Polish Political Science Yearbook, vol. 49(1) (2020), pp. 67–84
DOI: https://doi.org/10.15804/ppsy2020106 PL ISSN 0208-7375
www.czasopisma.marszalek.com.pl/10-15804/ppsy

Małgorzata Kamola-Cieślik
University of Szczecin (Poland)
ORCID: https://orcid.org/0000-0003-2956-3969
e-mail: m.k.kamola@wp.pl

Directions of Poland's Energy Security Policy in the Natural Gas Sector

Abstract: Poland has insufficient natural gas resources to satisfy its needs. That is why it has been dependent on the imports of that raw material. One of the challenges facing the Polish government is limiting Poland's dependency on Russian gas. The objective of the paper is to present the directions of the Polish government's energy security policy in terms of natural gas in the years of 2015–2018. Particular attention was paid to the assumptions and the implementation of the government's gas policy in terms of the situation in the European Union gas market. An attempt was made to answer the question: To what extent have the assumptions of policy of the government of the Law and Justice party regarding Poland's gas security been realized? In an attempt to answer the question so formulated, the following methods were used in the study: a decision-making method, formal-legal method, statistical and comparative methods. On the grounds of the conducted research, it needs to be concluded that after 2015, as a result of the government's policy, the imports of natural gas from the east to Poland were reduced with a simultaneous diversification of the direction from which this raw material was delivered. The resignation from the deliveries of Russian gas to Poland after 2022 will be possible thanks to putting Baltic Pipe gas pipeline into operation and raising the flow capacity of Świnoujście LNG terminal. The implementation of these investments will have a positive impact on the improvement of Poland's gas security. Failure to launch the investments and an increase of gas consumption in Poland will make it necessary to conclude a short-term Polish-Russian agreement for imports of that fuel to Poland.

Keywords: *government's decisions, energy security policy, domestic resources, project implementation, European Union*

Introduction

Providing constant and stable gas supplies has an impact on the economic situation of a country, its position in international relations and the quality of life. Ensuring security of natural gas supply constitutes one of the components of a country's energy security policy.

Energy security is perceived as a public good. The state is responsible for ensuring energy supplies that affect its economic development and social safety. The government's task is to minimize restrictions on energy security to the market. Energy issues are more and more often one of the elements of foreign or international policy of a state and a group of states (Umbach, 2008, p. 1).

Energy security was defined in the Energy Law Act of 10 April 1997 as "a state of the economy enabling the coverage of ongoing and prospective recipients' demand for fuel and energy in a manner that is technically and economically justified, and at the same time ensures the observance of environment protection" (Ustawa z dnia 10 kwietnia 1997 r. – Prawo energetyczne). Energy security in the natural gas sector is a narrower concept in relation to the state energy security. It means "ensuring uninterrupted natural gas supplies to recipients at the lowest prices possible" (Ministerstwo Gospodarki, 2007) as well as diversifying the directions of the raw material deliveries.

Since 2010 an increase of natural gas imports into the European Union (EU), including to Poland, can be observed. During that time a rise in natural gas consumption in the EU was accompanied by a drop in its extraction. In 2017 the EU imported 76% of the gas it needed from Russia, Norway and Algeria (Agency for the Cooperation of Energy Regulators and Council of European Energy Regulators, 2018 September). The exported natural gas was sent to the Union market by pipeline or supplied in the form of liquefied natural gas. Russia's share in natural gas exports to the European Union was around 40%.

The increase in the EU's gas consumption was caused by the growth of economy and a greater demand for that fuel for heating purposes on account of the steps taken to reduce smog. Ensuring energy security in the Polish gas sector has been linked to the Polish government's politics.

Increasing Poland's gas security is conditioned by the EU's energy policy, which is the so-called shared competence area. This means that decisions concerning the energy sector are taken by the governments of the Member States and EU institutions[1]. The Polish government defines the structure of the country energy balance, decides about the choice of electricity production method as well as diversification of energy supplies and energy raw materials to Poland. The Union influences Poland's energy security indirectly through climate policy, distribution of EU funds for the development of energy infrastructure and liberalization of the energy market. The Russian-Ukrainian gas crisis of 2006 and 2009 caused the suspension of supplies of Russian natural gas to consumers in the EU and made the Member States aware that the existing legal regulations regarding gas supplies are insufficient. In order to increase the EU energy security, the European Parliament and the Council of the EU issued legal acts regulating the EU gas market (including on measures to safeguard security of natural gas supplies) and ensuring the construction of transmission corridors for natural

