage facilities and interconnections, with the objective of arriving at a 15% electricity interconnection target by 2030;

- **resignation from feed-in-tariff schemes in favour of market premiums (sliding or fixed) awarded in an open, transparent and competitive procedure;** in practice feed-in-tariff measures available solely to the small-scale and demonstration projects;
- **limited possibilities of applying technological baskets** (baskets available mainly to avoid suboptimal result in view of diversification of renewables deployment and cost-efficient system integration);
- **incentive mechanisms allowed to ensure specific location of new renewable projects (regional diversification of renewables deployment)** to ensure cost-efficient system integration;
- **no retroactive changes in the incentive schemes for renewable energy units;**
- **RES support schemes to be opened to renewable electricity generated in other Member States (where transmission of electricity technically available) at the level of:**
  - **at least 5% in each year between 2023-2026;**
  - **at least 10% in each year between 2027-2030;**
- **new incentive schemes (or using the existing ones) allowed in order to increase the share of renewable energy supplied for heating and cooling.** The foregoing increase may be partially ensured by use of waste heat and cold.

**RES Directive provides also for the following obligations of the Member States:**

- **diversification of energy used in the transport sector;**
- **reducing emissions from renewable energy sources, including i.a.:**
  - (1) limited support for biomass-fuelled generations units;
  - (2) applying sustainable criteria as regards obtaining and producing biomass and biofuels;
- **promoting e-mobility.**



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