

Green Power Purchase Obligation

Minister of Economy ordinance

Dated 15.12.2000.

regarding the obligation to purchase the electric energy acquired from non-conventional and renewable power sources and produced together with the production of heat, as well as the obligation to purchase the heat acquired from non-conventional and renewable sources and the scope of the obligation

On the basis of the Article 9 par. 3 of the Energy Law dated 10th of April 1997 the following is ordained:

§ 1

1. Power Company involved in the turnover of the electric energy or heat is obliged to purchase, upon conditions of § 2 and 3, regardless of the amount of installed power and relevantly to the scope of economical activities conducted, the electric energy or heat acquired from non-conventional and renewable sources connected to the common grid, , particularly the electric energy or heat acquired from:

- 1) hydroelectric power plants
- 2) wind turbines
- 3) biogas, particularly if acquired from: animal waste processing installations, sewage treatment plants, municipal waste dumps,
- 4) biomass
- 5) biofuel
- 6) solar photo-voltaic cells
- 7) heat-producing solar energy collectors
- 8) geothermal heat

2. Power Company involved in the transmission and distribution of heat is obliged, upon conditions of § 3 par. 1 and 4-6, to purchase the heat acquired from non-conventional and renewable power sources connected to the heat network managed by the particular company if:

- 1) the transmitted heat is not a subject to turnover
- 2) the amount of heat offered for sale had not been purchased in total by the Power Company involved in the turnover of heat transmitted by the particular network

3. If the turnover of heat transmitted by the common heat grid is conducted by more than one company, the obligation mentioned in par. 1 applies to the amount of heat purchased proportionally to the particular company share in the total amount of sales of mentioned heat.

4. Power Company involved in the transmission and distribution as well as the turnover of the electric energy is obliged to buy the total amount of offered electric energy produced together with the production of heat by sources connected to the common grid managed by the particular company regardless of the amount of installed power, upon conditions of § 3 par. 1, 2, 4 and 6.

5. If the Power Company mentioned in par. 4 is not involved in the turnover of the electric energy, or if the amount of electric energy produced together with the production of heat purchased by the particular company exceeds the total amount of the energy sold to the customers, the energy or its surplus must be purchased by the company which have the relevant license for the transmission and distribution of the electric energy on the area of the Republic of Poland with the utilisation of the grid with rated voltage higher than 110 kV (hereinafter referred to as "operator of the common grid").

6. If the share of the purchased electric energy produced together with the production of heat in the total annual electric energy sales of the particular Power Company mentioned in par. 4 exceeds 25%, then the surplus may be sold to the operator of the common grid, which is obliged to purchase the offered surplus.

7. The common grid, mentioned in par. 1-3, is regarded as the power grid located on the area of the Republic of Poland and the heat distribution network, to which the particular heat-producing renewable source is connected.

§ 2

The obligation mentioned in § 1 par. 1 is acknowledged as fulfilled if:

1) The share of the amount of the electric energy produced by non-conventional and renewable sources in the total electric energy sales amount in particular year for the particular company is no less than:

- a) 2,4% in 2001,
- b) 2,5% in 2002, 2,65% in 2003,
- c) 2,85% in 2004,
- d) 3,1% in 2005,
- e) 3,6% in 2006,
- f) 4,2% in 2007,
- g) 5,0% in 2008,
- h) 6,0% in 2009,
- i) 7,5% in 2010 and the following years.

2) The purchased amount of heat acquired from non-conventional or renewable sources is equal to the amount offered or equal to the total amount of heat sold to the customers, which purchase the heat transmitted by the particular grid owned by the particular company, to which the particular source is connected.

§ 3

The obligation mentioned in § 1 does not apply to:

- 1) electric energy or heat produced outside the boundaries of the Republic of Poland
- 2) electric energy produced together with the production of heat by sources in which the mean annual efficiency of the gross chemical energy conversion into electric energy and heat calculated for the year of purchase is less than 65%
- 3) electric energy produced by pumped-storage power stations with the utilisation of water accumulated by pumping
- 4) electric energy or heat produced with the utilisation of fissionable fuel
- 5) heat, if the motivated planned purchase cost from non-conventional or renewable sources would increase the heat prices for the customers of the particular company by more than 1,25 of the mean annual goods and consumption services general price index for the previous year, as stated by the President of the Republic of Poland Central Statistical Office in the Republic of Poland Official Gazette "Monitor Polski",
- 6) electric energy and heat acquired from waste incineration

§ 4

1. The motivated planned electric energy purchase costs related with the obligation mentioned in § 1 par. 1 are included in the calculated tariff of the particular Power Company, with the assumption that each unit of the electric energy sold by the particular company to the customers is charged equally by the purchase costs.

2. If the difference between the calculated and real motivated purchase costs mentioned in par. 1 would exist during the validity period of the tariff, the difference is included in the price calculations for the next validity period of the correction index, as stated in § 23 par. 2 pt. 2b of the Energy Law dated 20th of April 1997.

§ 5

1. The Power Company mentioned in § 1 par. 4 will include in the tariffs the costs of purchased electric energy produced together with the production of heat calculated as the product of the planned amount of the electric energy produced together with the production of heat to be purchased and the price of the electric energy stated in accordance with the regulations of § 46 par. 1 of the Energy Law mentioned in § 4 par. 2 stating the detailed procedures for calculating electric energy tariffs.

2. The operator of the common grid will include in the tariffs in the calculation of transmission services fee the planned motivated costs including:

1) The difference between the planned cost of purchase and the income from the sales of the electric energy produced together with the production of heat.

2) The planned fees paid to the Power Companies involved in the transmission, distribution and turnover of the electric energy, which cover the difference between the planned purchased costs and income from the electric energy produced together with the production of heat in these companies, according to the regulations mentioned in par. 1.

3. The regulation of § 4 par 2. applies to the difference between the calculated and real motivated costs mentioned in par. 1 and 2.

§ 6

The Minister of Economy Ordinance dated 2.02.1999 regarding the obligation to purchase electric energy acquired from non-conventional and renewable power sources and the scope of the obligation is declared void.

§ 7

1. The Ordinance comes into effect on the 1st of January 2001.

2. The regulation of § 3 par. 1 is valid until the date of acknowledging the Republic of Poland as a member of the European Union.

Minister of Economy