---

[1] Art. 194(2) of the Treaty on the Functioning of the European Union. The Treaty on the Functioning of the European Union (consolidated version) Journal of Laws EU 2016, C 202.

gas transport from various producers and from different directions (Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009; Regulation of the European Parliament and of the Council of the EU No. 715/2009 of 13 July 2009; Regulation (EU) No. 994/2010 of the European Parliament and of the Council of 10 October 2010). However, the main problem of the common EU energy policy was and is the lack of consistency with the policy pursued by individual Member States. This is particularly well illustrated by the example of the Nord Stream project implementation.

The objective of this paper is to present the directions in energy security policy concerning natural gas implemented by Beata Szydło's and Mateusz Morawiecki's governments. Particular attention was paid to the assumptions and implementation of the government's gas policy in the context of the situation of the EU gas market.

The author tried to answer the question: To what degree have the assumptions of the policy of the Law and Justice party regarding Poland's gas security been realized? The conducted research encompasses the years of 2015–2018. Trying to find the answer to the research question, a decision-making method was used to analyze the decisions of the Council of Ministers (CM) regarding the expansion of the LNG terminal in Świnoujście, the construction of Baltic Pipe gas pipeline within the scope of the Norwegian Corridor and signing long-term contracts for liquefied natural gas supplies to Poland. A method of formal-legal analysis was employed in order to demonstrate the emergence of institutional conditions for the implementation of the government's policy with regard to gas security. In turn, with a comparative method the author was able to show the scope in which the assumptions of the government's policy for Poland's gas security were fulfilled after 2015. A statistical method enabled demonstrating the percentage share of gas imported from one source of supplies of this raw material to Poland in the years of 2015–2018. Furthermore, a rise in the consumption and Poland's domestic extraction of gas per annum was presented.

The Assumptions of the Government's Policy Regarding Poland's Gas Security

On 25 October 2015 the Prawo i Sprawiedliwość (PiS; Law and Justice) won parliamentary elections and it was able to form a government without any coalition partner. In November the President of Poland Andrzej Duda appointed B. Szydło to the position of the Prime Minister of Poland. On 18 November 2015 Prime Minister B. Szydło in her political *exposé* delivered at the Sejm presented a program of her government's course of action, in which she emphasised ensuring a diversification of the directions of natural gas supplies to Poland (Sejm Rzeczypospolitej Polskiej, 2015). The government intended to expand the LNG terminal in Świnoujście and to build a second LNG port in the vicinity of Tricity. The projected investments were intended to increase Poland's independence from natural gas imports from the east. The realization of the government's program required efficient and effective operation of the government, which is why Prime Minister B. Szydło announced the establishment of the Ministry of Energy (ME). According to the Prime Minister the establishment of a new government department of energy resulted from "a strategic nature of the subject of its operation and a huge number of issues that need resolving" (Sejm Rzeczypospolitej Polskiej, 2015). The directions of the government policy regarding Poland's gas security presented in Prime Minister B. Szydło's policy statement were included in "The strategy for responsible development until 2020 (with a perspective until 2030)"[2]. Poland's energy security was to be based on the diversification of directions of natural gas supplies in order to limit Poland's dependence on the dominant supplier of the raw material, i.e. the Russian Federation. The government's program assumed the creation of a gas hub in the territory of Poland, the purpose of which would be gas trade. The plan involved the extension and modernization of gas transmission network.

On 24 April 2017 B. Szydło's government took a decision regarding a maximum allowable percentage share of imported gas from one source to Poland in a given calendar year in the period of 2017–2026. The percentage share of gas originating from one source could not exceed 70% in the period of 2017–2022 and 33% in the years of 2023–2026 (Rozporządzenie Rady Ministrów z dnia 24 kwietnia 2017 r. w sprawie minimalnego poziomu dywersyfikacji dostaw gazu ziemnego z zagranicy).

In early December of 2017 the Political Committee of PiS accepted B. Szydło's resignation from the office of the Prime Minister and simultaneously proposed deputy Prime Minister M. Morawiecki as a candidate to take over the office. President A. Duda appointed M. Morawiecki to the position of Prime Minister, the Minister of Development and Finance. On 12 December 2017 Prime Minister M. Morawiecki delivered his political *exposé*, in which he stressed that his government was going to continue the policy implemented by B. Szydło's government. In respect of increasing Poland's gas security, Prime Minister M. Morawiecki announced the construction of a gas connection from Norway (Sejm Rzeczypospolitej Polskiej, 2017).

