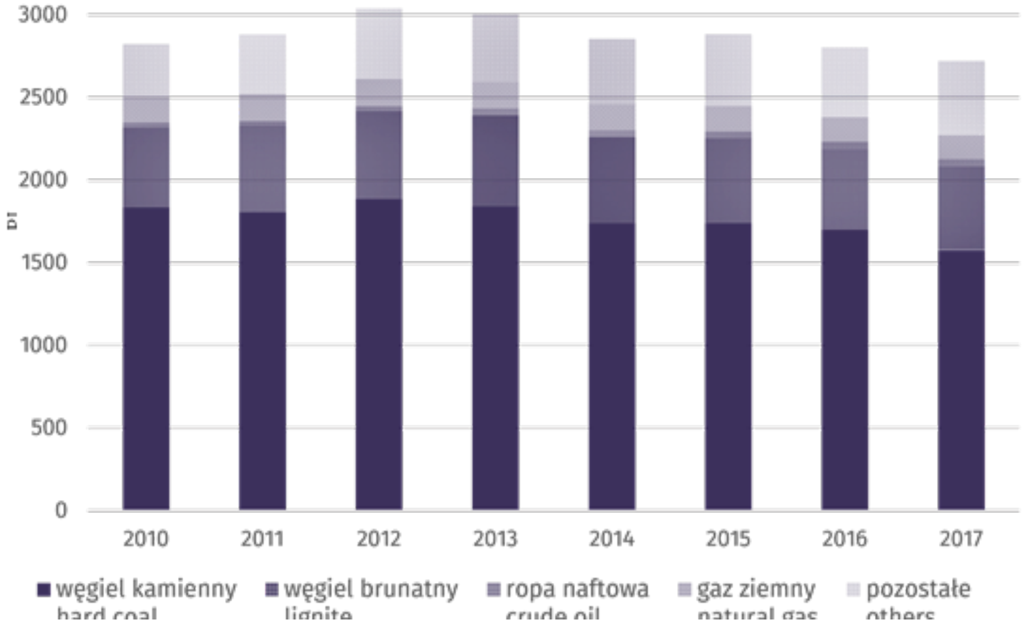
1. Strategic Communication in Poland's Energy Sector

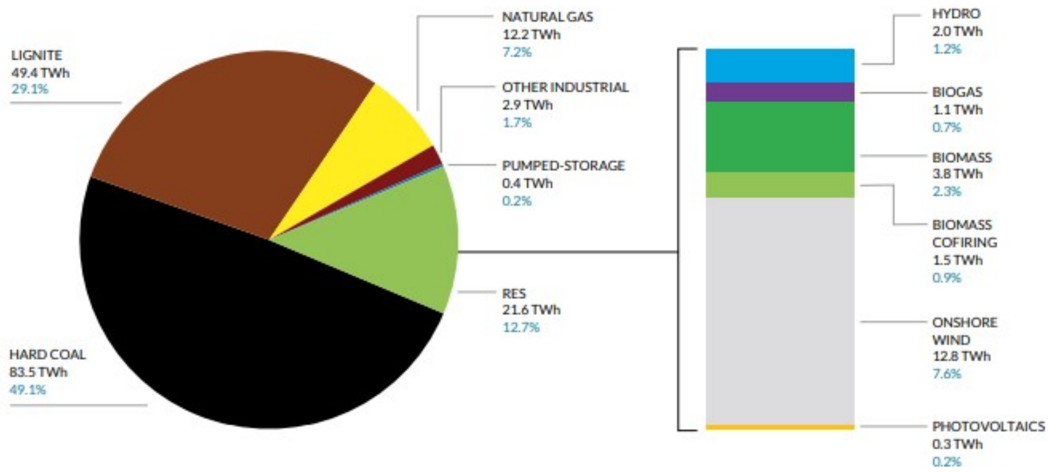
1. Energy Sector in Ukraine - Overview

The Polish energy sector - as the ones of its neighbours - is depending on fossil fuels, such as hard coal, lignite, crude oil, natural gas, and others. The market is dominated by the hard coal and is likely to remain so, with natural gas only on the fourth place in regard to demand. While the first two categories are mainly covered by the domestic production, crude oil and natural gas are mainly imported on demand-based basis.



