

The PKEE inaugurates a series of conferences on the capacity market in the European capitals

First Madrid, then Paris and Rome, and the summary in Brussels. The Polish Electricity Association has inaugurated in the Spanish capital a series of conferences on the capacity market.

The European electricity market is currently grappling with structural problems with the security of electricity supply resulting from capacity scarcity and shortages of financing. New investments are not sufficient to close this gap. This leads to several questions arising about the future of the capacity markets in the EU.

During the Euractiv workshops in Madrid that gathered several dozens of experts, Professor Filip Grzegorzcyk, Vice President of the PKEE, CEO of Tauron Polska Energia has stressed that the capacity market presents an opportunity to acquire new funds for financing the electricity sector transition in Poland towards green energy. **"We all know that changes take huge investments. The capacity market revenues may effectively support a wise and true transformation of the power sector towards the RES. Together with the EU, we are going in the same direction, combining efforts for climate protection, but we cannot be expected to do what is impossible. The Member States should be allowed their own paces in reaching the RES targets as they have different starting points"** – noted Filip Grzegorzcyk

As Dr Frank Umbach, Research Director of the European Centre for Energy and Resource Security (EUCERS) has stressed at King's College in London, the new European electricity market project put forward by the MEPs in February 2018 may have a detrimental influence on Poland's capacity market. **"Therefore, the final compromise should be technologically neutral. It is worth remembering that for Poland the capacity market is the most effective solution. This was confirmed by the European Commission's approval for implementation of this mechanism"** – said Dr Frank Umbach.

In the opinion of the PKEE, the European Parliament, the Council and the Commission should find a fair compromise taking into account the different starting points and the fundamental principles of the Single Energy Market. All the Member States of the European Union should enjoy equal treatment. And that is why the PKEE is objecting to the approach of the European Parliament to Article 23 of the Regulation under development. According to the Parliament's position, the German strategic reserve would be exempt from the EPS 550 emissions limits. Mr Filip Grzegorzcyk observed that this is a double standard. **"In my opinion, the Polish capacity market, already notified by the Commission, for its correct operation and for achieving the goal it was designed to achieve, should be exempt from the EPS 550 (e.g. until 2030 for the existing capacities) or be subject to derogations (until 2025 for the new build capacities).**

I also expect assurance of the acquired rights for the capacity contracts concluded before the date of entry into force of the Capacity Regulation” – argued the Vice President of the Polish Electricity Association.

The PKEE underlines that Poland’s capacity market will be technologically neutral, open to cross-border participation and based on auctions so as to provide the consumers with the lowest prices. Paweł Wróbel, Director of the Brussels Office of the PKEE, reminded that capacity markets were already implemented in 6 Member States of the EU. **“This mechanism helps in assuring the security of electricity supply to over 50 percent of the population of the European Union”** – noted Paweł Wróbel.

Already next Thursday the second in the series of European debates on the capacity market, co-organised by the PKEE, will take place in Paris. Following discussion is planned for 21st of June in Rome, and the round of meetings will be completed with a July debate in Brussels.