In November 2018 the ME prepared a draft paper titled "Poland's Energy Policy until 2040" (Ministerstwo Energii, 2018), which assumed a 5% share of gas in the generation of electrical energy in 2030, and 13% in 2040. The draft paper envisaged imports, developing a national gas transmission and storage system. The construction of Baltic Pipe gas pipeline and the construction of the LNG terminal in Świnoujście were meant to ensure the diversification of directions from which natural gas was delivered to Poland and to reduce the reliance on Russian gas. Until the end of 2018 a draft paper titled "Poland's Energy Policy until 2040" underwent public consultations.

---

[2] On February 16, 2017 the government adopted a strategy for responsible development until 2020 (commonly known as Morawiecki's plan), which was prepared under the supervision of the deputy prime minister and the minister of development Mateusz Morawiecki (Ministerstwo Rozwoju, 2017).

Institutional Conditions of Gas Security

In Poland the government administration authorities are chiefly responsible for gas security. The Council of Ministers defines the directions and ways of exercising the energy policy and through specialised institutions it carries out ongoing operations in that regard. In B. Szydło's government the Ministry of Energy was an institution responsible for the country's energy policy with respect to gas. That government department was created in December 2015. It was headed by the minister of energy Krzysztof Tchórzewski (Rozporządzenie Rady Ministrów z dnia 7 grudnia 2015 r. w sprawie utworzenia Ministerstwa Energii). The position of a deputy minister of the ministry of energy was taken over by Grzegorz Tobiszewski. Both the minister and the deputy minister of energy at B. Szydło's cabinet were appointed to the same positions in M. Morawiecki's government.

The tasks of the minister of energy involve creating the conditions that ensure the security of supplies of energy, energy raw materials and fuels as well as initiating, coordinating and supervising international cooperation within the area of energy. The minister's exclusive authority includes the approval and referral of draft acts of law, policy papers, strategic and analytical papers as well as evaluations of task implementations to suitable institutions (the Polish Sejm, government, governmental committees). Moreover, minister K. Tchórzewski exercises supervision over the operations of the Agency of Material Reserves (AMR), which is responsible for the security of gas market operation.

The agency is headed by a chairperson appointed by the prime minister. Since August 2014 Janusz Turek has been the AMR's Chairman. The agency's tasks include maintaining strategic reserves comprising, inter alia, natural gas, conducting investments related to the construction or modernization of technical infrastructure intended for holding strategic reserves and controlling the entities to which strategic reserves were handed over for storage.

At the end of 2015, on account of a scheduled liquidation of the Ministry of the State Treasury (MSP), a process of handing over of State Treasury companies to sector-specific ministries or to the government's plenipotentiaries started. The powers related to the entities of the energy infrastructure sector were assigned to the government plenipotentiary for strategic energy infrastructure, to which position Piotr Naimski was appointed (Rozporządzenie Rady Ministrów z dnia 3 grudnia 2015 r. w sprawie Pełnomocnika Rządu do spraw Strategicznej Infrastruktury Energetycznej). In M. Morawiecki's government P. Naimski became the government plenipotentiary for strategic energy infrastructure as well. The duties of the plenipotentiary include supervising Polskie Sieci Elektroenergetyczne (PSE) SA and Przedsiębiorstwo Eksploatacji Rurociągów Naftowych "Przyjaźń" (PERN) SA. Taking over the supervision of transmission system operators by the plenipotentiary complied with the EU law, which requires a division between the supervision over transmission system operators and the supervision over electrical power and gas producers.