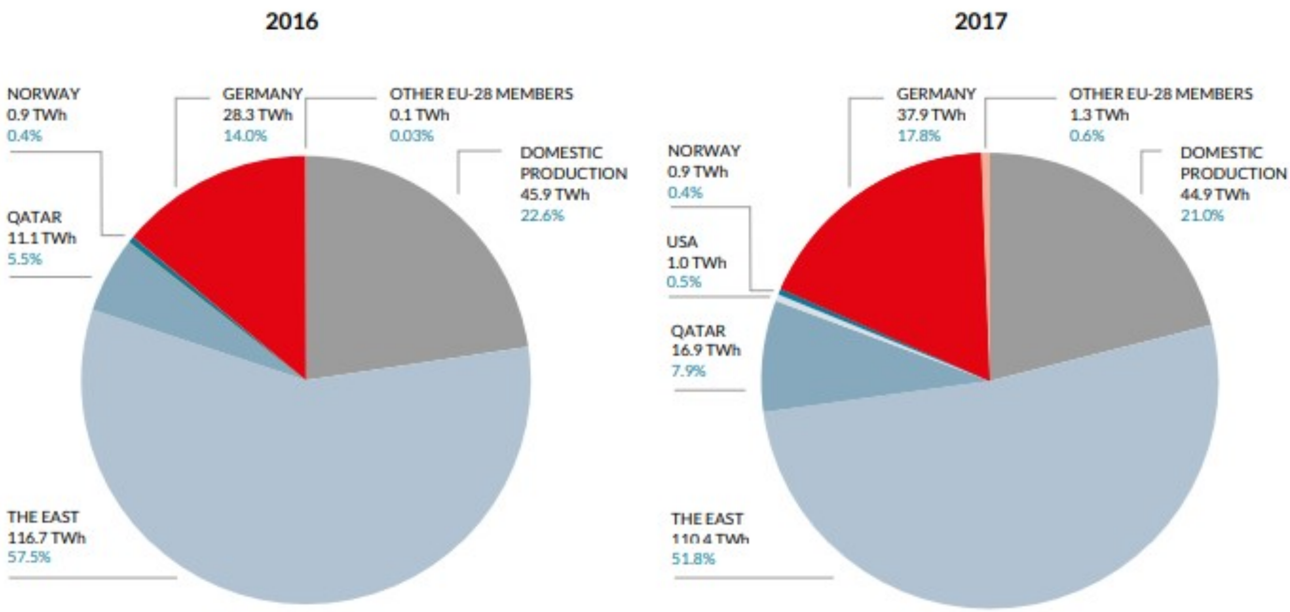
Source: Poland's Main Statistical Office (GUS)

The demand and share of natural gas in the energy productions is rising in the recent years, from 5,6% in 2017 to 7,2% in 2018. The decrease in demand for the lignite is mainly a result of closing some of the non-efficient coal plants in Poland, most of which were erected in Poland in years 1960-1980. Due to new health and environment regulations imposed by the European Union, some of the Polish energy production plants are closing down, reducing the demand for coal.



Source: Energy transition in Poland. Edition 2019 - full report in English by Forum Energii

The demand for natural gas as the energy source is dominated by the industrial sector (52,1%), with next two notable sectors being households (21,1%), and power and heating sector (15,7%).[1] Majority of the natural gas consumption is covered by high-metane imported to Poland (nearly 15 billion m^3) with only 1,5 billion m^3 covered by high-metane domestic production.[2] The current foreign supply of natural gas is shifting towards diversification of the sources, suppliers from the East dominating the market with more than 50% of share (57,5% in 2016 and 51,8% in 2017). There is a significant growth in the role that Qatar is playing in the market share (from 5,5 % in 2016 to 7,9% in 2017) and increasing perspectives of the United States playing a significant role in supplying LNG gas via Świnoujście LNG terminal with first shipment delivered in early 2019.



