

Residential Prosumers in the European Energy Union

EAHC/2013/CP/04

Mapping the legal and regulatory framework in the 28 Member States, Iceland and Norway

Poland



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Residential Prosumers in the European Energy Union Poland

General Description of the national legal and regulatory framework

General

In February 2015, the Polish Parliament adopted the Law on Renewable Energy Sources¹ (hereinafter referred to as 'RES Law'), which introduced a legal framework for renewable power generation installations including those installed by prosumers.

Initially (i.e. the adoption of the RES Law in February 2015), the legal and regulatory framework was based on the feed-in-tariff for prosumers producing energy from renewable sources in micro installations up to 10kW. The feed-in-tariff was abolished in June 2016 by an amendment to the RES Law² and replaced by a net-metering system.

The RES Law provides for the definition of a prosumer whereby a prosumer is a final recipient that generates electric energy from renewable energy sources in micro installations for their own purposes, not associated with their economic activity.

RES Law is the main piece of legislation regulating the situation of prosumers in Poland. Besides the RES Law, the following legal acts are relevant for residential prosumers:

- Energy Law³ - it sets out regulations concerning micro-installations, a legal framework for the connection to the grid, complaint procedure;
- Regulation on the functioning of the electric energy system⁴ - it provides for technical and safety requirements for, among others, micro-installations;
- Regulation on electric energy tariffs⁵ – provides certain information about billing for electric energy;
- the Law on the protection of consumers⁶ - is applicable in cases concerning energy settlements between prosumers and grid operators;
- the Construction Law⁷ and the Spatial Planning Law⁸ – sets out permitting requirements.

At the end of 2015, there were 4 700 micro-installations in Poland, and the majority of them were solar PV panels.⁹ At the end of 2016, the number of micro-installations increased to 9 000.¹⁰ The table below presents the expected increase in the number of micro-installations using the new framework for prosumers¹¹:

¹ Ustawa z dnia 20 lutego 2015 r. o odnawialnych źródłach energii, O.J. 2015 item 478, as amended; available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU20150000478> (in Polish only).

² Ustawa z dnia 22 czerwca 2016 r. o zmianie ustawy o odnawialnych źródłach energii oraz niektórych innych ustaw, O.J. 2015 item 78, available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU20150000478> (only in Polish).

³ Ustawa z dnia 10 kwietnia 1997 r. - Prawo energetyczne, O.J. 1997 no 54 item 348, as amended, available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU19970540348> (in Polish only).

⁴ Rozporządzenie Ministra Gospodarki z dnia 4 maja 2007 r. w sprawie szczegółowych warunków funkcjonowania systemu elektroenergetycznego, O.J. 2007 no 93 item 623, as amended, available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU20070930623> (in Polish only).

⁵ Obwieszczenie Ministra Gospodarki z dnia 7 czerwca 2013 roku w sprawie ogłoszenia jednolitego tekstu rozporządzenia Ministra Gospodarki w sprawie szczegółowych zasad kształtowania i kalkulacji taryf oraz rozliczeń w obrocie energią elektryczną, available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU20130001200>

⁶ Ustawa z dnia 30 maja 2014 r. o prawach konsumenta, O.J. 2014 item 827, as amended, available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU20140000827>

⁷ Ustawa z dnia 7 lipca 1994 r. - Prawo budowlane, O.J. 1994 no 89 item 414, as amended, available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU19940890414> (in Polish only).

⁸ Ustawa z dnia 27 marca 2003 r. o planowaniu i zagospodarowaniu przestrzennym, O.J. 2003 no 80 item 717, as amended, available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU20030800717> (in Polish only).

⁹ <http://www.fotowoltaikainfo.pl/z-kraju/2016/02/04/mikroinstalacje-oze-przylaczenie>

¹⁰ <http://www.sejm.gov.pl/Sejm8.nsf/InterpelacjaTresc.xsp?key=086EEB06>

¹¹ <http://www.sejm.gov.pl/Sejm8.nsf/InterpelacjaTresc.xsp?key=086EEB06>

	2017 r.	2018 r.	2019 r.	2020 r.
Accumulated number of prosumer installations (no.)	20000	40000	60000	80000

The main competent authorities are the Ministry of Energy (development of the legal and policy framework), the Energy Regulatory Office (regulatory and supervision functions), National Fund for Environmental Protection and Water Management (financial support) and local governments authorities (permitting).

1. What types of residential prosumers are there in your country on the basis of type of RES used and size of the installation?

Answer:

Firstly, it should be noted that the Polish legislation does not use the term '*residential*' prosumer and refers in general terms to the 'prosumer'. As it is explained in section 3.3. below (the definition of 'residential prosumer'), the meaning is equivalent as prosumers may generate electric energy only for their own purposes (i.e. residential purposes), not associated with their economic activity. In accordance with Art. 2.27a) of the RES Law, prosumers are those final recipients that generate electric energy from renewable energy sources in **micro installations**. In accordance with Art. 2.19) of the RES Law, a micro installation is a renewable energy source installation with a total installed capacity of not more than 40 kW, connected to the grid of rated voltage less than 110 kV or with a generating capacity of combined heat greater than 120 kW but not bigger than 600Kw.

The Polish legislation does not differentiate prosumers on the basis of type of RES. This means that all final recipients generating electric energy from **any kind of renewable energy source** in a micro installation can be considered as prosumers and the rules and conditions regulating prosumers conform a unique legal and regulatory system. In accordance with Art. 2.22) of the RES Law, 'renewable, non-fossil energy sources' comprise wind energy, solar energy, thermal, geothermal and **hydrothermal energy, hydropower, wave and tidal energy, energy obtained from biomass, biogas, agricultural biogas and bioliquids**. Therefore, the legal framework described below is one applicable to all residential prosumers.

2. What is the institutional framework & division of competences regarding residential prosumers in your country?

Answer:

Ministry of Energy is responsible for the development of the legal and policy framework for prosumers and carrying out public consultations in this regard.

The **President of the Energy Regulatory Office (ERO)** regulates and supervises the activity of energy enterprises in accordance with the Energy Law and the energy policies, in order to balance the interests of energy enterprises and recipients of energy and fuels. The President of ERO is also a competent dispute resolution body in disputes between energy recipients (including prosumers) and energy enterprises. Within ERO, a **Negotiation Coordinator** has been recently established (January 2017) to carry out alternative dispute resolutions between prosumers and energy enterprises (for more details see section 8.2 of the report).

National Fund for Environmental Protection and Water Management offers financial support to prosumers, in a form of tailored financial-support programmes.