In November 2017 Prime Minister B. Szydło, wanting to justify the government's activities related to the preparation of implementing the project of building a gas pipeline between Poland and Denmark, established an auxiliary government authority – the Interministerial Group for "Baltic Pipe" gas connection project (Zarządzenie Nr 171 Prezesa Rady Ministrów z dnia 14 listopada 2017 r. w sprawie Międzynarodowego Zespołu do spraw projektu „Baltic Pipe"). The team continues to conduct operations also under M. Morawiecki's government. The government plenipotentiary for strategic energy infrastructure P. Naimski became the team leader. The team is composed of, inter alia, the ministers of energy, environment, foreign affairs, and maritime economy. The team's duties include supporting the government and the entities responsible for the construction of "Baltic Pipe" gas connection between Poland and Denmark, which is scheduled for conclusion by October 2022. The team's operations entail, inter alia, the coordination and monitoring of the process of issuing administrative decisions, ensuring swift information flow, supervising contract conclusion by government administration authorities within the scope of "Baltic Pipe" project and their execution, suggesting the actions requiring any diplomatic support. On 30 November 2018 Prime Minister M. Morawiecki extended the powers of the Interministerial Team for "Baltic Pipe" project by adding the issues related to the extension of the LNG terminal in Świnoujście[3]. The PM's decision resulted from a governmental plan to increase the regasification capabilities of the LNG port through the construction of a third gas tank and a second ship station. The head of the Interministerial Team for "Baltic Pipe" project is obligated to present to the government a report on the team's operations on an annual basis.

Domestic Resources, Consumption and Directions of Natural Gas Imports to Poland

Natural gas is becoming an ever more important energy raw material on a global scale because, in contradistinction to coal, it is less harmful to the environment. Comparing the use of coal to natural gas at power plants and combined heat and power plants, one needs to note that gas enables to reduce CO_2 and dust emissions into the atmosphere by half.

Natural gas is used in many branches of the economy. This raw material is most frequently employed in industry, in the services sector and for household purposes. Poland holds natural gas resources that are insufficient to satisfy its needs, which is why it has been reliant on gas imports. Natural gas mining in Poland in 2013 amounted to 4.2 bln m^3, in 2014–4.0 bln m^3. In 2013 Poland consumed 16.6 bln m^3 of gas and in 2014–16.3 bln m^3 („PGNIG, Raport zintegrowany 2017", 01.01.2018). During the years of 2005–2018

[3] Under the ordinance of the Prime Minister, the Interministerial Team for "Baltic Pipe" has changed its name to the Interministerial Team for "Baltic Pipe" and for the extension of LNG Terminal in Świnoujście (Zarządzenie Nr 224 Prezesa Rady Ministrów z dnia 30 listopada 2018 r. zmieniające zarządzenie w sprawie Międzyresortowego Zespołu do spraw projektu „Baltic Pipe").

the consumption of natural gas in Poland was rising significantly, which is linked to, inter alia, the development of the economy and a change in a building heating source to a more environmentally-friendly one, i.e. departing from coal in favor of natural gas. In 2005 the consumption of natural gas in Poland was equal to 13.6 bln m^3, while in 2017 it stood at 17.5 bln m^3, whereas in 2018 – at 17.4 bln m^3, which is presented in chart 1. In turn, the extraction of natural gas in Poland in 2005 amounted to 4.3 bln m^3, in 2017–3.8 bln m^3 and in 2018–3.8 bln m^3 („Kolejny rok mniejszego importu gazu z Rosji i większego importu LNG", 09.01.2018).

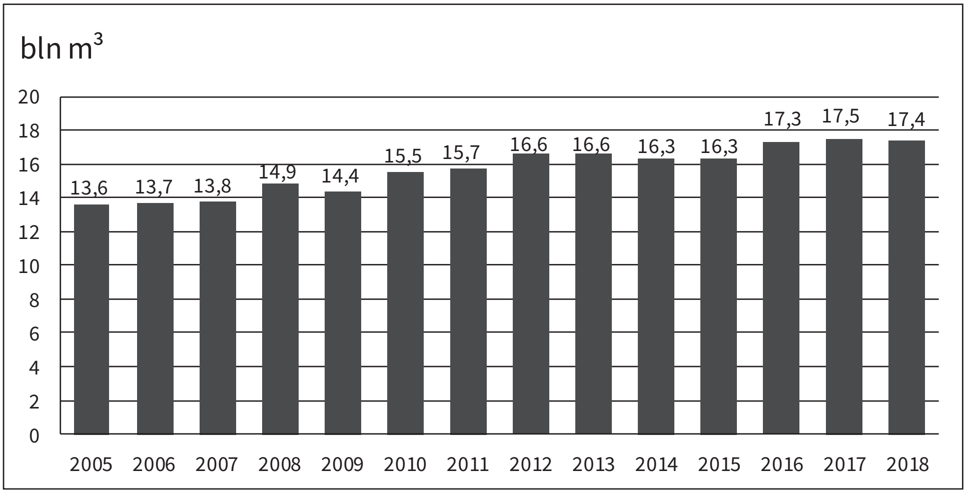

Chart 1. Gas consumption in Poland in 2005–2018 [bln m^3]
Source: BP, 2015 June; BP, 2017 June; BP, 2018 June; „Kolejny rok mniejszego importu gazu z Rosji i większego importu LNG", 09.01.2018.

