

Guideline on participation in Polish capacity market for foreign capacity providers

Version: 1.4

Version history

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1 CAPACITY MARKET REGISTER

Capacity Market Register is an electronic platform for gathering, processing and exchange of commercial, billing and technical data in the Polish Capacity Market. It allows to participate in the certification and auction processes as well as to submit transactions on the secondary market. It was established pursuant to Article 95 of the Capacity Market Act. The requirements for operation and maintenance of the Capacity Market Register are regulated by the Capacity Market Act and the Capacity Market Rules. PSE S.A. (hereinafter "PSE") is the owner and administrator of the Capacity Market Register.

Capacity providers shall access the Capacity Market Register via Capacity Market User Portal (PURM) <https://purm.pse.pl/>. Active access to PURM requires creating an individual user account [here](#). In order to create an account, it is necessary to provide:

- name and surname,
- e-mail address,
- telephone number.

The application for creating an account must be signed with a **qualified electronic signature**. Moreover, all applications and statements (including offers in the pre-auction) submitted via PURM have to be signed with user's qualified electronic signature.

The process of creating an account is described in details in section 2 of [User Manual](#).

2 CAPACITY MARKET PROCESSES

European Commission decision approving Polish Capacity Market states that it shall be open for foreign capacity from neighbouring EU TSOs. The regulations foresee the direct participation of foreign capacity in the capacity auctions, called „target solution”.

Since the maximum volume of capacity obligations to be contracted by foreign units from each zone for a given delivery year is defined by the Minister relevant for energy in the Regulation on the parameters of the main auction, PSE needs to pre-select those capacity providers which will be allowed to participate in the capacity auction for given delivery year. This process is called the **pre-auction**.

Pre-auction winners are eligible to participate in the next capacity market process which is the **certification for auction**. During the certification, capacity providers establish capacity market units containing physical units i.e. generators or demand side response units.

According to ACER Decision No 36/2020 on technical specifications for cross-border participation in capacity mechanisms, foreign capacity providers shall have their eligible Capacity Market Units registered for a given Capacity Market in the EU Register. Foreign capacity providers shall request its TSO to perform the **Capacity Market Unit Registration (CMU Registration)** in the EU Register and provide its TSO with up-to-date data of its Capacity Market Unit. EU Register is the additional tool and does not replace the processes handled by the National Register (PURM). Registration in EU Register does not mean that given Capacity Market Unit (CMU) is approved to participate in the capacity auction. It still has to participate in the certification for auction process in order to fulfil additional requirements.

Capacity Market Units which have successfully passed the certification for auction are entered in the Capacity Market Register and being granted a certificate allowing them to participate in the upcoming capacity auction i.e. **main auction (T-5)** or **additional auctions (T-1)** and **secondary market**. After winning the capacity auction, capacity provider is granted the capacity agreement. All abovementioned processes are presented on the graph below and described in subsequent sections.

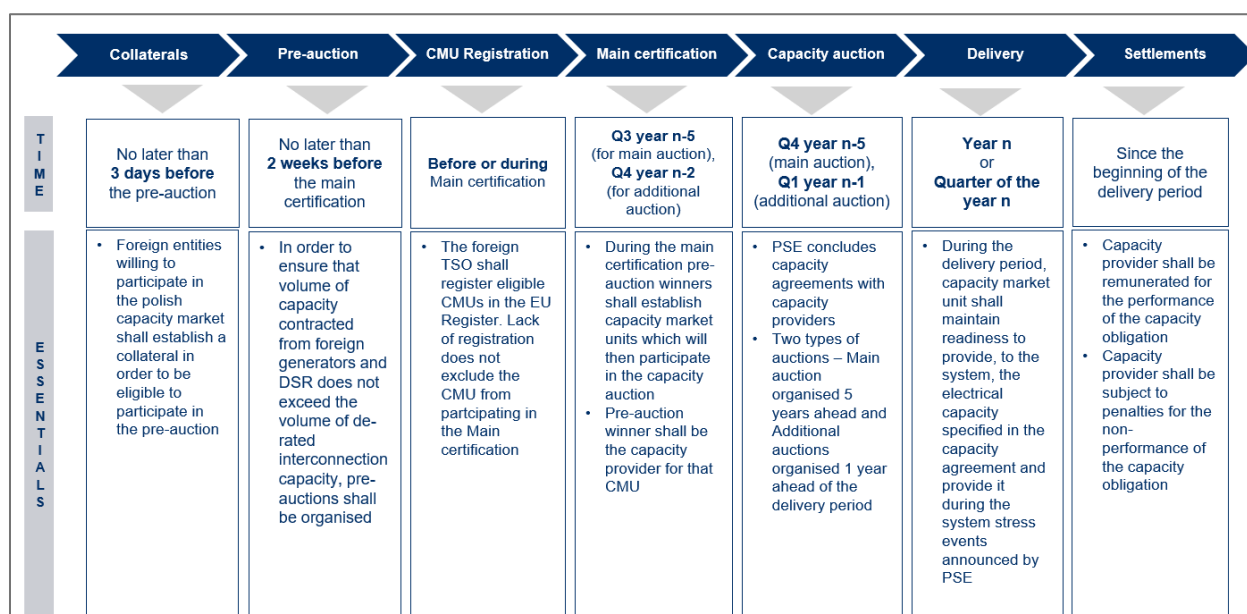


Figure 1 - Capacity market essentials

2.1 Collaterals

According to §3(8) of the *Regulation of the Minister of Energy of 3rd September 2018 on the financial collateral to be provided by the capacity providers and the pre-auctions' participants*, capacity provider willing to take part in the pre-auction shall establish a collateral, solely in cash, in the amount of **43 PLN/kW** of capacity to be offered in each pre-auction. The deadline for collateral establishment is **3 days before** the pre-auction. The collateral shall be considered to be properly established if it is paid within the required time and in the correct currency (PLN only) to the PSE's bank account indicated below:

PL56 1240 5918 1111 0000 4913 7468

BIC/SWIFT:PKOPPLPW

In the title of the bank transfer one shall specify the information about pre-auction which the capacity provider intends to participate in: "**Pre-auction | Country | Year**" for example:

- Lithuanian units participating in pre-auction for the main auction for delivery year 2029
"Pre-auction Lithuania 2029"
- Swedish units participating in pre-auction for the main auction for delivery year 2029
"Pre-auction Sweden 2029"
- Slovak units participating in pre-auction for the main auction for delivery year 2029
"Pre-auction Slovakia 2029"
- Czech units participating in pre-auction for the main auction for delivery year 2029
"Pre-auction Czech 2029"
- German units participating in pre-auction for the main auction for delivery year 2029
"Pre-auction Germany 2029"

In case of willingness to participate in the pre-auctions for additional auctions, the title of the bank transfer should be for example:

- Lithuanian units participating in pre-auction for the additional auction for first quarter of delivery year 2026
"Pre-auction Lithuania Q12026"
- Swedish units participating in pre-auction for the additional auction for second quarter of delivery year 2026
"Pre-auction Sweden Q22026"
- Slovak units participating in pre-auction for the additional auction for fourth quarter of delivery year 2026
"Pre-auction Slovakia Q42026"
- Czech units participating in pre-auction for the additional auction for first quarter of delivery year 2026
"Pre-auction Czech Q12026"
- German units participating in pre-auction for the additional auction for first quarter of delivery year 2026
"Pre-auction Germany Q12026"

The issue that requires emphasizing is that if a capacity provider wants to participate in the pre-auctions for the main auction and four additional auctions (for each quarter), capacity provider must provide collaterals in five separate transfers with the appropriate titles listed above.