With regards to the permitting procedure, **local authorities** are responsible for issuing relevant permits and authorisations. For example, a construction permit and an EIA are issued by a starost

(head of a county) and a decision on construction conditions (*decyzja o warunkach zabudowy*) is issued by the executive branch of local governments - voyt, mayor or city president (*wójt, burmistrz, prezydent miasta*), depending on the size of the local community.

Micro-installations can be installed only by **qualified and certified experts**, who have the qualifications set out in Chapter 6 of the RES Law ('The conditions and procedures for issuing certificates for installers of micro-installations, (...)').

Specific Questions on the regulatory framework for residential prosumers

3. What is the regulatory framework for residential prosumers in your country?

General

Initially (i.e. the adoption of the RES Law in February 2015), the legal and regulatory framework for prosumers was based on the feed-in-tariff for prosumers producing energy from renewable sources in micro installations up to 10kW. The system was based on a price per unit of electricity that an eligible renewable electricity generator received according to cost-based calculations for the specific resource used.

The feed-in-tariff was abolished in June 2016 by an amendment to the RES Law¹² and replaced by a net-metering system whereby electric energy placed in the grid by a prosumer is annually settled jointly with energy taken from the grid in proportion of 1 to 0,7 for the systems above 10 kW and in proportion 1 to 0,8 for systems below 10 kW (Art. 4(1) to RES Law). This system is also called in the Polish legal literature 'a rebate system' (*system opustów*). For feeding back in the grid the surplus of non-consumed energy (e.g. when the prosumer is not able to consume the generated energy due to his absence), the prosumer will receive a rebate for the energy taken from the grid in the proportion explained above - e.g. in the case of micro installations above 10kw, for 1 kWh produced in that micro installation, not consumed by a prosumer and consequently fed to the grid, the prosumer receives 0.7 kWh from the grid. The settlements are made by energy enterprises on the basis of the readings of the measuring and billing system mounted in individual micro-installations (Art. 4(2) of the RES Law). The settlements are carried out on annual basis (Art. 4(5) of the RES Law) and are conducted without charging prosumers (prosumers are neither charged the settlement fees nor the fees for energy distribution services– Art.4(4) of the RES Law). The surplus of electric energy fed by the prosumer to the grid, as compared to the energy taken by the prosumer from the grid, is disposed of by the grid operator for the purpose of covering settlements costs and related charges (Art. 4(11) of the RES Law).

Since settlements are carried out on annual basis, there is a risk that if a prosumer is absent for a longer time and is not able to consume the energy produced by his installation within this one-year period, he will not be able to use the rebate for the energy fed to the grid as the energy fed a year before will be 'cancelled' and the new calculation will start for the new year-period.¹³

The settlement requirement set out in Art. 4(1) of the RES Law lasts for 15 years from the date of the first generation of energy by a prosumer, however not longer than by 2035 (Art. 40(1b) of the RES Law). The legislation does not clarify what will happen after this time. It may be assumed that after this period, the energy surplus will be given back to the grid for free (as prosumers will

¹² Ustawa z dnia 22 czerwca 2016 r. o zmianie ustawy o odnawialnych źródłach energii oraz niektórych innych ustaw, O.J. 2015 item 78, available at: <http://isap.sejm.gov.pl/DetailsServlet?id=WDU20150000478> (only in Polish).

¹³ Opinion of the Institute for the Renewable Energy about the adopted law on renewable energy sources – investments in RES micro installations cost-effective only for entrepreneurs (*Opinia Instytutu Energetyki Odnawialnej o uchwalonej ustawie o odnawialnych źródłach energii - Inwestycje w mikroinstalacje OZE opłacalne tylko dla przedsiębiorców*), footnote 5, available at: <http://ieo.pl/pl/aktualnosci/1090-opinia-instytutu-energetyki-odnawialnej-o-uchwalonej-ustawie-o-odnawialnych-zrodlach-energii-inwestycje-w-mikroinstalacje-oze-oplaczalne-tylko-dla-przedsiębiorców>

not have the right to the settlement anymore).¹⁴

The system is thus based on the presumption that the electric energy generated by prosumers is to be mainly used for self-consumption and shall not be sold. In other words, the main aim of the legal and regulatory framework is the prosumer's energy self-sufficiency and not gaining benefits from selling energy. Therefore, in the current system, high-consumption of produced energy is the best solution for prosumers.

According to the Opinion of the Institute for the Renewable Energy about the adopted law on renewable energy sources,¹⁵ the existing legal framework is not profitable from the economic point of view: the Institute calculated that the investment can pay back after, approximately, 20 years. In addition, prosumers must be aware of the drop in the level of their self-consumption. The current level – 20% or 30% (depending on the type of installation – below of under 10kW) – requires high discipline from the prosumers and might be impossible to reach in practice (prosumer may take back only part of the energy fed to the grid – 70%-80% - and the rest gives back for free). The Institute indicates that in the case of the use of financial support offered by the 'Prosumer' programme organized by National Fund for Environmental Protection and Water Management, the pay back period would be around 13 years. However, since the 'Prosumer' programme has been cancelled and a new support programme is being developed at the moment (February 2017), it is difficult to predict the exact pay back time and profitability of prosumer investments.

It should be noted that the legal framework for entrepreneurs generating RES energy in their micro-installations is different and more favorable in the case of energy surplus, as they are allowed to sell this energy to the grid operator in accordance with conditions and prices set out by the Energy Law and the RES Law. However, they are not considered prosumers.

3.1 What is the existing legislative framework regulating Renewable Energy Projects in your country?

Answer:

In the case of Renewable Energy Projects carried out by prosumers¹⁶, the general legislation regulating the installation and functioning of micro-installations is applicable. The main legal acts setting out the framework for micro- installations are the RES Law and the Energy Law as well as the Regulation on the functioning of the electric energy system, which is an implementing act for the Energy Law.