In 2017, EU countries did not have sufficient capacity to cover their own demand for natural gas from their own resources. The EU states were largely dependent on gas imports. Dependence on gas imports for countries such as Austria, Belgium, the Czech Republic, France and Spain was equal to 100%. Denmark was the only EU state that did not import the raw material. Poland was and still is less reliant on gas imports than a majority of European countries (European Commission , 2017; Młynarski, 2011, pp. 141–145). In 2017 natural gas production in the EU was equal to 128 bln m^3 (0.3% less than in 2016), while its consumption stood at 491 bln m^3, (6% more than in 2016). Since 2010 the demand for natural gas has been systematically growing (Ruszel, 2016, pp. 57–59). Table 1 presents own extraction and natural gas consumption in selected EU countries [bln m^3].

Limited domestic resources of natural gas deposits result in Poland's reliance on imports. Since the 1990's Gazprom – a Russian state concern – has been the chief natural gas supplier for European countries (Ruszel, 2014, pp. 101–103; Kłaczyński, 2010, pp. 35–43). In 2017

Table 1. Own extraction and natural gas consumption in selected EU countries [bln m^3]

State	Own extraction	Consumption of natural gas
Austria	0.0	9.0
Belgium	0.0	16.4
Czech Republic	0.0	8.4
Denmark	4.3	0.0
France	0.0	44.7
Spain	0.0	32.0
Poland	3.8	17.5
Romania	8.9	11.9
Italy	4.6	72.1
Great Britain	36.0	78.8

Own elaboration: BP, 2018 June.

Germany was the biggest Russian natural gas importer (48.5 bln m^3), followed by Italy (22.3 bln m^3), France (10.5 bln m^3), Poland (9.7 bln m^3), Austria (8.6 bln m^3) and Hungary (8.2 bln m^3) (BP, 2018 June).

In 2015 Poland imported 11.7 bln m^3 of natural gas, of which 10.2 bln m^3 originated from the Russian Federation (BP, 2017). In 2018 there was a rise in natural gas imports to Poland, considering the year of 2015. Gas imports to Poland amounted to 13.6 bln m^3 in 2018. During the period of 2015–2018 there was a drop in natural gas imports to Poland from the eastern direction, which was presented in charts 2 and 3. The impact on the improvement of Poland's gas security was triggered by the start-up of Lech Kaczyński's LNG Terminal in Świnoujście. The imports of liquefied gas to Poland in 2018 rose by 1 bln m^3 (2.7 bln m^3) in relation to 2017, when approx. 1.7 bln m^3 of the raw material was imported.

In 2015 Russian gas covered over 62% of Poland's demand for that raw material, while in 2017 it was 55.4% and in 2018–54%. Since 1998 Poland has been purchasing gas from Russia on the basis of an international agreement with Gazprom (the so-called Yamal contract) dating back to 1996 from the time of Włodzimierz Cimoszewicz's government. In pursuance of the agreement, the Polish party was supposed to receive 250 bln m^3 of gas in the period of 1998–2022. The Polish-Russian gas contract will remain in force until 2022[4]. The Yamal contract contained a "*take or pay*" clause, which meant that Poland was obligated to receive specific gas amounts and was banned from reselling any gas surpluses. Failure

[4] In 2010, after a gas crisis in Ukraine (which caused interruptions in the deliveries of Russian gas to Poland), Donald Tusk's government renegotiated the gas contract with Gazprom. Under an annex to the Yamal contract, gas deliveries from Russia were increased by approximately 2 bln m^3 per year. The contract was unfavourable to Poland as well on account of a high gas price, increasing the dependency on Russian gas and the *"take or pay"* clause (Kowalski, 18.09.2012).

