

## Poland energy storage for microgrids

The acquisition of two 50MW projects totalling 400MWh of capacity marks the developer's first entry into Poland, which is fast becoming a key market for energy storage in the Central and Eastern Europe region.

Majority stakes in the two projects will be acquired from an undisclosed "international developer present in the Polish market," with the balance of ownership transferring to Pacific Green on the attainment of certain milestones.

Pacific Green said they are anticipated to take part in the Q4 Polish Capacity Market Auction and could reach ready-to-build status in the final quarter of this year, if successful in the solicitation.

The capacity market is expected to underpin major growth in the Polish energy storage sector. In a sponsored article for Energy-Storage.news published in December 2023, analysts from research firm LCP Delta noted that Poland "looks set to lead battery storage deployments in Eastern Europe."

LCP Delta's Silvestros Vlachopoulos and Jon Ferris wrote that 9GW of BESS projects had been offered grid connections by transmission system operator (TSO) PSE, while 16GW of projects had been registered for the then-ongoing round of capacity market auctions by that point.

Major reform to balancing markets had encouraged greater participation in the capacity market, and the first such auction held in 2022 had seen contracts awarded to four BESS projects totalling 150MW.

State-owned PGE Group, which is Poland's largest power producer by sales revenue and net profit, said earlier this month that it will open a tender for contractors to work on the country's biggest planned BESS project to date.

The solicitation will be carried out as an open tender in line with Polish Public Procurement Law, and the company is planning to formally initiate it in the next few days. Conditions for eligibility and entry already published along with other information in the official journal of the European Union (EU), as well as on the PGE group purchasing website.

The Łąnowiec BESS will provide grid services to the TSO and help balance the output of wind farms both onshore and offshore in the nearby Baltic Sea that PGE wants to build. A grid connection agreement is in place as well as concessionary agreements--thought to be a first for the Polish market--and an application made for capacity market qualification.

PGE said it would apply for funding from the post-pandemic National Recovery and Resilience Fund (KPO), which is worth about EUR60 billion (US\$64 billion) in total including just over EUR25 billion in EU funding

and about EUR35 billion of concessional loans. Conditions for receiving that funding make it essential that the tendered-for project goes online on schedule, the company said.

Although the capacity market is seen as a major new source of long-term revenue certainty for BESS in Poland, a warning was sounded recently that proposed 57% de-rating factors could dampen the market's progress (Premium access).

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