In accordance with Art. 3 of the RES Law, the undertaking and carrying out of economic activity concerning the generation of electric energy from renewable energy sources in micro-installations – i.e. the activity conducted by prosumers - **does not require a concession**. In general, formal and administrative requirements for micro-installations have been reduced, as compared to other types of installations (e.g. a construction permit is not required for the installation of heat pumps,

¹⁴ Opinion of the Institute for the Renewable Energy about the adopted law on renewable energy sources – investments in RES micro installations cost-effective only for entrepreneurs (*Opinia Instytutu Energetyki Odnawialnej o uchwalonej ustawie o odnawialnych źródłach energii - Inwestycje w mikroinstalacje OZE opłacalne tylko dla przedsiębiorców*), footnote 7, available at: <http://ieo.pl/pl/aktualnosci/1090-opinia-instytutu-energetyki-odnawialnej-o-uchwalonej-ustawie-o-odnawialnych-zrodach-energii-inwestycje-w-mikroinstalacje-oze-oplaczalne-tylko-dla-przedsiębiorców>

¹⁵ Opinion of the Institute for the Renewable Energy about the adopted law on renewable energy sources – investments in RES micro installations cost-effective only for entrepreneurs (*Opinia Instytutu Energetyki Odnawialnej o uchwalonej ustawie o odnawialnych źródłach energii - Inwestycje w mikroinstalacje OZE opłacalne tylko dla przedsiębiorców*), Conclusions point 1) and 2), available at: <http://ieo.pl/pl/aktualnosci/1090-opinia-instytutu-energetyki-odnawialnej-o-uchwalonej-ustawie-o-odnawialnych-zrodach-energii-inwestycje-w-mikroinstalacje-oze-oplaczalne-tylko-dla-przedsiębiorców>

¹⁶ Instead of the term 'Renewable Energy Projects', the Polish legislation uses a term 'renewable energy installations'. The meaning is equivalent.

photovoltaic panels with a total installed capacity power not more than 40 kW¹⁷ and free-standing collector panels; operators of micro-installations are covered with more lenient requirements concerning the provision of information to energy enterprises and competent authorities; operators of micro-installations are exempted from various charges and fees, e.g. prosumers are neither charged the settlement fees nor the fees for energy distribution services).

The installation of micro-installations must be carried out by **qualified and certified experts**, who have the qualifications set out in Chapter 6 of the RES Law ('The conditions and procedures for issuing certificates for installers of micro-installations, (...)').

The **technical and safety requirements** for micro-installations are provided for in Art. 7a and Art. 9(3) of the RES Law as well as in the Regulation on the functioning of the electric energy system. The procedure for connection to the grid is regulated in the Energy Law, in specific Art. 7 and 7a of the Energy Law.

With regards to **financial support** offered to persons wishing to install a micro-installation, the National Fund for Environmental Protection and Water Management offered a national programme called 'Prosumer'¹⁸ which aimed at financing (in the form of loans and/or grants) the installation of micro-installations for prosumers. The programme was cancelled in July 2016 and will be replaced, starting from February 2017, by a new programme called 'Region'¹⁹ which will offer financial support in a form of loans. Other sources of financial support include:

- Regional Voivodship Operational Programmes 2014-2020 - the programmes are prepared by regional authorities and may include some financial incentives for the installation of micro-installations (depending on the region and its priorities);
- From 2010 until 2014 the National Fund for Environmental Protection and Water Management implemented a financial support system for entities installing solar panels (favorable loan conditions exclusively for the installation of solar panels)²⁰;
- Voivodship Funds for Environmental Protection and Water Management provide funding for pro-environmental projects in accordance with the criteria and priorities established in for a given year and a given voivodship,
- the installation of heat pumps may be financially supported by local governments on the basis of the provisions of the Law on Environmental Protection. The support offered depends on decision taken by individual local governments and vary between 10%-50% of the costs of the investment.²¹

3.2 Does the Renewables National Action Plan include any objectives for residential prosumers (if so, please specify)

Answer:

The Polish Renewables National Action Plan (RNAP)²² does not directly refer to prosumers and does not include any specific objectives in this regard. Most probably this is due to the fact that the RNAP was adopted in 2010 when the prosumer regulatory framework was not developed in Poland yet.

In accordance with RNAP, renewable energy installations used in housing will be, in the future,

¹⁷ Note that the definition of 'micro-installation' also covers installations with a total installed capacity power not more than 40 kW.

¹⁸ Information about the 'Prosumer' Programme available at: <https://www.nfosigw.gov.pl/oferta-finansowania/srodki-krajowe/programy-priorytetowe/prosument-dofinansowanie-mikroinstalacji-oze/informacje-o-programie/>

¹⁹ Information about the 'Regionr' Programme available at: <https://nfosigw.gov.pl/oferta-finansowania/srodki-krajowe/programy-priorytetowe/system--wsparcie-dzialan-przez-wfosigw/nabor-wnioskow-2017-region/>

²⁰ <http://nfosigw.gov.pl/oferta-finansowania/srodki-krajowe/programy/doplaty-do-kredytow-na-kolektory-sloneczne/informacje-o-programie/>

²¹ <http://www.gospodarzenergia.pl/38,finansowanie-inwestycji,77>

²² http://www.me.gov.pl/files/upload/12326/KPD_KE.pdf

of major importance for the energy sector in Poland. Renewable energy is predicted to be generated predominantly from biomass, photovoltaics and solar collectors installed in private homes. It is predicted that by 2020, 20% of the produced RES energy will be generated by the housing sector.²³

3.3 Is there a definition (legal or regulatory) of residential prosumers (or self-consumption) in your country? If so, state it and describe the elements of this definition?

Answer:

Art. 2.27a) of the RES Law provides a definition of a prosumer: the definition was introduced in July 2016, by an amendment to the RES Law. In accordance with the definition, the term prosumer means ‘the final recipient acquiring electric energy on the basis of a comprehensive agreement, who produces electric energy only from renewable energy sources in a micro-installation in order to use it for their own purposes not associated with their business activity governed by the Act on the Freedom of Conducting Business Activity of 2nd July 2004’.

In accordance with Art. 5(3) of the Energy Law, the comprehensive agreement is an agreement for selling and simultaneously transfer or distribution of energy.

In accordance with Art. 2.19) of the RES Law, a micro installation is a renewable energy source installation with a total installed capacity of not more than 40 kW, connected to the grid of rated voltage less than 110 kV or with a generating capacity of combined heat greater than 120 kW but not bigger than 600Kw.

It should be noted that by the use of the term ‘final recipient’, the circle of persons covered by the definition comprises not only natural persons but also public units, like schools, parishes, etc. At the same time, the definition indicates that the generated energy cannot be used by the prosumer for the purposes of his business activity and therefore it seems to exclude those persons that have their business activity registered at the place where the micro-installation is installed (e.g. at home).

It is noteworthy that, in cases concerning energy settlements with grid operators, the provisions of the law protecting the consumer rights is applicable (the Law on the protection of consumers)

4. What are the permitting requirements for each type of residential prosumer?

General

There are no specific permitting requirements for prosumers, but the general legislation concerning installations, micro-installations and general construction rules are relevant and applicable.

