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Legal alert

Deregulation of the energy sector, including the liberalisation of the heating sector

On 6 July 2026, the Act of 11 June 2026 amending certain acts to deregulate the energy sector (Polish Journal of Laws of 2026, item 900) was published, introducing a number of changes aimed at strengthening the position of consumers and facilitating operations for energy companies.

Key changes include the removal of the obligation to apply a heat tariff where heat is used solely for technological purposes, the removal of the obligation to hold a licence for heat generation in certain cases, and the simplification of household energy bills.

Changes for the heating sector

Exemptions from the obligation to obtain a licence and a tariff approved by the President of the Energy Regulatory Office

Provision has been made to move away from the licence and tariff regime (not applying retrospectively) in respect of:

- **heat generation at a source from which all the heat produced is supplied to a single customer or group of customers for the purposes of industrial technological processes**, taking into account the provision of heat for essential needs associated with such industrial technological processes. Consequently, **tariffs will not be subject to approval by the President of the Energy Regulatory Office (URE)** provided that all three of the following conditions are met:
  - the energy company supplies heat directly, without the use of a network, to a consumer or group of consumers carrying out business activities,
  - none of the aforementioned customers has the right or obligation to provide heat in residential premises for domestic purposes,
  - there is a mutual agreement between the parties to sell and purchase heat under a contract, without reference to the prices and rates set out in the heat tariff.
- **the transmission and distribution of heat between the source and consumers for the aforementioned industrial technological processes**, provided that no heat is supplied to residential premises.

New rules on return on capital and the inclusion of additional EUAs in revenue

Further changes have been introduced to the tariff model:

- the introduction of **a statutory framework for determining a reasonable return on capital** in the heating sector, based on a risk-free rate and a risk premium depending on the type of assets and investments, covering traditional assets related to the generation, transmission, distribution and trading of heat, as well as assets used for heat storage and waste heat recovery;
- enabling **the value of 30 per cent of additional, free emission allowances** (EUAs) under the EU ETS, linked to investments in the years 2026–2030, **to be included in a heating company's projected revenues.**

Definition of a heat or cold storage facility

In view of the electrification of district heating and the development of balancing technologies, the amendment introduces the definition of a 'heat or cold storage facility' as an installation enabling the storage of heat or cold in the form of thermal energy for subsequent injection into the district heating or cooling network.

Extended obligation to purchase heat from electric boilers

The obligation to purchase heat has been extended to include heat generated in electric boilers that convert electricity from renewable energy sources into heat, provided that the electricity comes from renewable energy sources and is supplied either directly or under relevant contracts, including mechanisms certifying its origin.

Extension of deadlines and other changes to support cogeneration

Key deadlines for the first generation of energy have been extended from 48/60 months to 60/72 months, and the deadlines for obtaining a final planning permission have been extended from 12 to 24 months. In addition, a one-off update of selected data contained in the auction/call-for-tenders bid has been permitted, including the planned start date for receiving support or the amount of energy; some excessive reporting obligations have been repealed; and the requirement to obtain a statement from the President of the Energy Regulatory Office (URE) regarding the so-called 'incentive effect' for modernised cogeneration units has been clarified. At the same time, support for new units in existing public district heating networks has been restricted.

Connection of LNG/FSRU installations to the gas transmission network

The obligation to conclude a connection agreement has been abolished where a liquefied natural gas installation is to be connected to the gas transmission network and its operator is to be an energy company engaged in the transmission of gaseous fuels.

Changes for consumers

The Act introduces a number of simplifications for energy consumers, in particular:

- the requirement **to include key information on electricity bills**: the total amount due, the cost of electricity and distribution, and the contract term,
- **the transition to electronic correspondence** with energy companies, administrative bodies and other entities (with the option to continue using paper or written forms),
- clarification **of obligations relating to the method of calculating 'direct economic losses'** in supply contracts and comprehensive contracts, including the obligation to specify the maximum amount of compensation in the event of contract termination,
- **a maximum 21-day deadline for the installation of a metering and billing system** following the operator's receipt of notification that a sales contract or a comprehensive contract has been concluded.

SUMMARY

Deregulation favours projects dedicated to industrial customers, heat storage, renewable energy sources, waste heat and the electrification of the heating sector, by reducing some of the administrative and regulatory barriers. In practice, this should improve the financial attractiveness of selected district heating projects; however, it will require a detailed verification of whether a given supply model complies with the conditions for licence and tariff exemptions, as well as how the new rules will be implemented by the Energy Regulatory Office (URE).

The legislator also took into account the needs of consumers, who will be able to benefit from more transparent billing from energy companies.

Most of the changes come into force on 21 July this year (i.e. 14 days after the Act is published); the provisions concerning electronic correspondence and electricity bill summaries are due to come into force on 30 June 2027, whilst the provisions concerning the capital repayment calculation model will come into force 18 months after the Act is published.

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