

## THE NEW POLISH LEGAL FRAMEWORK FOR ENERGY STORAGE

The Ministry of Energy has disclosed the new draft bill of amendments to the 1997 Energy Law (draft dated 5 October 2018, hereinafter as “the Draft”) which is to provide, among others, the new comprehensive legal framework for the energy storage and lift most significant regulatory barriers currently restricting deployment of the energy storage facilities.

The main features of the proposed energy storage regulation are:

- the **new uniform definition of the “electricity storage”** which is to replace two different definition of the “energy storage installation” that currently exist under the 2015 RES Law and 1997 Energy Law; under the proposed regulation, the “electricity storage” would be defined as “conversion of the electricity, received from the electricity grid and/or generated by the generation unit connected to such electricity grid and cooperating with such grid, to another form of energy, storage of such energy and subsequent conversion thereof to electricity and injection to the grid” and the “electricity storage facility” as “the facility enabling electricity storage”;
- requirement to obtain the **concession for electricity storage** applicable exclusively in case the total installed capacity of the electricity storage facility exceeds 10MW;
- each **electricity storage facility** with total installed capacity exceeding 0.8kW to be registered by the competent grid operator;
- **electricity storage exempted from the tariff obligation** (remuneration for electricity storage not regulated by the President of the Energy Regulatory Office);
- **electricity storage operators exempted from “double charging”** of transmission/distribution fees and related taxes/obligations typically charged on the sale to the end-users (purchase of capacity/electricity for the purpose of the electricity storage exempted from transition fee, capacity fee, RES fee, green and white certificates; fixed fees charged based on booked capacity adjusted with the efficiency co-efficient);
- **exemption from the obligation to pay the interconnection fee for the electricity storage facilities commissioned within 5 years** from the date on which the Draft enters into force;

- grid codes to set forth the technical conditions for connection of the electricity storage facilities and their cooperation with the grid;
- **grid operators generally allowed to develop and operate the electricity storage facilities and socialize their costs through tariffs** if only such facilities are used to discharge operators' duties and it does not impair competition at the wholesale energy market and/or balancing market;
- **grid operators obliged to carry out cost-benefit analysis in order to verify development of the electricity storage facilities as alternative to expansion of the grid.**



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