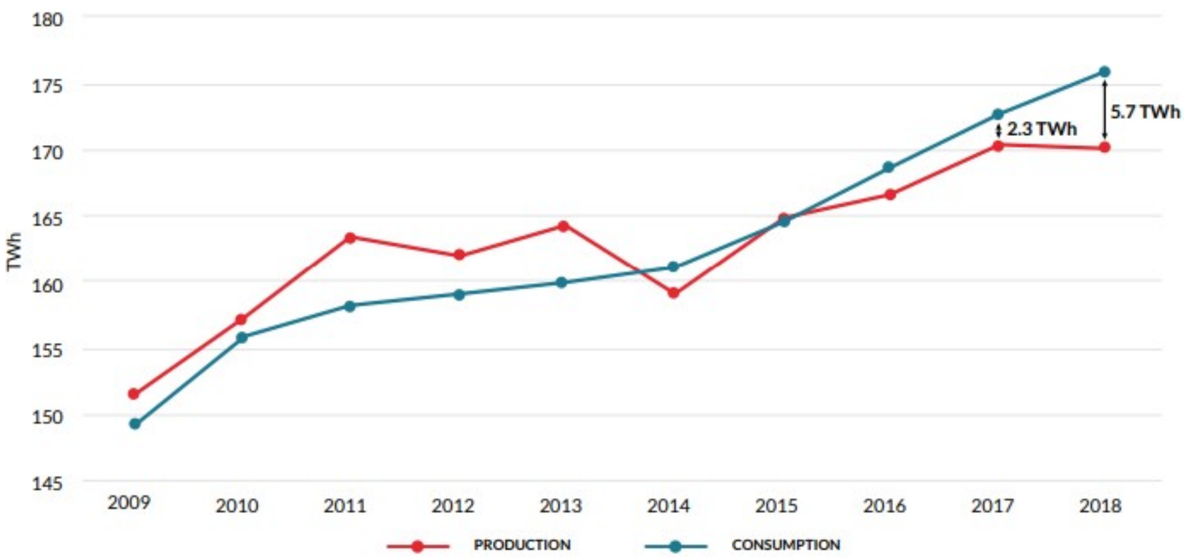
Source: Energy transition in Poland. Edition 2019 - full report in English by Forum Energii

---

[1] Polskie Górnictwo Naftowe i Gazownictwo SA, March 2018.

[2] https://forum-energii.eu/en/polska-transformacja-energetyczna

The electrical power generation system is the largest one in Central and Eastern Europe with the capacity of 42 GW installed and supplied in 80% by the mainly Polish suppliers of hard and brown coal. The growing role of the natural gas as the source of energy is resulting in increasing import of the resources. At the same time, there is a growing consumption of electric energy that the domestic production can't fully cover. Within the last two years, the demand has outgrown the production by 5,7 TWh. At the same time, more than 13 TWh is being lost in transition through the power grid, according to the Ministry of Energy.[3] The demand of supply is predicted to grow up to 217,4 TWh in 2030 which is a growth of more than 25% in 11 years.[4]



Source: Energy transition in Poland. Edition 2019 - full report in English by Forum Energii

The main distribution companies in Poland are Tauron Dystrybucja SA, PGE Dystrybucja SA, Enea Operator Sp. z o.o ., innogy Stoen Operator Sp. z o.o., and Energa-Operator SA, with majority of households supplied by Tauron (5,5 million recipients) and PGE Dystrybucja (5,3 million recipients). [5] The company delivering the most volume of natural gas to Poland remains Gazprom which in 2018 sold Poland 9,04 billion m^3 with imports from Norway, Qatar, and the US in LNG summing up to 2,71 billion m^3 after regasification.

---

3 „Raport o energetyce", Fundacja Przyjazny Kraj.

