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Poland parts from Russian energy

Poland was prepared when Gazprom decided to turn off the gas supply to the country. But fully decoupling from Russian energy supply won't be easy

On the morning of 27 April, Russia turned off Poland's gas tap. The country, together with all other EU member states except Hungary, refused to comply with Russia's demand to pay for its gas supplies in roubles. But Poland showed a relatively high degree of composure when Moscow announced its decision. The government declared that it had anticipated Russia's 'gas blackmail' and had made preparations.

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In fact, Poland's gas reservoirs show that the country has prepared itself better than the rest of the EU for Russia's use of the energy lever: While the gas reservoirs of the EU as a whole – typical for the season – are only filled to just under 30 per cent, the level in Poland is 76 per cent, according to Prime Minister Morawiecki. As with the question of a possible wave of refugees from Ukraine – for which Poland began to prepare seriously weeks before the war started – Warsaw seems to have taken the warnings of a Russian attack on Ukraine and its impact on the energy supply more seriously than many other European states.

Poland has long been pursuing a strategy of diversifying its energy supply and decoupling from Russia as a supplier of gas and oil. Today, according to the government, it has various possibilities to substitute the missing gas supplies from Russia: via the use of European pipeline systems; via the liquefied gas terminal in Swinoujscie, which was launched under the first PiS government from 2005 to 2007; via a small national gas production; and finally, from autumn onwards, via the Baltic Pipe, which is to provide Poland with a stable supply of Norwegian natural gas. The now interrupted supplies through the Yamal pipeline would have ended at the end of 2022 anyway.

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Poland advocates a tough sanctions policy against Russia – including the energy sector. In this sense, the country – which is still very dependent on the burning of fossil fuels for its energy supply – wants to end all relevant imports from Russia by the end of 2022 at the latest. A law to this effect was introduced in the Sejm on 30 March and will soon come into force. This step is by no means easy: Poland currently imports 15 per cent of its coal, 43 per cent of its natural gas, and 73 per cent of its crude oil plus considerable amounts of diesel from Russia.

Upcoming challenges

It's likely that the coal supply will be the most difficult resource to substitute, as the import or transit of hard coal from Russia or the Donbas is to be banned as soon as possible. An increase in domestic production and imports is supposed to make up for the gap. However, an increase in domestic production can only be in the order of 1 to 1.5 million tonnes per year – compared to 8.3 million tonnes that Poland imported from Russia last year.

In the oil sector, imports from Russia are to be offset primarily by purchases from Saudi Arabia. For some time already, the government pursued a policy of replacing Russian oil supplies. The semi-public oil company *Orlen* has only short-term supply contracts with Russia, which will expire in January 2023 and December 2024. In response to the war in Ukraine, the government now wants to suspend these contracts as early as the end of 2022.

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In the medium term, Poland may also just have to accelerate the energy transition. The expansion of renewable energy sources would strengthen energy sovereignty. Hydropower, photovoltaics, and offshore wind farms are to cover almost half of electricity generation by 2040. However, coal-fired power plants will likely run longer. And in the long term, nuclear energy is supposed replace coal as the backbone of energy production. The construction of a nuclear power plant is set to begin in 2026 and last until 2032. Three bidders from the US,

France, and South Korea are currently competing for the contract for Poland's first nuclear power plant, which is to be built on the Baltic coast of Pomerania.



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