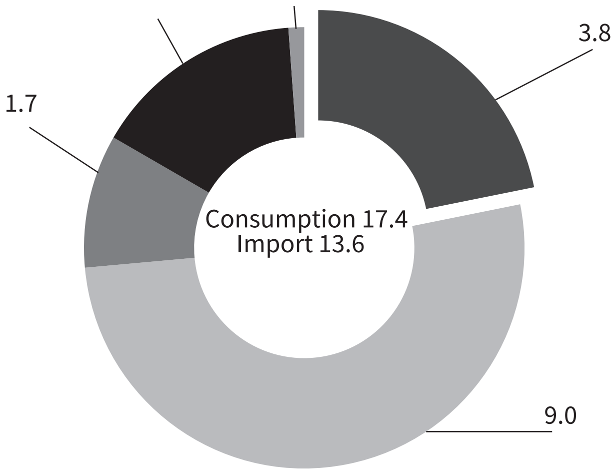

Chart 3. Consumption and import of natural gas to Poland in 2018 [bln m³]

Own elaboration: „Kolejny rok mniejszego importu gazu z Rosji i większego importu LNG", 09.01.2018.

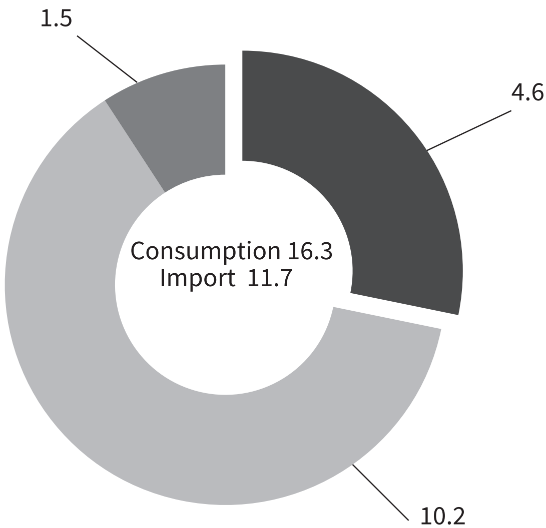

Chart 2. Consumption and import of natural gas to Poland in 2015 [bln m³]

Own elaboration: BP, June 2015; „Walczymy o konkurencyjne ceny gazu do Polski 2015–2017-PGNiG".

to observe that rule would result in a penalty payment being imposed. For that reason, the Yamal contract was unfavorable to Poland.

During the period of 2013–2014 an average price of Russian gas for the EU countries was respectively USD 385 and 341 for 1000 m^3. In turn, Poland was buying Russian gas at a higher price (in 2013 it paid USD 429 for 1000 m^3, and in 2014 – USD 379) than the remaining EU member states.

For example, during the years of 2013–2014 for 1000 m^3 of Russian natural gas Austria paid USD 402 and 329, France – USD 404 and 338, Germany – USD 366 and 323, Slovakia – USD 438 and 308, Hungary – USD 418 and 388 and Italy – USD 399 and 341 („Polski gaz z Rosji. Najdrożej w UE", 07.03.2015). In a report published by the Federal Russian Service, in 2017 Germany – the largest importer of Russian gas in Europe – paid USD 192 for 1000 m^3 of that raw material. In the same year Great Britain paid USD 174 for 1000 m^3 of Russian gas, the Czech Republic – USD 190, Poland – USD 199, the Netherlands – USD 199, France – USD 199, Slovakia – USD 201 (Bojanowicz, 30.04.2018).

In 2016 the Secretary of the Office of the Prime Minister, the government's plenipotentiary for strategic energy infrastructure P. Naimski announced that Poland had no intention of buying Russian gas in the form of long-term contracts after 2022, when the agreement between PGNiG and Gazprom expires („Naimski: Polska nie przedłuży umowy na dostawy gazu z Rosji", 30.05.2016). The reason for Poland resigning from Russian gas was its high price, the *"take or pay"* clause as well as the intention to reduce Poland's dependence on Russian gas. As a result of the long-term Yamal contract during the years of 2001–2018 Poland lost approximately 50 bln PLN (Kamieniecki, 10.04.2019).

The first step to achieve the stated objectives was launching President Lech Kaczyński's LNG terminal in Świnoujście[5]. The creation of the gas port enabled importing liquefied natural gas from any place in the world, which increased Poland's energy security.