If the collateral is properly established, capacity provider will be eligible to submit offers in the given pre-auction.

2.2 Pre-auction

During the pre-auction, foreign capacity providers compete with each other by offering the capacity obligation in the Polish capacity market. Pre-auctions are organised separately in regard to each of the zones i.e.:

- CZ/DE/SK - synchronous profile zone comprising transmission systems of 50Hertz, TenneT TSO, Amprion, TransnetBW, ČEPS and SEPS
- LT – transmission system of Litgrid
- SE - transmission system of Svenska Kraftnät

Pre-auctions are conducted electronically via PURM, after the Regulation referred to in Article 34 of the Capacity Market Act enters into force, but no later than **2 weeks before main certification**. The date and time of beginning and end of each pre-auction shall be published by PSE on its [website](#) and in PURM, no later than **7 calendar days** in advance.

2.2.1 Assignment of the bidder role

In order to be able to submit offers in the pre-auction, user needs to be assigned with **bidder role** regarding given capacity provider. Being granted with the bidder role requires user to submit an application via PURM to be assigned with one. After logging in, a dedicated application form can be found which requires information such as:

- name of the capacity provider,
- legal form of the capacity provider,
- capacity provider's tax identification number,
- capacity provider's address,
- power of attorney drawn up according to the appendix 4.3 to the Capacity Market Rules with the bidder role selected (available for download [here](#)).

Filled form shall be signed with user's qualified electronic signature and sent to PSE which then verifies its completeness and assigns user with the bidder role in regard to capacity provider indicated in the application. From now on, user is eligible to submit offers during the pre-auction in regard to that capacity provider. What is important, user must be assigned with the bidder role **before the day of the pre-auction**.

The process of submitting the application to be assigned with bidder role is described in section 5 of [User Manual](#).

2.2.2 Participation rules

During the pre-auction, **users who have bidder roles assigned**, submit offers on behalf of the capacity providers. Pre-auction offer shall contain:

- capacity Provider's identification data,
- offered volume of capacity obligation (not less than 2 MW),
- price of the capacity obligation (zł/kWh/year),
- offer's CO₂ emission factor (CO₂ emission factor of each physical unit which will replace that offer during the main certification must not exceed that value, for example if the offer is assigned with emission of 500 g/kWh, all physical units which will form part of capacity market unit replacing that offer must have an emission factor not exceeding 500 g/kWh),
- information whether the offer is divisible or not,
- account number to which the collateral shall be refunded.

Submitted offer shall be signed with user's the qualified electronic signature. The total volume of capacity obligation offered by the capacity provider in the pre-auction **shall not exceed the volume covered by the collateral established before the pre-auction**. In case capacity provider submits offers for a higher volume, offers with the lowest price will be selected so that their total volume is not higher than the volume covered by the established collateral.

After the pre-auction, PSE verifies submitted offers and select those which will be accepted. Selection rules are set forth in Articles 9(4)-(6) of the Capacity Market Act. According to these provisions, the selection shall be made in the following steps:

1. submitted valid offers shall be ranked from the cheapest to the most expensive, whereby:
 - in regard to offers with the same price, the order is determined by the value of the unit CO₂ emission factor – starting from the lowest,
 - in regard to offers with the same price and the same CO₂ emission factor, the ranking is determined by the time of the offer's submission
2. from among the offers thus ranked, those which total capacity does not exceed the demand in a given pre-auction shall be subsequently accepted
3. If the last offer, the selection of which together with the previous offers would cause the total capacity to be greater than the demand in a given pre-auction, and this offer
 - Is divisible - the offer shall be partially accepted;
 - Is indivisible - the offer shall be rejected.
4. in case of rejection of an indivisible offer, another offer shall be checked. If this offer is also indivisible, no further offers shall be considered.

Accepted offers are being entered into the Capacity Market Register. Within **7 calendar days after the pre-auction**, PSE shall inform the capacity provider about acceptance or rejection of his offers. Pre-auction results are being published by PSE no later than **5 working days after the capacity auction** which the pre-auction concerned.

2.3 Certification for auction

After the pre-auction, capacity providers whose offers were accepted in its course, may participate in the next capacity market process which is the certification for auction. Certification is a process enabling PSE to verify the parameters of each Capacity Market Unit and admit it to participate in the upcoming capacity auction. The purpose of certification is therefore:

- establishment of a Capacity Market Unit and admitting it to the main auction and secondary market for a given delivery year or
- establishment of a capacity market unit and admitting it to an additional auction (1 or more) and secondary market for a given delivery year.

During the certification, capacity provider shall replace his offers, accepted during the pre-auction, with Capacity Market Units comprising physical units. **It is essential that a single pre-auction offer can be only replaced by single Capacity Market Unit.**

Capacity provider shall submit an application for certification to PSE during the **first 10 working days** of the certification. To make the submission easier, capacity provider should prepare data listed below:

1. capacity provider's and physical unit's owner identification data
 - name,
 - VAT identification number,
 - address and correspondence address,

