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**REGULATION OF THE
MINISTER OF CLIMATE^A**

of 6th August 2020

on parameters for the main auction for delivery year 2025 and the parameters for the additional auctions for delivery year 2022

Pursuant to Article 34(1) of the Act of 8 December 2017 on the capacity market (Journal of Laws of 2020, item 247), the following is hereby ordered:

Chapter 1

Parameters for the main auction for delivery year 2025

§ 1. The auction target capacity for the main auction for the delivery period relevant for the year 2025 shall be 2526 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 2020, items 833, 843 and 1086), in main auction for delivery year 2025 is equal to 319 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 2025 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 §3, for the delivery period relevant for the year 2025 shall be 84,37%.

§ 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 2025 shall be 52,07%.

§ 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 2025 shall be 179 PLN/kW.

§ 7. The maximum number of rounds of the main auction for the delivery period relevant for the year 2025 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 2025 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 Climate manages the department of government administration - energy, pursuant to §1(2)(1) of the Regulation of the Prime Minister of 20th March 2020 on the detailed scope of activities of the Minister of Climate (Journal of Laws, item 495).

§ 9. The minimum volume of the capacity obligations planned to be procured in the additional auctions for the delivery year 2025 is as follows:

- 1) 500 MW – for the first quarter;
- 2) 500 MW – for the second quarter;
- 3) 500 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 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 reciprocating 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.

§ 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 2025 shall be:

- 1) 1699 MW – for synchronous profile zone;
- 2) 80 MW – for Lithuania;
- 3) 387 MW – for Sweden.

Chapter 2

Parameters for the additional auctions for delivery year 2022

§ 12. The auction target capacity in the additional auctions for delivery period relevant for the year 2022 shall be as follows:

- 1) 1160 MW – for the first quarter;
- 2) 1160 MW – for the second quarter;
- 3) 1160 MW – for the third quarter;
- 4) 1252 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 (Journal of Laws of 2020, items 833, 843 and 1086), in the additional auctions for delivery periods relevant for year 2022 for all quarters is equal to 320 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 2022 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 2022 shall be as follows:

- 1) 52,21% – for the first quarter;
- 2) 52,21% – for the second quarter;
- 3) 52,21% – for the third quarter;
- 4) 48,37% – 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 2022 shall be as follows:

- 1) 57,60% – for the first quarter;
- 2) 57,60% – for the second quarter;
- 3) 57,60% – for the third quarter;
- 4) 53,36% – 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 2022 shall be 176 PLN/kW.

§ 18. The maximum number of rounds of the additional auctions for the delivery period relevant for the year 2022 shall be 12.

§ 19. The de-rating factors for individual technology groups for the additional auctions for the delivery year 2022 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 2022 shall be, for each quarter, as follows:

- 1) 500 MW – for synchronous profile zone;
- 2) 258 MW – for Lithuania;
- 3) 402 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: *M. Kurtyka*