

Polish PV prospects

The Polish market is shifting toward greater integration of photovoltaics and energy storage. Cable pooling with wind turbines is also gaining traction, and installations exceeding connection capacity are becoming standard.

At the end of December 2024, Poland's installed PV capacity was 21.2 GW. After a surge of growth in recent years, the country is one of Europe's largest in PV capacity terms.

Installed capacity increased by 26.3% in December 2024 compared to December 2023, when 16.7 GW was recorded. PV accounts for nearly 63% of Poland's overall renewable energy capacity. In 2024, solar produced a total of 15 TWh, meeting nearly 9% of demand.

At present, one of the main barriers to further development of photovoltaics in Poland is the electricity system's lack of flexibility. This results in negative prices

and an increasing non-market redispatch of PV-generated power. About 40 GWh of solar power was curtailed in 2023 and the scale of the shutdowns increased sharply from the beginning of 2024. The total volume of energy lost in this way could be as much as 1 TWh in 2024.

European Union internal electricity market regulations state that non-market redispatch should be the final measure for balancing the system. The frequent use of this tool is a shortcut at the expense of renewable energy generators.

Storage subsidies

Energy storage plays a key stabilizing role, accumulating excess energy generated under favorable weather conditions and storing it for when it is needed by the grid. For short-term, "daily" storage, battery storage systems make sense. The Polish legal environment is quite well prepared for this technology.

Seasonal energy storage such as power-to-heat and cold storage could improve the system's flexibility, but the legislative environment is much less prepared.

High capital expenditure investments make storage implementation a challenge, and it is worth considering subsidy programs to lower it.

Recruitment is expected to start soon for a priority program for storage facilities to improve Poland's grid stability.

According to a draft program, grant agreements will be signed until Dec. 31, 2025, which very likely means that this will be the only call.

The type of subsidized investments will include the construction of electricity storage facilities with power no less than 2 MW and a capacity of no less than 4 MWh connected to the distribution or transmission network at all voltage levels.

The funds earmarked for subsidies amount to as much as PLN 4 billion (\$1 billion). Grants of up to 45% of eligible costs will be provided for large enterprises. Medium-sized enterprises will

Photo: Jacek Halicki/Wikimedia Commons



Poland has one of the largest installed PV capacities in Europe.


receive 55% of eligible costs, while small and micro enterprises will be eligible for grants up to 65% of eligible costs.

Entities that have successfully bid in the power market auction can also apply for support. In such cases, it is important to keep in mind the rules of accumulation of aid when combining the power market mechanism with the subsidy from the National Fund for Environmental Protection and Water Management. Under Polish law, remuneration for providing power is reduced by the investment aid that has been granted to the entity.

Energy storage projects must have already been partially developed. As of the date of the application for funding, the project must have been issued valid conditions for connecting to the power grid. In addition, the entity responsible for granting the support requires that the completion and commissioning of the investment take place within 36 months from the date of signing the grant agreement.

The applicant will be required to submit a feasibility study, including a financial model, with the grant application.

New obligations

In January 2025, Poland's energy regulator (ERO) announced new obligations on reporting the conclusion of contracts for the sale of electricity. Previously, developers were only obliged to report PPAs concluded with end customers. The new rule applies to the reporting of all contracts for the sale of electricity within a month of the date of the respective contract. It's worth recalling the ERO's older but still valid position on "attempts to circumvent PPAs." Instead of a PPA, an entity owning a PV installation makes it available to an end user based on the amount of electricity produced by the installation. According to ERO, the execution of agreements of this type "therefore in fact consists in making available to the end user not the generating installation, but the generated electricity, the volume of consumption of which is reflected in the amount of benefits payable to the providing entity." This does not prohibit the leasing of PV installations. Taking ERO's position into account is key to the proper construction of such an agreement and minimizing the risk of its qualification as a PPA. 

Piotr Mrowiec

About the author

Piotr Mrowiec, LL.M., is an attorney at law and of counsel at KPMG Law. His expertise lies in the renewables sector, where he provides legal counsel to numerous clients in the solar and wind energy industries. In addition to his legal practice, Mrowiec is involved in developing large-scale ground-mounted PV projects in Poland through affiliated companies. He has been ranked in The Legal 500 for Energy and Natural Resources.



Advertisement

RE+ PORTUGAL

JUNE 5, 2025
PORTO, PORTUGAL