2. power of attorney (if needed) drawn up according to appendix 4.3 to the Capacity Market Rules authorising user to submit an application for certification on behalf of the capacity provider
3. location and basic technical parameters of the Physical Units forming part of the Capacity Market Unit
 - unit's address,
 - net and gross attainable capacity,
 - energy production technology,
 - basic and additional energy source,
 - EIC code (if units in a country do not have assigned EIC codes - another unique code also known to the TSO).
4. advanced technical and economic parameters of the capacity market unit
 - the rate of changes in the volumes of electricity generated by physical unit (net MW/minute),
 - annual average of the net electricity generation efficiency (%),
 - net electricity generation efficiency under normal conditions at net maximum capacity (%),
 - net electricity generation efficiency under normal conditions at the technical minimum (%),
 - net general efficiency (%) – mandatory in regard to CHP units
 - technical minimum for electricity generation (%).
 - unit emission factor: CO₂ (g/kWh),
 - unit emission factor: sulphur oxides (g/kWh),
 - unit emission factor: nitrogen oxides (g/kWh),
 - unit emission factor: dust (g/kWh).
 - unit's variable costs (PLN/MWh_{net}),
 - fixed operating costs (PLN),
 - net current value of fixed assets forming part of the physical cross-border unit (PLN).
5. volume of offered capacity obligation (MW)
6. additional information and attachments:
 - information confirming the ability of physical cross-border unit to provide net maximum capacity during the delivery period for a continuous period not shorter than 4 hours (appendix 7.1 to the Capacity Market Rules),
 - confirmation issued by the relevant transmission system operator within whose territory the physical unit is located stating compliance with the actual situation of the technical parameters and location of physical unit (appendix 7.4 to the Capacity Market Rules),
 - commitment issued by the relevant transmission system operator within whose territory the physical unit is located, to provide the PSE with metering/billing data and data regarding bids submitted by a physical unit on the energy exchange and balancing market (appendix 7.5 to the Capacity Market Rules),
 - data necessary to verify the calculation of unit CO₂ emission factor or average annual CO₂ emission in regard to generating units constituting physical units forming part of capacity market unit to be created (appendix 7.10 to the Capacity Market Rules),
 - information on existing and planned time restrictions on the operation of a physical unit resulting from separate provisions, e.g. from environmental regulations,
 - declaration on meeting the emission limit (550 g of CO₂ from fossil fuels per 1 kWh of net electricity generated) in a given delivery period by any of the generating units included in the physical units forming a given capacity market unit,
 - declaration on the commencement of the commercial production before July 4, 2019 by all generating units included in the physical units constituting the capacity market unit or on the commencement of the commercial production by at least one generating unit forming the physical units constituting the capacity market unit on or after that date,
 - declaration that there are no circumstances referred to in Article 2(18)(a), (b), (c) or (e) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in in application of Articles 107 and 108 of the Treaty with respect to the capacity provider,

- form containing Information provided when applying for state aid other than agricultural or fishing aid, de minimis aid or de minimis aid in agriculture and fishing, drawn up in accordance with the template attached as Annex No 1 to the Ordinance of the Council of Ministers of 29 March 2010 (Journal of Laws of 2010, No. 53, item 312) on the scope of information submitted by the entity applying for aid other than agricultural or fishing aid, de minimis aid or de minimis aid in agriculture and fishing, signed by persons entered in the appropriate register as authorized to represent the capacity provider,
- statement on the economic position of the enterprise as a whole and
- financial statements for the last 3 financial years.

The CO₂ emission factor and the annual average CO₂ emission shall be determined in line with the methodology defined in the [ACER opinion](#) however, application form requires to submit the carbon dioxide emission factor determined for the **whole Capacity Market Unit**. Emission factors of sulphur oxides, nitrogen oxides and dust are calculated for the whole Capacity Market Unit as well, using data from the previous calendar year.

Moreover, capacity provider is also required to make consent to the acquisition of metering data of each physical unit by the PSE and declare that in relation to any physical unit that will be included in the Capacity Market Unit to be created, the conditions listed in Article 16 (2) of the Capacity Market Act will not apply (it is a declaration that none of physical units will be supported by polish RES or CHP tender system).

Finally, the last section of the application regards to the volume of capacity obligation offered by the capacity market unit. Indicated volume shall be:

- no higher than net attainable capacity of capacity market unit,
- no less than 2 MW and
- no higher than the volume of capacity obligation accepted during the pre-auction.

Application shall be submitted via PURM. During the first 10 working days of the certification, capacity providers may correct the application as many times as needed. Beyond this time, PSE starts the verification process and the possibility to freely rectify the application is disabled. If an application is found to contain any errors, PSE will request the capacity provider, via PURM, to rectify formal defects or deficiencies of the application, specifying such defects or deficiencies in the request and setting a time limit of **at least 3 working days** for the rectification. If the capacity provider has not rectified formal defects or deficiencies of the application within the time limit, PSE shall refuse to issue the certificate, informing the capacity provider thereof via PURM. If there are any objections to PSE's decision, capacity provider may send a complaint within **4 working days** from the refusal. PSE shall consider the complaint within 7 calendar days of its submission.

2.4 Collaterals return

After the capacity market unit has been properly established (it has received certificate authorising it to participate in upcoming capacity auction), PSE is obliged to return collateral **in amount corresponding to the unit collateral rate (43 PLN/kW) and the offered capacity obligation** by that Capacity Market Unit (in MW). If any difference between the volume of capacity obligation submitted in the pre-auction offer which was replaced by the Capacity Market Unit and the offered capacity obligation by that Capacity Market Unit exists, PSE retains the remaining collateral.

The collateral corresponding to volume of capacity obligations in rejected offers shall be released by PSE within **7 calendar days of pre-auction**. The same applies when there is a difference between the maximum volume of capacity obligations to be offered by given capacity provider, resulting from provided collateral, and the sum of capacity obligations in his accepted offers.

Furthermore, PSE together with the return of the collateral, shall return the additional interest on the amount of the provided collateral equal to 70% of the reference rate announced by the National Bank of Poland.

2.5 Capacity auction

Polish capacity market includes two types of capacity auctions: **main auction (T-5)** and **additional auction (T-1)**. Both of them are held electronically via PURM. The Polish Minister relevant for energy publishes the parameters of the upcoming capacity auctions no later than **18 weeks before the main auction**. Auction parameters are available [here](#).

Capacity auctions in Polish capacity market are conducted in the form of a **dutch auction (pay-as-clear)**. It consists of number of rounds during which participants can submit an exit offer. Not submitting an exit offer in given auction round will be treated as acceptance of the starting price of the next round. The capacity auction shall end after the conclusion of the last capacity auction round or after the conclusion of the round as a result of which, after exit bids have been taken into account, the remaining volume of capacity obligations is not greater than the demand resulting from the capacity demand curve for the starting price of a subsequent round. Upon completion of the auction, capacity providers whose units have won the auction enter into capacity agreements with PSE.

Foreign Capacity Market Units take part in the Polish capacity auctions in a “passive” way i.e. during the auction, capacity provider is not obliged to take any action. Offers submitted during the pre-auction are **automatically submitted in the capacity auction** as exit offers. Each capacity auction may result in four different clearing prices:

- Price paid to Polish Capacity Market Units – equal to the auction clearing price;
- Price paid to Capacity Market Units from the synchronous profile zone - set by the last accepted offer submitted by German, Czech or Slovak Capacity Market Unit;
- Price paid to Capacity Market Units from Lithuania - set by the last accepted offer submitted by Lithuanian Capacity Market Unit;
- Price paid to Capacity Market Units from Sweden - set by the last accepted offer submitted by Swedish Capacity Market Unit.