In accordance with Art. 3 of the RES Law, the undertaking and carrying out of economic activity concerning the generation of electric energy from renewable energy sources in micro-installations – i.e. the activity conducted by prosumers - **does not require a permit/concession.**

In accordance with Art. 28(1) of the Construction Law, a construction permit is required for all types of installations or constructions, subject to exceptions set out in Art. 29-31 of the Construction Law. According to Art 29(2) pkt. 16) of the Construction Law, the installation of heat pumps, photovoltaic panels with a total installed capacity power not more than 40 kW²⁴ and

²³ http://www.me.gov.pl/files/upload/12326/KPD_KE.pdf, p. 47.

²⁴ Note that the definition of ‘micro-installation’ also covers installations with a total installed capacity power not more than 40 kW.

free-standing sun collectors do not require a construction permit. In the case of such an installation, the investor is neither required to report the installation to the construction supervision authority (Art. 30(1) of the Construction Law, *a contrario*). It means that the investors (including prosumers) can freely install the above mentioned installations on their properties, without the need to inform public authorities about the installation. Neither an EIA is required.

In the case of other types of RES installations than those mentioned above, including also types of micro-installations, investors would be required to obtain a construction permit. In addition, in accordance with the provisions of the Spatial Planning Act, such an installation must be consistent with the provisions of the local spatial planning. In the case there is no spatial planning for a given property, the investor is required to obtain a decision on construction conditions (*decyzja o warunkach zabudowy*) from the relevant local authority (*wójt (burmistrz, prezydent miasta)*). Furthermore, an EIA decision would also be required in certain cases on the basis of the legislation transposing the EIA Directive. Below, specific regulations concerning a permitting system for wind turbines are explained in detail.

Wind turbines

The Construction Law is ambiguous with regards to wind turbines below 40kW. In accordance with provisions of the Construction Law, a construction permit is needed for building construction parts of technical equipment of any installation (hence including wind turbines and in specific the mast) if it is permanently connected to the ground as well as foundations for installations and equipment. However, in the case of small wind turbines (max. 2-5kW) very often the mast does not need to be permanently connected to the ground (e.g. can be supported by special ropes) and in this case the construction permit would not be, in principle, required. However, the interpretation of these rules by construction authorities is not harmonised and construction permit might still be required in this case, depending on the interpretation applied in a given case.²⁵ It is advised, in this case, to submit a notice to the construction authority about the intention to build a mast which is not permanently connected to the ground, with all supporting technical documentation. If the construction authority does not object the construction within 30 days, the mast can be legally installed (Art. 30(6) 1) of the Construction Law). In the case of masts permanently connected to the ground, a construction permit is required. It should be issued within 65 days from the submission of the application (Art. 35(6) of the Construction Law).

Before applying for the construction permit, the investor must check if the planned construction of the mast is in line with the provisions of the local spatial planning. If there is no special planning, the investor must apply for a decision on construction conditions from the relevant local authority. In accordance with the general rules of administrative law, the decision should be issued maximum within 2 months for the submission of application.

An EIA is not required for small wind turbines below 30 meters.²⁶ In accordance with the general rules of administrative law, the decision should be issued maximum within 2 months for the submission of application.

²⁵ <http://www.gospodarzzenergia.pl/37,procedury-administracyjne-w-procesie-inwestycyjnym,76>

²⁶ <http://www.gospodarzzenergia.pl/37,procedury-administracyjne-w-procesie-inwestycyjnym,76>

- 4.1 Does your country recognize certain forms of self-consumption and subject prosumers to certain
- requirements,
 - application fees and
 - one-off costs
- in order to give them a permit or licence to generate energy?

As stated above, the installation of heat pumps, photovoltaic panels with a total installed capacity power not more than 40 kW²⁷ and free-standing collector panels do not require a construction permit, neither reporting the installation to the construction supervision authority nor any other form of administrative decision. Hence, no application fees or other types of administrative/procedural costs are foreseen.

In the case of other types of RES installations, including also other types of micro-installations (e.g. wind turbines), investors could be required to obtain a construction permit and other relevant documentation (decision on construction conditions, EIA decision, etc.).

However, installers of micro-installations must have the specific qualifications and certificates laid down in Chapter 6 of the RES Law and must install micro-installations in accordance with technical and safety rules, as set out by Art. 7a and 9(3) of the Energy Law.

No specific fees for prosumers are foreseen, general fees and cost-policies apply. The administrative fees for issuing relevant decisions are relatively low in Poland, e.g. a fee for the issuance of a decision on construction conditions is around 30 EUR and for EIA – around 50 EUR.²⁸

- 4.2 Does the national legal/regulatory framework determine the contractual conditions under which prosumers are allowed to feed or sell their surplus back into the grid or to other consumers?

In accordance with the provisions of RES Law, prosumers are not allowed to sell their energy surplus back to the grid or to other consumers. They feed the energy surplus to the grid in accordance with Art. 4 of the RES Law, whereby electric energy placed in the grid by prosumers is annually settled jointly with energy taken from the grid in proportion of 1 to 0,7 for the systems above 10 kW and in proportion 1 to 0,8 for systems below 10 kW. In practice this means that, for example in the case of micro installations above 10kW, for 1 kWh produced in that micro installation, not consumed by a prosumer and consequently fed to the grid, the prosumer receives 0.7 kWh from the grid. For details concerning the settlement conditions, see Question 3 of this report.

It should be noted that entrepreneurs (in Poland, the definition of a prosumer excludes generation of energy for the purposes of a business or economic activity) who generate energy from RES in micro-installations are allowed to sell the energy surplus back to the grid, in accordance with the provisions of RES Law and Energy Law.

5. What are the rules applicable to the access to the grid?

Access to the grid is primarily regulated by the Energy Law. There are no specific regulations for prosumers. The general rules applicable to micro-installations are applicable also to prosumers' micro-installations.

²⁷ Note that the definition of 'micro-installation' also covers installations with a total installed capacity power not more than 40 kW.

²⁸ <http://warunki-zabudowy.com.pl/ile-kosztuje-decyzja-o-warunkach-zabudowy/>

Once a micro-installation is installed by a qualified installer, the investor (including a prosumer) shall contact the grid operator and request connection to the grid. There are two procedures for requesting access to the grid:

- On the basis of a notification to the grid operator - in the case when the person applying for connection of a micro-installation is already connected to the grid as a final recipient²⁹, and the installed power of the micro-installations is not greater than that specified in the connection conditions issued by the grid operator (Art. 7(8d4) of the Energy Law);
- On the basis of a connection agreement – in all other cases than those specified above (Art. 7(1) and (3b) of the Energy Law).

When applying for connection to the grid of a rated voltage more than 1 kV, applicants installing micro-installations are exempted from certain formal requirements. In particular, when applying for connection conditions, they are not required to submit information from the local spatial plan or a decision on construction conditions, neither a document confirming the legal title to use the property on which the investment is planned (Art. 7. (8d) of the Energy Law) and are not charged with a fee for connection to the grid (Art. 7(8)3b) of the Energy Law). In addition, the costs of installation of safety systems and metering systems are covered by the operator of the energy distribution system (Art. 8(d4) of the Energy Law).