In 2017 B. Szydło's government announced plans of raising the gas port flow capacity from 5 bln m^3 to 7.5 bln m^3 of gas per annum. A state-owned enterprise of Gaz-System SA, which is the owner of the LNG terminal, developed a "Program of extension of LNG terminal in Świnoujście". In June 2018 the West Pomeranian Voivodeship governor – Tomasz Hinc – issued a decision on extending the LNG terminal in Świnoujście. The costs of the investment were estimated at 5 bln PLN. Funds for the extension of the LNG terminal come from the assets of Gaz-System SA – a subsidiary of Polskie LNG. The terminal extension is scheduled for completion by 2022. The investment constitutes an inherent element of increasing Poland's energy security in terms of gas and it will be partially founded from the EU's structural funds[6].

[5] In 2016 LNG terminal in Świnoujście commenced its operation („PGNiG ogranicza import gazu ze Wschodu", 2019, pp. 50, 51; Janowski, Jastrzębski, Nowakowski, Protasowicki, 2016, pp. 68–72).

[6] In March 2019 the European Commission decided that the "Program of extension of LNG terminal in Świnoujście" complies with the EU regulations regarding state aid.

One of the suppliers of liquefied gas to the LNG terminal in Świnoujście is a Qatar concern of Qatargas. In 2009 PGNiG signed a contract with Qatar for the sale and delivery of a one million tons of liquefied gas (approximately 1.5 bln m^3) per year to Świnoujście terminal. The contract for gas supplies from Qatar was concluded for the period of 20 years – until 2034. In 2017 PGNiG signed an additional agreement with Qatargas for the delivery of 2 mln tons of liquefied gas per year (approximately 2.7 bln m^3 of gas) to Poland in the years of 2018–2034 (Kamola-Cieślik, Tomczak, 2018, pp. 133–136; Kublik, 04.07.2017).

The United States became the next region from which Polish government sourced gas. In 2017 PGNiG signed a one-off agreement for gas supplies (approx. 170 thousand m^3) from an American company of Cheniere Energy. In June 2017 "Clean Ocean" gas tanker delivered the first tranche of liquefied gas. In July 2017 the president of the United States Donald Trump, during his visit in Warsaw, emphasized that the American side is open to the idea of further sales of gas to Poland. Several months later PGNiG signed a first medium-term (five-year) contract for LNG supplies from the United States, the execution of which already started in 2018. Simultaneously, PGNiG conducted talks with the American party regarding a long-term agreement for gas supplies to Poland. As a result of the negotiation in October 2018 PGNiG entered into an agreement with an American company Venture Global LNG for the purchase of 2 mln tons (2.7 bln m^3) of liquefied gas for 20 years. The president of PGNiG – P. Woźniak – referring to the price of gas from the United States, concluded that it is 20% cheaper in relation to the gas from Russia purchased under the Yamal contract. Furthermore, the president of the largest company in Poland acquiring and extracting gas confirmed the government's position by stating that PGNiG "does not intend to extend the contract concluded two decades ago with Gazprom, which is due to expire in 2022. […] The decision is final" (Kublik, 18.10.2018, p. 12).

During the period of 2017–2018, Polish government, apart from the long-term contracts concluded with Qatar and the United States for gas supplies to Poland, signed an agreement for a one-off sale and delivery of liquefied gas from a Norwegian concern of Statoil. Given the LNG purchase agreements signed by Poland with Qatar and the United States, after 2022 (after the Yamal contract expires) annual gas supplies will amount to 12 billion m3 (after regasification).

Project of Building a Submarine Baltic Pipe Gas Pipeline

The policy of the PiS government with regard to diversification of natural gas supplies to Poland has been focused on building an underwater Baltic Pipe gas pipeline enabling gas to be sent to Poland and Denmark from gas deposits located in Norway. The idea of a gas connection between Poland and Scandinavia emerged during Jerzy Buzek's government. In 2001 PGNiG and a Norwegian petrol enterprise of Statoil signed a contract for long-term supplies of Norwegian gas to Poland (in the vicinity of Niechorze). The Norwegian side was responsible for building the pipeline. After the parliamentary elections in September of 2001 a newly-appointed Leszek Miller's government abandoned the project of Baltic Pipe, claiming that Norwegian gas is too expensive (Malinowski, 2016, p. 34). The concept of constructing an underwater gas pipeline linking Poland with Denmark resurfaced during J. Kaczyński's rule. PGNiG signed a contract for gas supplies from Norway within the project of building a Skanled gas pipeline, which links Norway with Sweden and Denmark. In turn, gas from Denmark was to be sent to Poland via Baltic Pipe. In 2009 the construction of Skanled gas pipeline was suspended due to the fact that Norwegians failed to ensure gas supplies to Poland.