An example of capacity auction clearing is shown on figure 2 below.

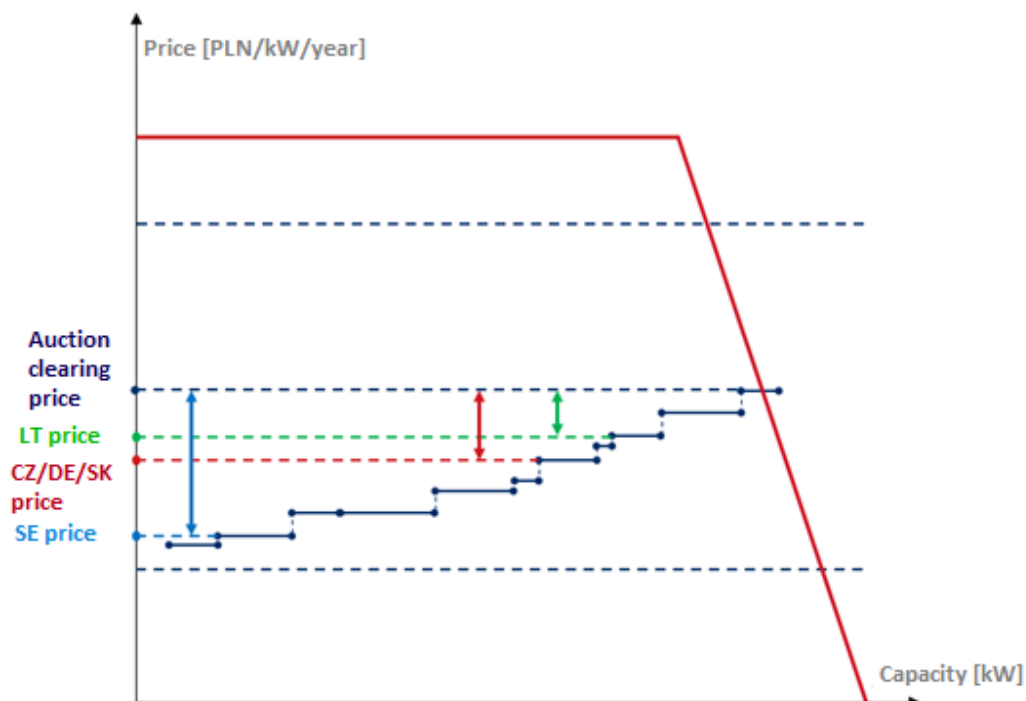


Figure 2 – Exemplary capacity auction

If the auction clearing price regarding given zone is higher than the price specified by capacity provider during the pre-auction, the Capacity Market Unit wins the auction, if not, Capacity Market Unit does not win the auction and is not granted the capacity agreement. **All Capacity Market Units within one zone receive the same auction clearing price.**

Provisional results of a given capacity auction are published by PSE on its website **within 3 working days from the capacity auction**. The capacity agreement shall be deemed concluded at the time at which the provision results are announced, under the condition precedent that announcement of the final results of the auction has been made. The Polish President of ERO shall announce the final results of the capacity auction on ERO's website, on the **first working day following the 21st day from the capacity auction**.

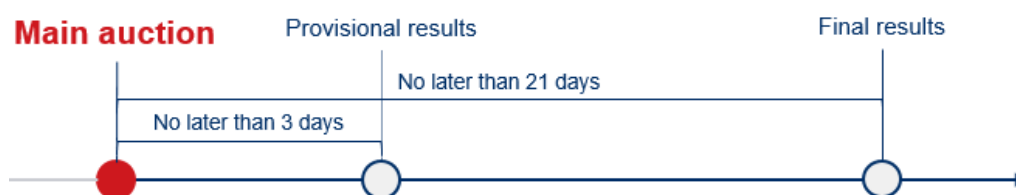


Figure 3 - Capacity auction results

2.6 Secondary market

Transactions on secondary market shall include:

- transferring the capacity obligation of a capacity market unit in whole or in part to another capacity market unit,
- reallocation of a performed capacity obligation volume between capacity market units.

The process is mostly self-explanatory, although there is a couple of rules:

- the user has to have a bidder role for the Capacity Provider to perform the transaction,
- transaction cannot concern **Capacity Market Units** which:
 - has an unpaid penalty for the failure to fulfil the capacity obligation during stress period,
 - failed to fulfil Operational Milestone
 - is a DSR unit and failed to perform the Demand Reduction Capability test,
 - has not provided the declaration of planned compliance with the emission limit
 - has completed the test stress period with a negative result and has not submitted a declaration of readiness to fulfil the capacity obligation,

in each of these cases, the user will receive a notification regarding the issue but will still be allowed to submit the transaction despite it.

2.6.1 Secondary trading

Capacity market provides an option to transfer a part of a capacity obligation to another Capacity Market Unit. To start the process user has to enter **Submit transaction in the secondary trading** in the **Secondary market** menu. There is a couple of additional rules, besides those described above in section 2.6:

- trading on the secondary market begins after the publication of the results of the supplementary auction for the given year, or of the additional auctions for that year if no supplementary auction is held,
- transaction must be reported to the registry no later than 24 hours before the start of the period to which it applies,

- the minimum transferable volume is 0,001MW and the shortest transfer period is 1 hour,
- transactions on the secondary market may involve capacity market units comprising physical units located within the same zone referred to in section 2.2, except that the capacity obligation of a cross-border capacity market unit may also be transferred to a unit located within the Polish electricity grid,
- the declared volume of the transferred capacity obligation with the given identifier cannot exceed the volume of the capacity obligation with the same identifier held by the given unit,
- the volume of the transferred capacity obligation with the given identifier cannot exceed the volume of the capacity obligation held by the given unit, reduced by the volume of capacity obligations being transferred under the submitted transactions,
- the volume of the transferred capacity obligation cannot be greater than the net achievable capacity of the given capacity market unit,
- if the volume of the transferred capacity obligation is greater that the product of unit's net attainable capacity and the availability correction factor (KWD), but do not exceed the net attainable capacity, the transaction can be accepted, but the limit of holding a capacity obligation in such a scope amounts to 300 hours a year.

