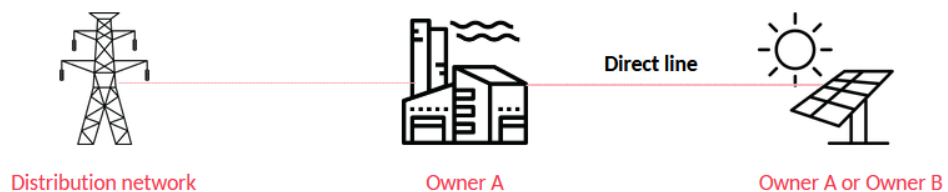


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Direct lines: facilitation for undertakings using RES

Facilitating the construction and use of direct lines, i.e. electricity lines directly connecting industrial customers with energy producers, bypassing transmission and distribution networks – these are, inter alia, provisions envisaged by the amendments to the Energy Law (Act of 28 July 2023 amending the Energy Law and Certain Other Acts). The new regulations came into force on 7 September 2023.



Undertakings having or planning to have their own RES sources will be able to off-take energy from them without paying distribution charges. **Thanks to the amendments, they will be able to introduce on-site and near-site models, which involve energy being produced on or near an industrial site.** Entities benefiting from the new solution will only have to pay a so-called solidarity levy, which is intended to partially cover the cost of maintaining the distribution network to which the customer is connected. The new rules may be particularly important for energy-intensive undertakings that want to significantly reduce their day-to-day operating costs.

No need for Energy Regulatory Office (ERO) President's approval for direct line

An undoubted improvement introduced by the amendments is the replacement of the requirement to obtain approval for the construction of a direct line by the requirement to simply register the line on the list of direct lines. The applicant is required to include information on the parameters of the line and an expert opinion outlining the impact of the direct line on the electricity network. The ERO President will then review the information for accuracy and the expert opinion in terms of the project's impact on the electricity system.

No need for expert opinion for installations not exceeding 2 MW

As an additional simplification, the obligation to submit an **expert opinion will not be required for lines connecting generation installations with a total installed capacity of 2 MW or less**. These direct lines installations will be included on the list based on notification, only after it is verified that the information provided is complete and accurate.

Installations with a capacity of up to 2 MW may benefit from this simplified procedure when:

- they directly supply electricity from an isolated production unit to an isolated customer not connected to the electricity network, or
- they directly supply electricity to an isolated customer from a renewable energy source installation and to an entity that carries on the business of trading in electricity in order to supply it directly to its own facilities or to entities that are its subordinated entities.

Also, the equipment should not allow electricity supplied by a direct line to be fed into the network or the statutory conditions for this type of supply should be met.

Duties of holders of title to direct lines

Holders of title to direct lines will have, e.g. the following duties:

- to manage the operation of the direct line and to maintain it, to ensure the continuity of supply and appropriate quality parameters;
- to provide the relevant information without delay on the request of the ERO President or the operator;
- to ensure the correct operation of a metering and billing system;
- to meet the requirements for the reading of metering data by the system operator;
- to notify the ERO President of the intention to construct or continue to use a direct line (including upon a change in information or a scheme, and in the case of liquidating a direct line).

Solidarity levy and fee to cover system costs

The amendments introduce two charges that will apply to isolated customers for electricity supplied by direct lines:

- (I) The **solidarity levy** is a charge corresponding to an entity's share of the fixed costs for the transmission or distribution of electricity, to the extent not covered by other components of the tariff.
- (II) A **fee to cover the costs of maintaining system quality standards and the reliability of the day-to-day electricity supply**.

The charge depends on the amount of electricity supplied by a direct line.

The obligation to pay the above charges does not apply to:

- isolated customers not connected to the electricity network, and
 - energy undertakings that carry on the business of trading in electricity to which electricity is supplied from a production unit by a direct line in order to supply electricity directly to its own facilities or to entities which are its subordinated entities.
- (III) The amendments also provide for a change to the Capacity Market Act under which a **capacity market fee** will be charged for electricity supplied by a direct line.

Excess electricity can go to the network

The Act also allows energy producers (once the requirement to ensure the operational security of the electricity network is met) to feed the electricity they produce into the National Electricity System. In this case, the producer should be subject to the general rules on the issuing of new network connection conditions or amendments to existing conditions.

Who will my adviser be?



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