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EFET highly concerned with proposed changes of the Polish natural gas market

EFET welcomes the Polish Parliament's initiative to review the Energy Law addressing aspects of natural gas energy security, but believes that the proposed changes will have negative consequences for Polish consumers, providing negligible improvements to security at a higher than necessary cost. In a letter (<http://bit.ly/29FOXIV>) to the Polish Government we expressed our concerns on the controversial amendment.

The new storage obligation would retroactively abolish approved exemptions from the current rules and require all importers to book storage capacity at the uncompetitive regulated tariff. This is set at a level that is significantly more expensive than equivalent services in other EU countries. Under these arrangements, only one company is able to offer this service, where instead it could be opened to third party suppliers who could provide it at competitive rates. In particular, the increased security brought by the LNG import terminal at Swinouisje is not recognized, which will reduce its attractiveness. Hence, the proposed amendment will lead to increased costs of wholesale activities, and higher consumer prices. Finally, as other EU countries do not have such restrictive and costly security-of-supply requirements, the energy costs for the Polish industry will increase as compared to its EU neighbours.

We believe that the commercial objectives of EFET members support Poland's energy priorities to diversify its gas supply and to enhance its energy security in a cost-efficient way by improving liquidity and competition at the wholesale level, to the ultimate benefit of the Polish consumer.

A well-functioning gas market contributes to the security-of-supply of a country in a way that can help to underpin the growth of its economy. For this reason, EFET continues to call for a different revision of existing Polish storage and diversification obligations which are currently inhibiting the flourishing of a fully liquid and competitive Polish gas market¹.

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¹ You can find EFET letters on the subject on our website: <http://bit.ly/2a5xveS>; <http://bit.ly/29ynPI8>; <http://bit.ly/29MCNgx>.