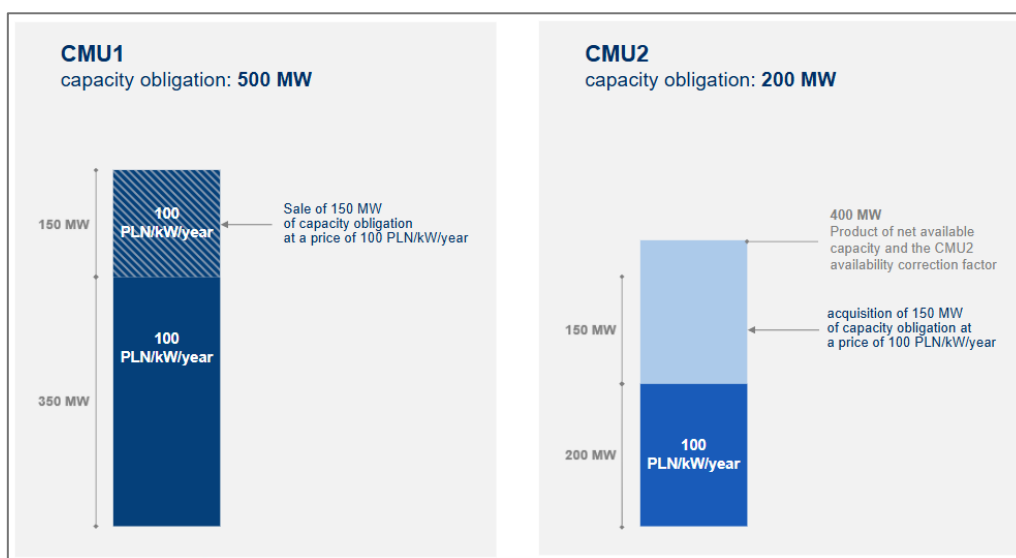


Figure 4 – example of secondary trading transaction

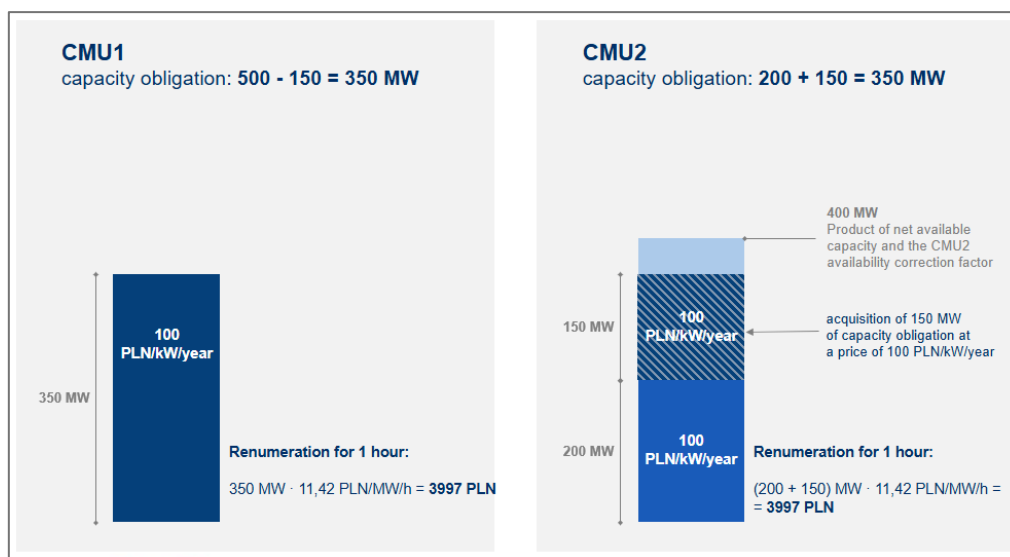


Figure 5 – example of secondary trading transaction

After submission, in **List of pending transactions** in the **Secondary market** menu, the transaction must be accepted by a user with the bidder role for the Capacity Provider that owns the unit receiving the obligation, even though both units in the transaction belong to the same Provider. Then the TSO has 3 working days to object the transaction or accept it, based on rules mentioned above.

2.6.2 Reallocation

Reallocation is the transfer of capacity obligation performance to a Capacity Market Unit with non-performance from a Capacity Market Unit with excess performance, after the occurrence of the system stress event. To start the process user has to enter **Submit the reallocation transaction** in the **Secondary market** menu. There is a couple of additional rules, besides those described above in section 2.6:

- the minimum transferable volume is 0,001MW,
- transactions may concern only the same system stress event,
- transaction must be submitted from the 1st to the 5th working day after the definitive settlement of the performance of capacity obligations,
- reallocation transactions are allowed between Capacity Market Units comprising of physical units located in the same zone referred to in section 2.2.,
- the total volume of reallocated performance of the capacity obligations for the given Capacity Market Unit must not exceed its non-performance or excess performance.