5.1. What is the inter-connection configuration used for each type of residential prosumer?

No additional information found. See above and subsequent questions below.

5.2. Does the competence to determine the inter-connection configuration lie at State level or at a regional/lander level?

The State is responsible for the inter-connection configuration.

5.3. Are there any rules to ensure that prosumers are inter-connected to the distribution network/the grid?

There are no specific regulations for prosumers. The general rules applicable to micro-installations and RES installations are applicable also to prosumers' micro-installations.

As in the case of all Renewable Energy Projects, also RES micro-installations have the connection priority and shall be treated on the basis of equal treatment principle (Art. 7(1) of the Energy Law). The grid operator is required to meet the technical requirements for energy delivery and is obliged to finance and develop the grid for the purposes of connecting new installations in accordance with the Regulation on the functioning of the electric energy system and a local action plan for delivery of heat, electric energy and fuel gases (Art. 7(4) and (5) of the Energy Law). If the grid operator refuses to conclude a connection agreement or give connection priority to an installation of renewable sources of energy, it is obliged to notify the refusal of the President of the Energy Regulatory Office and the applicant (Art. 7(1) of the Energy Law).

In the case the grid operator refuses connection to the grid of a RES installation due to the lack of technical conditions related to the transfer capacity, the grid operator shall determine a date and grid development conditions by which the connection will be executed (Art. 7(8d2) of the Energy Law).

In the case the grid operator refuses connection to the grid of an installation due to economic

²⁹ In accordance with the definition of 'prosumer', prosumer is a final recipient.

problems, connection can be executed upon a payment by the applicant of a feed determined in the connection agreement (Art. 7(9) of the Energy Law).

5.4. What are the grid access and grid use principles and rules for the energy generated by each type of residential prosumer?

There are no specific regulations for prosumers. The general rules applicable to micro-installations and RES installations are applicable also to prosumers' micro-installations grid access.

Once a micro-installation is installed by a qualified installer, the investor (including a prosumer) shall contact the grid operator and request connection to the grid.

In the case the person applying for connection of a micro-installation is already connected to the grid as a final recipient³⁰, and the installed power of the micro-installations is not greater than that specified in the connection conditions issued for this person by the grid operator, connection to the grid can be executed on the basis of notification to the grid operator (Art. 7(8d4) of the Energy Law). The notification to the grid operator shall contain the following information: identification of the applicant, the type and power of the micro-installation, information necessary for meeting by the micro-installation the technical requirements set out in Art. 7a of the Energy Law and a written statement of the investor about his title to the property where the micro-installation is located (Art. 7(8d6) of the Energy Law). Connection to the grid must be executed within 30 days from the submission of the notification (Art. 7(8d7) point 2) of the Energy Law). As a last step, the comprehensive agreement can be concluded between the parties (an agreement for selling and simultaneously transfer/distribution of energy).

In the case the person applying for connection of a micro-installation is not connected to the grid as a final recipient and the installed power of the micro-installations is greater than that specified in the connection conditions issued for this person by the grid operator, connection to the grid is executed on the basis of a connection agreement (Art. 7(8d4) of the Energy Law), if the applicant meet all connection requirements. In this case, the investor is required to submit an application for connection conditions (*warunki przyłączenia*). The connection conditions must be issued by the grid operator: (i) within 30 days from the application for connection conditions – in the case the application concerns installations with a rated voltage less than 1 kV, (ii) within 150 days from the application for connection conditions – in the case the application concerns installations with a rated voltage more than 1 kV (Art. 7(8g) of the Energy Law). The connection conditions are valid for two years and within this time the grid operator is allowed to connect an installation that meets the specified conditions (Art. 7(8i) of the Energy Law). Once the connection conditions are issued, the connection agreement may be signed by the investor and the grid operator. The connection agreement must contain the information specified in Art. 7(2) of the Energy Law, in particular: the time by which the connection will be executed and the connection timeline, works necessary for the execution of the connection, requirements concerning the metering system, a foreseen date for the commencement of energy distribution, legal and formal matters concerning the agreement (e.g. termination, beach of the agreement, etc.). As a last step, the comprehensive agreement can be concluded between the parties (an agreement for selling and simultaneously transfer/distribution of energy).

5.5. What are the network costs and charges for each type of residential prosumer?

There are no specific regulations for prosumers. The general rules applicable to micro-installations are applicable to prosumers' charges.

³⁰ In accordance with the definition of 'prosumer', prosumer is a final recipient.

According to Art. 8(8)3b) of the Energy Law, there are no connection charges foreseen for micro-installations – all costs of connection of the micro-installation to the grid are covered by the grid operator.

In addition, the costs of installation of safety systems and metering systems are also covered by the grid operator (Art. 7(8)d4 of the Energy Law).

With regard to energy settlements between the grid operator and the prosumer (Art. 4 of the RES Law), they are carried out without charging prosumers (prosumers are neither charged the settlement fees nor the fees for energy distribution services – Art.4(4) of the RES Law). However, it should be noted that Art. 4(11) of the RES Law states that settlement fees are paid by the grid operator according to the surplus of electric energy fed by the prosumer to the grid.

6. What are the incentives (e.g through taxes or tariffs) for each type of residential prosumers?

General

In Poland, prosumers cannot sell the surplus of energy generated by them – the feed-in-tariff system was replaced by the net-metering system in July 2016. In accordance with the new system, electric energy placed in the grid by prosumers is annually settled jointly with energy taken from the grid in the proportion set out by Art. 4(1) of the RES Law.

RES Law sets out tax conditions for prosumers – prosumers are exempted from the VAT and income tax.

6.1. Does your country apply specific tariffs to prosumers

- to charge them for the electricity they draw from the grid for consumption?
- or to compensate them for the electricity they feed back into the grid?

There are no specific tariffs foreseen for prosumers (the feed-in-tariff system was abolished in July 2016). Instead, there is the net-metering system set out in Art. 4 of the RES Law which provides for settlements between the prosumer and grid operator.

In accordance with this system, electric energy placed in the grid by prosumers is annually settled jointly with energy taken from the grid in proportion of 1 to 0,7 for the systems above 10 kW and in proportion 1 to 0,8 for systems below 10 kW (Art. 4(1) to RES Law). This means that for feeding back in the grid the surplus of non-consumed energy (e.g. when the prosumer is not able to consume the generated energy due to his absence), the prosumer will receive a rebate for the energy taken from the grid in the proportion mentioned above - e.g. in the case of micro installations above 10kw, for 1 kWh produced in that micro installation, not consumed by a prosumer and consequently fed to the grid, the prosumer receives 0.7 kWh from the grid.