4 Ibidem.

5 https://rynek-energii-elektrycznej.cire.pl/st,33,201,tr,69,0,0,0,0,0,osd.html

2. Overall strategic communication

	Hungary	**Czech Republic**	**Slovakia**	**Ukraine**	**Poland**
How many persons were invited? How many persons were innterviewed? How many persons refused in interview? How many invitation are without reply?	10 persons were invited, 4 persons were interviewed, 3 persons refused, 3 invitations are without reply.	10 persons were invited, 3 persons were interviewed, 5 persons refused, 2 invitations are without reply	8 persons were invited, 2 persons were interviewed, 3 persons refused, 3 invitations are without reply	11 persons were invited, 5 persons were interviewed, 4 persons refused and 2 invitation are without reply.	14 persons were invited, 6 persons were interviewed, 2 persons refused to take part in deep interview, 6 invitations are without reply

Responsibility for energy security	Ministries and regulator were stressed by all respondents. Traders - 2 respondents TSO - 1 respondent	Government/ State	State and company EUSTREAM and SPP	State bodies: Ministry of Energy and Coal Industry of Ukraine *Institute of the President* Ministry of Foreign Affairs of Ukraine *National Security and Defence Council of Ukraine* Ministry of Economic Development of Ukraine *Ministry of Internal Affairs National Commission for State Regulation in the energy and utilities Anti-Monopoly Committee of Ukraine*	State and business companies, especially PGNiG

The role of energy reports and analyses	Important - 3 respondents and non important - 1 respondent What read: Winter outlook, Globsec, ACER, oficial reports	All respondents said we have enough reports. Some papers are more scientists but ought to be more practical	MoE SR reads mostly official papers; Whar read: Energy Hub Service, Monitoring from MFA, International media, EU analysis, ENTSOG-winter outlook, Plan for infrastructure development Mostly official documents	**Quality of the analysis** – they are general, statistical, not concentrated on energy security details. Quality of foreign analytical materials on energy security is better than of Ukrainian ones. The state **institutions** don't take into account analytical reports of think tanks. **What read**: European Institutions, International Energy Agency, National regulators and operators, Foreign think tanks (Atlantic Council, Center for Strategic and International Studies (USA), Brookings Institution, (USA), Carnegie Institution for Science (USA), Oxford Institute for Energy Study (GB), Ukrainian think tanks. **Preference** is	<u>Lacks:</u> Methodology of research papers; A lot about history of problem but there isn't any forecast ü No information about sources and statistics; Conclusions are very general formulated; Late analytics; Local focus, lack of a regional approach; Long research, more than 5 pages **What read**: OSW, PISM, Pulaski Policy Papers, official raports. Global - Bruegel, BBC, Oxford Univercity papers. American analitics - very seldom

Communacation with other stackholders	Comminication with TT is very important. Resently established platform	Czech Gas Assossiation is the key organisation for G, B and CS communication	Nice communication insight state Slovak gas and oil association (51 members) – platform for structural debate	Respondents have insifht communication on their level, for exmple, insight governmental bodies or energy companies. It is weak communication on the level G-CS or B-CS	Weak communication insight states between G and B from one side and CS from other
Necessity of a new platform	Inflationary - 2 respondents. V4 energy platfor just established	All respondents - we have enough platforms for communication and not need in new one	We have enough platforms (all); EU initiatives on regional level maybe good (MoE SR)	A platform is supported by all respondents.	We have enough opportunity for regional cooperation
Energy crisis communication	Flow management, data transparency and improvement the communication G and CS. Preparation should be everything. Personel with expertice needed.	It should be more wide platform for communication: Czech, Slovakia, Austria platform or Czech/ Poland/ Germany platform or + Benelux	On international level only as a case of „scenario" in case of crisis	Visegrad platform has to include Ukraine (possible involvement of the Baltic countries, Romania, Bulgaria, E a P countries).	**Visegrad+ platform** involving experts from other countries who have a rich research expertise in the Eastern Europe energy policy. It was mentioned experts from USA, Japane, Germany, Austria, Australia.