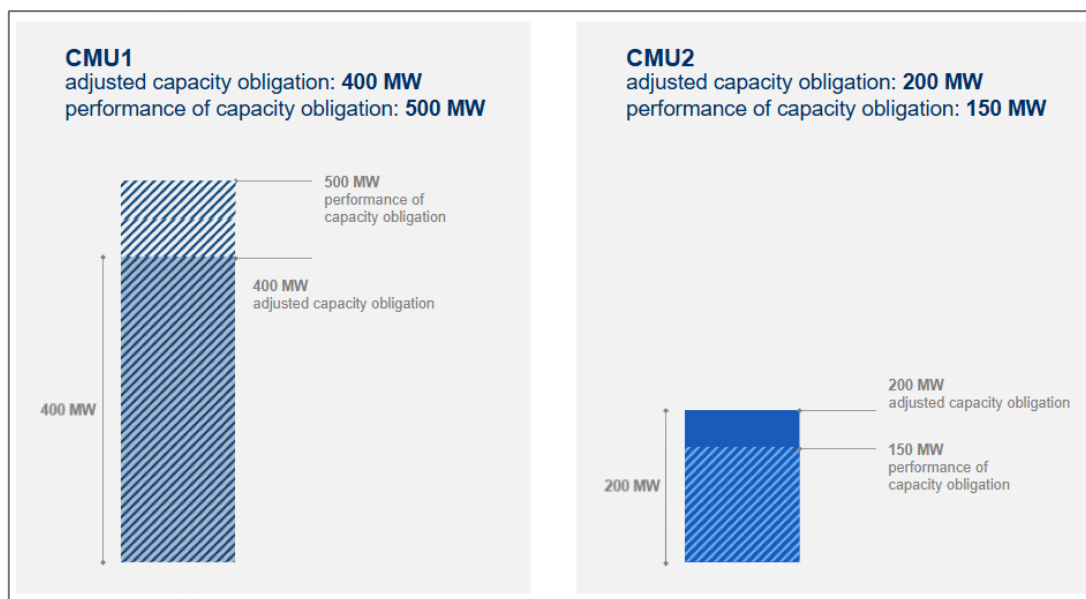


Figure 6 – example of reallocation transaction

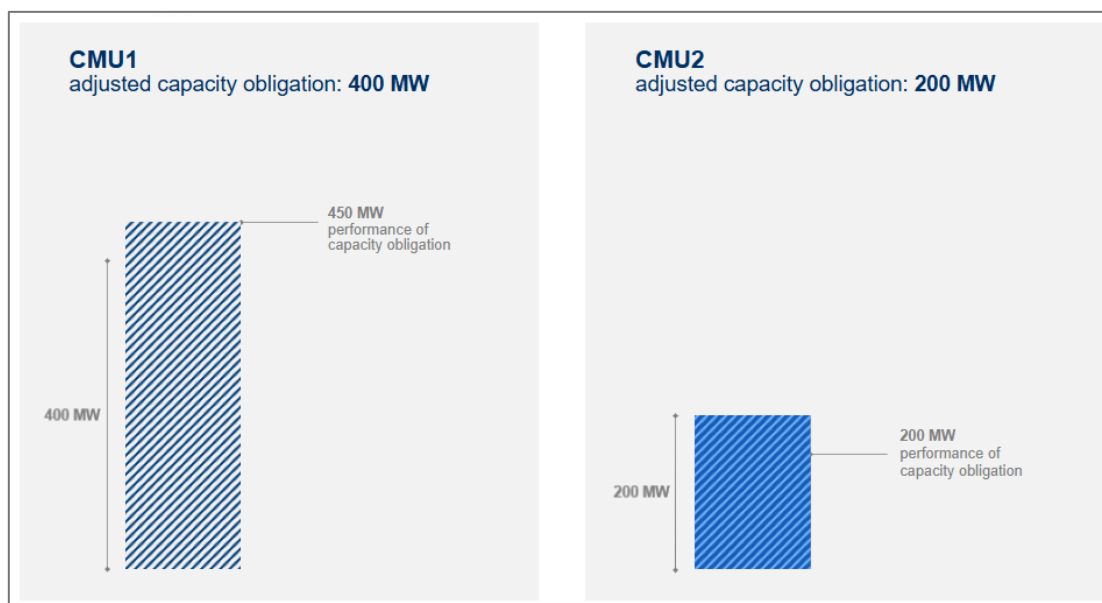


Figure 7 – example of reallocation transaction

The first party is a capacity provider disposing the Capacity Market Unit whose volume of *the capacity obligation non-performance* is greater than zero. The second party is a capacity provider disposing the Capacity Market Unit whose volume of *the excess capacity obligation performance* is greater than zero.

Both parties must confirm reallocation transactions in the Capacity Market Register. Without such confirmation reallocation transactions are deemed void.

Within 1 working day after submitting a reallocation transaction, capacity providers (acting jointly) may withdraw the transaction.

Volumes of reallocated performance of the capacity obligations do not modify the terms of capacity agreements that serve as the basis for remuneration.

3 PERFORMING THE CAPACITY OBLIGATION

Performing the capacity obligation refers to:

- system stress events (more information described in Section 3.2),
- test system stress events (more information described in Section 3.3),
- demonstration of the ability to perform the capacity obligation (more information described in Section 3.4).

3.1 Basis for the calculation of the performance of the capacity obligation

Capacity obligation performance is calculated basing on Metering Data and information on Grid Congestions provided by the TSO and Sudden Event notifications submitted by capacity providers.

Definition of Metering Data:

volume of net capacity delivered to or consumed from the system by the Physical Cross-Border Unit forming part of the Capacity Market Unit, understood as an hourly sum of electricity flows measured at all the Metering Points between the Physical Cross-Border Unit and transmission or distribution grid not owned by the owner of the unit, and the conversion average hourly volume of capacity consumption or delivery by auxiliary and general power supply systems and connected end-users assigned to the given Physical Cross-Border Unit

Definition of Grid Congestions:

limitations and directives issued by the TSO or DSO due to grid failures, capacity limitation instructions, and planned or unplanned outages or other unforeseen events on the grid, restricting the capability of the Physical Cross-Border Units forming part of the Capacity Market Unit to perform the capacity obligation

Additional explanation

The information on Grid Congestions shall be provided to PSE by the TSO separately for each Physical Cross-Border Unit as a maximum net value of capacity that given unit is capable to deliver to or take from the system because of the Grid Congestion.

Definition of Sudden Event:

sudden, unpredictable event that is independent of the will of the Parties, whose results could not be prevented or counteracted by displaying due diligence, preventing the capacity provider from performing over 40% of his capacity obligation, referred to in Article 58(4), point. 2 of the Act.

PSE provides capacity providers, via the Capacity Market Register or in another form agreed between the parties, with Metering Data from the metering points of physical cross-border units for the period necessary to determine the result of the demand side response performance test, the performance of the adjusted capacity obligation during the system stress event, the result of the test system stress event and the result of the demonstration. The Metering Data will be provided along with information on the performance of the capacity obligation related to the abovementioned processes.

Working days should be understood as working days in Poland – any day from Monday to Friday, excluding statutory holidays. More information could be found on the [website](#).

All information regarding time refer to Polish time.

3.2 System stress event

A system stress event is an hour in which the available dispatchable capacity reserve is lower than the required level of capacity reserve margin.

System stress event may be announced in reference to full hours between 7:00 a.m. and 10:00 p.m., such as 10:00 a.m. to 11:00 a.m, during working days. The system stress event is announced at least 8 hours in advance.

To be notified of system stress events by email, please register for the system stress event subscription.

The screenshot shows the 'REJESTR RYNKU MOCY' (Capacity Market Register) website. On the left is a map of Poland with several regions highlighted in red and labeled: JCA, WRP, HGCZ, and TGN. On the right is a login and registration form. The form has fields for 'Username*' and 'Password*', a 'Forgot password?' link, and buttons for 'Login' and 'Register'. Below the form, there is a section for 'Subscription to receive information about announced system stress events' with 'Subscribe' and 'Unsubscribe' buttons. The page also contains some legal text in Polish regarding the Capacity Market Register.

Figure 8 - system stress event subscription

Capacity Market Units are requested to deliver capacity in amount not less than the adjusted capacity obligation of a given unit.

Adjusted Capacity Obligation (ACO) in a system stress event is calculated as the ratio of: (Network Demand + Required Excess Capacity) to (Sum of Capacity Obligations of All Capacity Market Units). The ACO is determined individually for each system stress event with the following formula:

$$SOM_i^* = \min \left(1, \frac{P_{OP} + P_{RM} - W_{NJRM}}{\sum_{n=1}^{m=n} OM_n - UR_{JRM}} \right) \cdot OM_i$$

* SOM_i is the Polish abbreviation used in the original formula; its English equivalent is ACO

Detailed explanation of the formula could be found in Section 16.1.1. of the Capacity Market Rules as well as on the [website](#), where information about previously announced system stress events could also be found.