The settlements are made by energy companies on the basis of the readings of the measuring and billing system mounted in individual micro-installations (Art. 4(2) of the RES Law). The settlements are carried out annually (Art. 4(5) of the RES Law).

6.2. Does your country

- tax prosumers in a specific way?
- allocate to them a certain part of the cost to upgrade the grid to accommodate the extra generation they feed into the grid?

The RES Law set out specific tax provisions applicable to prosumers.

In accordance with Art. 4(8) and (9) of the RES Law, the activity carried out by a prosumer shall not be considered as an economic activity nor as provision of services or selling in the meaning of the VAT Law. This means that prosumers are exempted from the VAT.

According to Art. 4(12) of the RES Law, the surplus of electric energy fed by the prosumer to the grid as compared to the energy taken by the prosumer from the grid shall not be considered as an income in the meaning of the income tax law for legal persons. This means that the energy surplus generated by the prosumers is not subject to the income tax.

The energy taken from the grid by the prosumer, which is subject to the settlement in accordance with Art. 4(1) of the RES Law, is considered as the usage of energy produced by the prosumer, in the meaning of the Excise Tax Law (Art. 4(10) of the RES Law). This means that the energy used by the prosumer is subject to the excise tax (e.g. for solar PV panels this is around 60 PLN per year (appx. 12 EUR: 20 PLN (5 EUR) per 1 MWh).³¹

7. A. What are the conditions that may encourage the take up of residential prosumers (to entry into activity or during functioning)?

General

There are no specific regulations for prosumers concerning metering systems. The general rules concerning metering systems for micro-installations and installations in general are applicable and as such the integration of prosumers to the market does not seem to be hampered.

The billing conditions are set out in the comprehensive agreement that is concluded between the prosumer and the grid operator. Tariffs are determined by each grid operator separately. Since there are numerous grid operators in Poland and each of them offers different tariffs and different billing rules, it is not possible to indicate one general rule concerning billing for supply of electric energy, including for prosumers.

The RES Law provides a legal framework for energy cooperatives and energy clusters and hence encourages the creation of energy communities.

The legislation provides for various administrative, tax and formal simplifications – they may encourage prosumers set up micro-installations.

B. What are the conditions that may act as barriers for residential prosumers (to entry into activity or during functioning)?

General

There are no specific regulations for prosumers concerning metering systems. The general rules concerning metering systems for micro-installations and installations in general are applicable and as such the integration of prosumers to the market does not seem to be hampered.

In Poland, prosumers cannot sell the surplus of energy generated by them – the feed-in-tariff

³¹ Opinion of the Institute for the Renewable Energy about the adopted law on renewable energy sources – investments in RES micro installations cost-effective only for entrepreneurs (*Opinia Instytutu Energetyki Odnawialnej o uchwalonej ustawie o odnawialnych źródłach energii - Inwestycje w mikroinstalacje OZE opłacalne tylko dla przedsiębiorców*), available at: <http://ieo.pl/pl/aktualnosci/1090-opinia-instytutu-energetyki-odnawialnej-o-uchwalonej-ustawie-o-odnawialnych-zrodlach-energii-inwestycje-w-mikroinstalacje-oze-oplaczalne-tylko-dla-przedsiębiorcow>

system was replaced by the net-metering system in July 2016. This may be considered as one of the main barriers.

Another barrier is the fragmentation of the financial support provided to prosumers. The key national programme for prosumers ('Prosumer') has been cancelled and currently a new programme is being developed – hence the rules for providing the support are currently unclear. In addition, there are regional and local forms of support, but they defer from one region (voivodship) to another and depend on regional/local policies.

7.1. What are the metering systems for each type of residential prosumer? Do these systems provide adequate conditions for prosumers integration in the market?

Answer:

In accordance with Art. 4(1) of the RES Law, electric energy placed in the grid by prosumers is annually settled jointly with energy taken from the grid in proportion of 1 to 0,7 for the systems above 10 kW and in proportion 1 to 0,8 for systems below 10 kW. Art. 4(2) of the RES Law states that this settlement is carried out on the basis of the metering system installed for the micro-installation in question.

There are no specific regulations for prosumers concerning metering systems. The general rules concerning to micro-installations and installation in general are applicable.

In accordance with Art. 7(8)d4 of the Energy Law, the costs of installation of safety systems and metering systems for micro-installations are covered by the grid operator. In accordance with Art. 7a(1) point 6 of the Energy Law, installations connected to the grid must ensure the possibility to carry out measurements of amounts and parameters necessary for running the network and for making settlements for the energy taken from the grid.

In accordance with § 8.1 of Regulation on the functioning of the electric energy system, the placing of metering systems in installations as well as specific requirements concerning the metering system itself are set out in a decision issued by the grid operator called 'connection conditions' (for details about this decision see the section on the permitting procedure – question 4). The metering systems must also meet the requirements of the Instruction for the Exploitation of the Distribution System that is issued by each grid operator and approved by the President of the Energy Regulatory Office.

Based on the above, the integration of prosumers into the market does not seem to be hampered and affected.

7.2. What are the billing conditions for each type of residential prosumer?

There are no specific requirements concerning prosumers, general legislation applies.

The billing conditions are set out in the comprehensive agreement that is concluded between the prosumer and the grid operator (in accordance with the definition of the 'prosumer', prosumer must conclude a comprehensive agreement with the grid operator; according to Art. 5(3) of the Energy Law, the comprehensive agreement is an agreement for selling and simultaneously transfer or distribution of energy).

In accordance with Art. 5 of the Energy Law, the comprehensive agreement should include, inter alia, information about the applicable fees and a tariff group used in settlements as well as the billing procedure.

According to the Regulation on electric energy tariffs, tariffs are determined by each grid operator separately (§ 3 of the Regulation). Tariffs include information about different tariff groups (for households or economic activity; depending on the total installed capacity of the installation and the choice of zoning, etc.), the type and amount of fees foreseen for each tariff group and the billing periods. The Regulation sets out requirements concerning calculation of the fees by the grid operators. The metering information, obtained from the reading of the metering system, is the basis for billing/settlements between the grid operators and the recipient of the energy.

Since there are numerous grid operators in Poland and each of them offers different tariffs and different billing rules, it is not possible to indicate one general rule concerning billing for supply of electric energy, including for prosumers. As an example, a tariff for households offered by a grid operator ENEA can be examined: the tariff concerns households with the total installed capacity of the installation of not more than 40kW and is divided into two zones: day and night (tariff G12).³² The sale price of 1 kWh is around 0.06 EUR and the billing period offered is 6 months.