Upon the announcement of a system stress event, PSE publishes the relevant volumes required for ACO calculation on its website and in the Capacity Market Register, and also distributes this information via email.

Announced system stress events
Day: 2026-01-02

The hour of system stress event	Date and time of the announcement	P _{OP}	P _{RM}	W _{NURM}	ΣOM _i	UR _{JRM}	α _{SOM}
		MW	MW	MW	MW	MW	-
07:00 - 08:00	2025-03-17 14:50	10,000	1 111,000	10,000	6 763,393	10,000	0,1645098990

Legend:
P_{OP} - the average forecasted grid demand in a given system stress event
P_{RM} - the surplus of capacity required in a given system stress event, determined in accordance with the provisions of the Instruction of Transmission System Operation and Maintenance, referred to in Article 9g(4) (9) of the Energy Law Act
W_{NURM} - the average forecasted capacity to be delivered to the grid in a given system stress event by generation resources not covered by capacity obligations
ΣOM_i - sum of capacity obligations of all Capacity Market Units covered by capacity obligations in a given system stress event
UR_{JRM} - sum of unavailable capacities of Capacity Market Units during given system stress event, resulting from the events referred to in Section 16.6 of the Capacity Market Rules
α_{SOM} - the ratio determining the value of the adjusted capacity obligation in a given system stress event with regard to the capacity obligation, determined in accordance with the formula: $\min\{1, (P_{OP} + P_{RM} - W_{NURM}) / (\Sigma OM_i - UR_{JRM})\}$

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The Portal Uczestnika Rynku Mocy is an integral part of the Capacity Market Register established pursuant to Article 97 of the Capacity Market Act of 8th December 2017 (Journal of Laws of 2023, item 2131 as amended).
 The Capacity Market Register is an electronic platform facilitating collecting, processing and exchanging trade, accounting and technical data on the capacity market. It enables participation in certification processes and capacity auctions as well as reporting the transactions conducted on the secondary market.
 The rules of operation and maintenance of the Capacity Market Register are regulated in the Capacity Market Act and the Capacity Market Rules.
 The Capacity Market Register, including the Portal Uczestnika Rynku Mocy, is owned and administered by Polskie Sieci Elektroenergetyczne S.A. with its registered office in Konstancin-Jeziorna, Warszawska Street 165, 05-520 Konstancin-Jeziorna.

Subscription to receive information about announced system stress events

Figure 9 – sample message in the Capacity Market Register after the announcement of a system stress event

Polskie Sieci Elektroenergetyczne S.A. announces system stress event on 12.06.2025 from 21:00 till 22:00.

Adjusted capacity obligation in the given system stress event equals:

$$SOM_i = 0,8130463320 * OM_i$$

Where:

OM_i - sum of capacity obligations of all Capacity Market Units covered by capacity obligations in the given system stress event.

More information could be found on the website <https://pse.pl> and <https://purm.pse.pl>.

Legal basis: Article 57(9) of the Capacity Market Act of 8th December 2017

This email was sent automatically - please do not reply.

Figure 10 – sample email after the announcement of a system stress event

3.2.1 Verification of the performance of the capacity obligation

Verification of the performance of the capacity obligation during the system stress event is conducted in 4 steps:

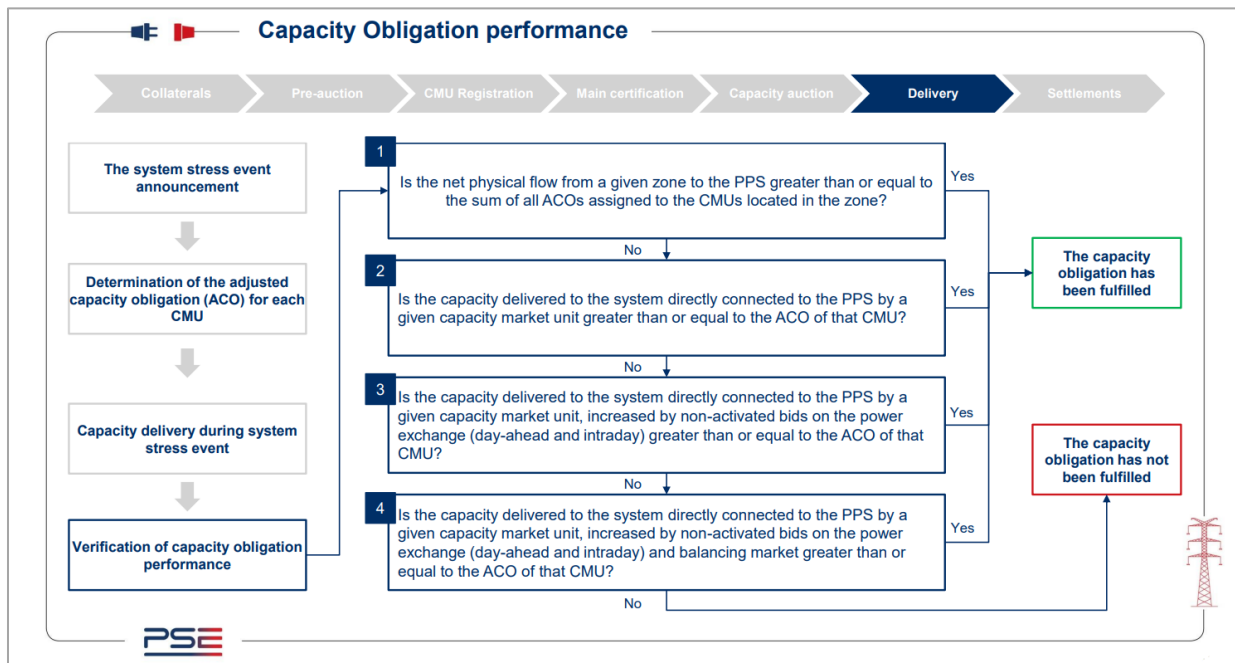


Figure 11 – verification of capacity obligation performance

1. After the System Stress Event occurrence, PSE will examine whether condition referred to in Article 57(7)(1) of the Capacity Market Act has been met.

The condition is met if the measured flow of capacity from the zone was, during the system stress event, greater than or equal to the sum of all volumes of the adjusted capacity obligation required to be performed by Capacity Market Units located in the zone.

If the condition has been met, PSE will conclude that all Capacity Market Units located in the zone have performed their capacity obligation. If the condition has not been met, PSE will proceed to step 2.