Since different prosumers can choose different grid operators and different offers offered by them, billing condition can differ between different prosumers.

In addition, it should be remembered that the settlements are carried out in accordance with Art. 4(1) of the RES Law which states that electric energy placed in the grid by prosumers is annually settled jointly with energy taken from the grid in proportion of 1 to 0,7 for the systems above 10 kW and in proportion 1 to 0,8 for systems below 10 kW. Whereas the billing periods might be shorter than one year, the energy settlements as set out in Art. 4(5) are carried out on annual basis.

7.3. Are there measures to encourage the creation of energy communities at municipal level, or other schemes to encourage inclusive development of the market?

The amendment of the RES Law (June 2016) introduced the definition of ‘energy cooperative’. According to Art. 2(33a) of the RES Law, energy cooperative is a cooperative within the meaning of the Act of 16 September 1982 - Cooperative Law (O.J. 2016. item 21), whose activity is the generation of any of the following:

- a) electric energy in renewable energy installations with a total installed electrical capacity of no more than 10 MW
- b) biogas in renewable energy installations with an annual capacity not more than 40 million m³
- c) heat in renewable energy installations with a total capacity in combination not exceeding 30 MW

and balancing the demand, distribution and trading of electricity, biogas or heat for the needs of the energy cooperative and its members, connected to an electricity distribution network which is area-defined, with a voltage lower than 110 kV gas distribution or to a gas distribution network or heat network in the area of rural communes or urban-rural communes within the meaning of the regulations on public statistics.

In accordance with Art 1(1) of the Cooperative Law, ‘cooperative’ is a voluntary association of an unlimited number of people with variable composition and variable share fund, which, in the interests of its members has a common business.

The idea of the Polish legislator was to create a self-sufficient energy entity having a closed distribution system. It has to be noted that the term ‘closed distribution system’ does not have a legal definition in the RES Law. Art. 38b(1) of the RES Law states only that the President of Energy Regulatory Office (ERO), at the request of the energy cooperative, may decide that the system is a closed distribution system if:

³² Offer ‘G12 Energia +Pewna cena’: <https://enerad.pl/enea/oferty-pradu/>

- 1) the system supplies electricity exclusively to the members of the cooperative energy or to the operator of the system or
 - 2) the number of users of the distribution system is less than 1000
- the system supplies exclusively the recipient, who have entered into comprehensive agreements (for the definition of the comprehensive agreement see section 3.3 of this report).

In accordance with Art. 38b(4) of the RES Law, the operator of the distribution system is obliged to enter into agreement with the cooperative for delivering distribution services.

In accordance with Art. 38b(2) of the RES Law, the energy cooperative is exempted from various obligations, such as: to obtain an approval of the President of ERO for the tariff system, elaboration of a development plan and an instruction of the exploitation of the network.

Energy cooperatives are allowed to participate in auctions for sale of electricity generated in renewable energy installations. Therefore, the aim of the energy cooperatives is not only meeting the energy demand of its members but also energy sales.

Currently, one energy cooperative exists in Poland: Cooperative 'Nasza Energia' (Our Energy).³³

The RES Law foresees one more scheme for developing energy communities in Poland – energy clusters. According to Article 2(15) of the RES Law 'energy cluster' is a civil agreement which may involve natural and legal persons, academic institutions, research institutes or local government units, and which concerns the production and balancing of demand, distribution or trading of energy from renewable energy sources or from other sources or fuels, in the distribution network with voltage rated lower than 110 kV, the area of operation of the cluster shall not exceed the limits of one county in the meaning of the Act of 5 June 1998 on county government (O.J. 2016. item 814) or 5 communes within the meaning of the Act of 8 March 1990 on local Government (Dz. U. of 2016. Pos. 446); the energy cluster is represented by a coordinator, who can be a cooperative appointed for this purpose, an association, a foundation or any member of the energy cluster as indicated in the civil agreement, hereinafter referred to as "Coordinator of the Energy Cluster".

The generation of energy and energy distribution by the energy cluster requires a permit/concession which is issued for the Coordinator of the cluster (Art. 38a(1) of the RES Law). In accordance with Art. 38a(3) of the RES Law, the operator of the distribution system is obliged to enter into agreement with the energy cluster for delivering distribution services. Energy clusters are allowed to participate in auctions for sale of electricity generated in renewable energy installations.

- 7.4. Are there rules facilitating the creation of energy cooperatives to provide a legal entity to energy communities? Are there measures facilitating other type of schemes and if so which ones?

There are no more rules besides the those explained in the section above.

- 7.5. What are the procedures/provisions for establishing cooperatives for prosumers? Are they more simple/less costly than those for other schemes?

There are no special procedures for prosumers. The procedure explained in section 7.3. is applicable to prosumers.

³³ <http://nasza-energia.com/en/o-spoldzielni/>

8. Other questions on the regulatory framework

8.1. What are the provisions for establishing a complaint procedure? What are the complaint handling procedures for each type of residential prosumer?

Answer:

The first step in conflict resolution between a prosumer and a grid operator is submission, by a prosumer, of a complaint to the grid operator. Since the procedure is specifically regulated for prosumers, it is explained in the section below (section 8.2.). There is one procedure for all types of prosumers.

There is also a possibility to lodge a complaint at the President of the Energy Regulatory Office (ERO). This is a general procedure, not specifically designed for prosumers. In accordance with Art. 8(1) of the Energy Law, the President of ERO resolves disputes concerning: refusal to enter into agreement for connection to the grid, including conflicts related to increase of the connection power, refusal to enter into comprehensive agreement, unjustified suspension of energy supply, refusal to connect to the grid a RES installation as priority, refusal to connect micro-installation to the grid, lack of connection of micro-installation to the grid after the connection deadline, limitation of work of a micro-installation or disconnection of a micro-installation.

8.2. Are there any specific redress procedures available only to residential prosumers?

Answer:

According to Art. 6c.1a. of the Energy Law, a prosumer has the right, as a consumer, to lodge a complaint to the grid operator about the connection of the installation, settlements and energy distribution. The grid operator is required to deal with the complaint within 14 days from the submission. If the complaint is not dealt with within this period, it is assumed that it had been positively resolved.

If the complaint has been negatively resolved, prosumer may, within 14 days from the receipt of the decision, request the Negotiation Coordinator to resolve the dispute. In accordance with Art. 31a of the Energy Law, the Negotiation Coordinator is an authority within the Energy Regulatory Office which carries out alternative disputes resolution between, inter alia, prosumers and grid operators.