2. PSE will examine whether capacity delivered to the system by a given Capacity Market Unit was greater than or equal to the ACO of that Capacity Market Unit.

PSE will take into account Metering Data and information on Grid Congestions provided by the TSO and Sudden Event notifications submitted by capacity providers.

If the condition has been met, PSE will conclude that the given Capacity Market Unit has performed its capacity obligation. If the condition has not been met, PSE will proceed to step 3.

3. PSE will examine whether capacity delivered to the system by a given Capacity Market Unit increased by *unused valid bids to generate or reduce the demand for electricity* and *used bids to reduce the electricity generation* on the power exchange was greater than or equal to the ACO of that Capacity Market Unit.

If the condition has been met, PSE will conclude that the given Capacity Market Unit has performed its capacity obligation. If the condition has not been met, PSE will proceed to step 4.

4. PSE will examine whether capacity delivered to the system by a given Capacity Market Unit increased by *unused valid bids to generate or reduce the demand for electricity* and *used bids to reduce the electricity generation* on the power exchange and the balancing market was greater than or equal to the ACO of that Capacity Market Unit.

If the condition has been met, PSE will conclude that the given Capacity Market Unit has performed its capacity obligation. If the condition has not been met, PSE will conclude that the capacity obligation was not performed.

If unit-based bids are unavailable because the energy exchange or the balancing market is not using unit-based bidding, the capacity provider is responsible to provide to TSO the volume of capacity assigned to all Physical Cross-Border Units forming part of the Capacity Market Unit in *unused valid bids to generate or reduce the demand for electricity* and *used bids to reduce the electricity generation* submitted on energy exchange and balancing market for the period of the system stress event, along with a statement that the data provided is accurate, true, complete and free from computational errors.

PSE publishes information on the volume of the performance of the adjusted capacity obligation by the 5th working day of the second month following the month of the system stress event.

A capacity provider may submit an objection to the published volume of the performance of the adjusted capacity obligation by the 12th working day of the second month following the month of the system stress event.

PSE publishes information on the verified volume of the performance of the adjusted capacity obligation via the Capacity Market Register by the 7th working day of the third month following the month in which the system stress event occurred.

The definitive settlement of the performance of the capacity obligation for all Capacity Market Units taking part in a given system stress event is finalized on the 11th working day of the third month following the month of the system stress event.

3.3 Test system stress event

PSE, not more frequently than once per quarter of a year, may announce a test system stress event with respect to selected Capacity Market Units covered by the capacity obligation.

The duration of the test system stress event shall be 1 full hour between 7:00 a.m. and 10:00 p.m., such as 10:00 a.m. to 11:00 a.m., on working days. The test system stress event is announced at least 8 hours in advance.

The result of the test system stress event is:

- positive – if the amount of capacity delivered is not less than the full capacity obligation during the test system stress event
- negative – in any other case (the penalty for failure to fulfil the capacity obligation, referred to in section 3.5, shall be paid each time)

PSE will take into account Metering Data and information on Grid Congestions provided by the TSO. Bids on the power exchange and the balancing market are not taken into account in regard to test system stress event.

PSE publishes the results of the test system stress event for capacity providers by the 10th calendar day following the end of the month in which the test system stress event was conducted.

A capacity provider may submit an objection to the result of the test system stress event by the 12th working day of the second month following the month in which the test system stress event was carried out.

PSE makes the corrected result of the test system stress event available via the Capacity Market Register by the 12th working day of the third month following the month in which the system stress event was carried out.

If the result of the test system stress event is negative, PSE may announce further test system stress events in the same quarter, following the declaration of readiness by a capacity provider (see Section 3.3.1 below), until a positive result is obtained.

3.3.1 Applications and submissions - test system stress event

Capacity provider is entitled to submit the following information to PSE:

1. notification of readiness for performance of the capacity obligation

For the period from the end of a test system stress event with a negative result until the hour (inclusive) when a declaration of readiness is submitted by a capacity provider, no remuneration is granted for the performance of the capacity obligation.

2. information on failure of the physical unit,

In the event that the information about a failure of a physical unit forming part of the Capacity Market Unit is provided, the TSO may not announce a test system stress event for this Capacity Market Unit for 72 hours from the receipt of this information (no more than two such notifications per quarter are allowed). However, this does not release the Capacity Market Unit from the obligation to deliver capacity during a system stress event in the capacity market.

3. application for the reimbursement of justified costs.

PSE will refund justified costs arising from the test system stress event performance (only if the result is positive). For generating units, it is possible to request a refund equal to the daily remuneration for the day when the test system stress event was conducted or equal to proven costs but not higher than the weekly remuneration for the week when the test system stress event was conducted. If the refund is higher than the daily remuneration, the capacity provider is obliged to provide documentation confirming proven costs.

3.4 Demonstration of the ability to perform the capacity obligation

After the end of each delivery quarter, the capacity provider who is a party to the Capacity Agreement is obliged to demonstrate to PSE that, during at least one hour of that quarter (full hour between 7:00 a.m. and 10:00 p.m., such as 10:00 a.m. to 11:00 a.m. on a working day), the Capacity Market Unit delivered capacity in an amount not less than the highest capacity obligation of that Capacity Market Unit in the given quarter.

PSE will take into account Metering Data provided by the TSO. Information on Grid Congestions, bids on the power exchange and the balancing market are not taken into account in regard to demonstration.

The declaration on demonstration shall be submitted within 10 working days after the end of the quarter. It is permissible to submit more than one declaration on demonstration for the given quarter.

Failure to demonstrate the ability to perform the capacity obligation results in the refund of the remuneration received for the entire quarter.

Main ways of demonstration:

- delivery of capacity to the system in an amount not less than the highest capacity obligation for the quarter,
- a positive result of a test system stress event,
- performance of the full adjusted capacity obligation during a system stress event.

3.5 Penalty

In case of failure to perform the capacity obligation in a given system stress event or test system stress event, PSE shall impose a penalty on the capacity provider which shall be equal to the product of the penalty unit rate and the volume of undelivered capacity and is calculated according to formulas stated in Section 17.2.2 of the Capacity Market Rules.

4 RELEVANT DOCUMENTS AND CONTACT

Website: www.pse.pl/web/pse-eng/areas-of-activity/capacity-market/general-information

- On our website, you can find the information regarding polish capacity market such as legal basis, schedule, instructions regarding the IT system, capacity auction results and FAQ

E-mail: capacity.market@pse.pl

- If you are not able to find necessary information on our website, please do not hesitate to contact us via e-mail

Phone number: +48 22 242 24 66

- Dedicated contact for questions regarding the participation of foreign capacity in the Polish capacity market