Country fiche (Summary and ranking)

The **country fiche** summarises the information from the report and ranks the **level of favourable impact** of each type of measures in relation to its favourable impact to the take up of residential prosumers.

Country fiche	Ranking Low/Medium/High
General Description of the national regulatory framework The legal framework for prosumers is set out in the Law on Renewable Energy Sources ('RES Law') and the Energy Law, and supported by several other legal acts in the field of energy, construction, etc. At the end of 2016, there were 9 000 of micro-installations in Poland. The Ministry of Energy expects this number to increase to 80 000 in 2020. The term prosumer is defined meaning 'the final recipient acquiring electric energy on the basis of a comprehensive agreement, who produces electric energy only from renewable energy sources in a micro-installation in order to use it for their own purposes not associated with their business activity'. A micro installation is a renewable energy source installation with a total installed capacity of not more than 40 kW, connected to the grid of rated voltage less than 110 kV or with a generating capacity of combined heat greater than 120 kW but not bigger than 600Kw. The Polish legislation does not differentiate prosumers on the basis of type of RES. Prosumers are not required to have a permit/concession for generating energy. Formal and administrative requirements for micro-installations and prosumers have been reduced, as compared to other types of installations. There also exist certain forms of financial support offered to prosumers, however they are currently fragmented. The installation of micro-installations must be carried out by qualified and certified experts, who have the qualifications set out in the RES Law. The institutional framework is clear with differentiated functions between Ministry of Energy (development of the legal and policy framework), the Energy Regulatory Office (regulatory and supervision functions), National Fund for Environmental Protection and Water Management (financial support) and local governments authorities (permitting). The general framework is not assessed as favourable for prosumers from the investment and financial perspective, despite the administrative, tax and formal simplifications provided by the legislation. This is mostly due to the fact that prosumers are not allowed to sell their energy surplus back to the grid or to other consumers; and that they can take back only part of the energy fed to the grid – 70%/80% - whereas the rest is given for free to the grid operator.	Low/Medium
Specific Questions on the regulatory framework for residential prosumers	
Permitting requirements for each type of residential prosumer Prosumers are not required to have a permit/concession for generating energy. The installation of heat pumps, photovoltaic panels with a total installed capacity power not more than 40 kW and free-standing sun collectors do not require a construction permit It means that the investor (including prosumers) can freely install the above mentioned installations on their properties, without	Medium/high

the need to inform public authorities about the installation. Neither an EIA is required. Hence, the administrative burden is significantly reduced for these types of installations. In the case of other types of RES installations than those mentioned above, investors would be, in principle, required to obtain a construction permit and, possibly, also a decision on construction conditions and an EIA. The deadlines for issuance of the above mentioned decisions are, respectively, 65 days, max. 2 months and max. 2 months. Administrative fees for the above decisions are relatively low – around 30-50 EUR each. However, it should be noted that the supporting documentation for the investment (e.g. technical specifications, etc.) might involve additional costs.	
Rules applicable to the access to the grid There are no specific regulations for prosumers and the general rules applicable to micro-installations and RES installations are applicable. There are two procedures for requesting access to the grid: - On a basis of a notification to the grid operator - the connection to the grid must be executed within 30 days from the submission of the notification, - On the basis of a connection agreement –the investor is required to submit an application for connection conditions (warunki przyłączenia). The connection conditions must be issued by the grid operator: (i) within 30 days from the application for connection conditions – in the case the application concerns installations with a rated voltage less than 1 kV, (ii) within 150 days from the application for connection conditions – in the case the application concerns installations with a rated voltage more than 1 kV. Once the connection conditions are issued, the connection agreement may be signed by the investor and the grid operator. Network costs and charges are reduced for micro-installations. In specific, all costs of connection of a micro-installation to the grid, the costs of installation of safety systems and metering systems are covered by the grid operator.	Medium/high
Incentives (e.g taxes and tariffs) for each type of residential prosumers In Poland, prosumers cannot sell the surplus of energy generated by them. Electric energy fed into the grid is annually settled with energy taken from the grid in a certain proportion. RES Law sets out favourable tax conditions for prosumers, who are exempted from the VAT and income tax. However, the energy used by the prosumer is subject to the excise tax. The financial support provided for prosumers is fragmented.	Low
Conditions encouraging or acting as barriers for residential prosumers The legislation provides for various administrative, tax and formal simplifications –encouraging prosumers set up micro-installations. The legal framework for energy cooperatives and energy clusters encourages as well the creation of energy communities.	Medium

In Poland, prosumers cannot sell the surplus of energy generated by them – the feed-in-tariff system was replaced by the net-metering system in July 2016. This may be considered as one of the main barriers. The net-metering system works by settling annually the electric energy placed in the grid with the energy taken from the grid in a proportion of 1 to 0,7 for the systems above 10 kW and 1 to 0,8 for systems below 10 kW Another barrier is the fragmentation of the financial support provided for prosumers.	
Other questions on the regulatory framework There is a special complaint procedure foreseen for prosumers. A prosumer has the right, to lodge a complaint to the grid operator who is required to deal with the complaint within 14 days from the submission. If no decision is taken within this period, it is assumed that it has been positively resolved. If the complaint has been negatively resolved, prosumer may, within 14 days from the receipt of the decision, request the Negotiation Coordinator to resolve the dispute. In addition, the prosumer has the general right to lodge a complaint with the President of Energy Regulatory Office. Finally, court litigation may be also initiated in case a resolution of the dispute cannot be reached by the parties.	High

Executive summary

The legal framework for prosumers was set out in 2015 in the Law on Renewable Energy Sources ('RES Law') and the Energy Law. It is based on the **net-metering system** whereby for feeding back in the grid the surplus of non-consumed energy the prosumer will receive a rebate for the energy taken from the grid of in the proportion 1 to 0,7 for the systems above 10 kW and in proportion 1 to 0,8 for systems below 10 kW.

Certain **incentives** exist for prosumers' activities. For instance, prosumers are not required to have a permit/concession for generating energy and are exempted from payment of certain taxes (VAT and income tax). **Formal and administrative requirements** for micro-installations and prosumers have been also reduced, as compared to other types of installations. There also exist certain forms of **financial support** offered to prosumers, however they are currently fragmented. The legal framework for energy cooperatives and energy clusters encourages the creation of energy communities. Despite the administrative, tax and formal simplifications provided by the legislation, **the general framework is not assessed as favourable for prosumers** from the investment and financial perspective. This is mostly due to the fact that prosumers are not allowed to sell their energy surplus back to the grid or to other consumers; and that they can take back only part of the energy fed to the grid – 70%/80% - whereas the rest is given for free to the grid operator.