In 2015 the European Commission decided to award financial support in the amount of 400 thousand EUR to the project of building Baltic Pipe gas pipeline. The funds from the EU's CEF-Connecting Europe Facility were to be allocated to preparing "Feasibility Study for Intersystem Connection of Baltic Pipe linking Poland with Denmark" (preparatory work).

Baltic Pipe gas pipeline is one of the elements of the Norwegian Corridor. The plan of building the Norwegian Corridor system comprised the following elements:

1. connecting the Norwegian system in the North Sea with the Danish system;
2. extending a gas transmission route across Denmark;
3. constructing a gas compressor station on a Danish Island of Zealand;
4. underwater gas pipeline from Denmark to Poland (Baltic Pipe) along with a receiving terminal as well as extending the Polish transmission system.

The underground Baltic Pipe will enable linking the Polish and Danish gas transmission systems. Thanks to that Poland will receive gas from the Norwegian continental shelf, where PGNiG holds a licence for its extraction. In early February of 2016 Prime Minister B. Szydło, during her talks with Norwegian Prime Minister – Erna Solberg, declared that Polish government "will make every effort to create conditions for the construction of the gas pipeline from the Northern Sea to Poland" („Baltic Pipe to strategiczny projekt polskiego rządu". Szydło po spotkaniu z premierem Danii, 18.04.2016). According to B. Szydło, the construction of the corridor will have a significant impact on Poland's energy security.

At the end of February PGNiG commenced talks with gas pipeline operators in Denmark and Norway regarding the construction of a gas transmission corridor from the North Sea. The investment implementation was to limit Poland's dependency on Russian gas and to increase gas mining by PGNiG in the North Sea.

In April 2016 the matters concerning energy security with respect to gas were the discussed during B. Szydło's meeting with the Prime Minister of Denmark – Lars Løkken Rasmussen in Warsaw. The Danish Prime Minister referred to the Polish-Danish cooperation, remarking that Danish investments in Poland exceed over 12 bln PLN. Poland is the ninth largest export market for enterprises. For Rasmussen energy security may become an area within the scope of which Polish-Danish cooperation can be developed. As arises from the investment scope published by Gaz-System SA within the framework of Baltic Pipe project implementation, the outlays on the new gas mains will amount to 1.7 bln EUR. The

Polish operator is responsible for investment tasks worth approximately 874 mln EUR. The annual cost of Baltic Pipe maintenance is expected to be about 52 mln EUR, of which the operational costs for Poland will amount to over 36 mln EUR, and for Denmark – over 16 mln EUR (PAP, 13.06.2017).

At the beginning of June 2017 in Copenhagen Prime Ministers B. Szydło and L.L. Rasmussen signed a letter of intent for cooperation within the scope of implementing the project of Baltic Pipe construction. The parties confirmed that a final decision regarding the construction of the gas pipeline will be taken by the end of 2018. The planned date of commissioning of the investment is scheduled for the end of October 2022. Baltic Pipe's flow capacity is to reach approximately 10 bln m^3 of natural gas, of which about 4 bln m^3 is to be sent to Poland. The underwater pipeline will enable the transport of gas from Norway to Danish and Polish markets, as well as to recipients in the neighboring countries. It is worth noting that PGNiG is planning to send gas that it mines in Norway via Baltic Pipe[7]. The remaining portion of the raw material necessary to fill Baltic Pipe pipeline was to be purchased from gas producers in Norway.

According to B. Szydło's government, thanks to Baltic Pipe, Poland will have a chance to become independent from Russian gas, or even to sell it to other European countries. What is more, in the opinion of the Polish government, the project of a Polish-Danish gas pipeline would be an alternative to Nord Stream II pipeline. In February 2017 during a visit of the German Chancellor Angela Merkel to Poland, Prime Minister B. Szydło made a reference to the projected construction of Nord Stream II, saying that Poland finds the execution of that investment unacceptable. In May 2017 in Tallinn, Prime Minister B. Szydło participated in the talks with the Baltic States' prime ministers and she referred to the plan of building Nord Stream II pipeline as being political and dangerous, since it threatens Europe's stability. In October 2017 during the EU summit Prime Minister B. Szydło maintained Poland's position with respect to the construction of Nord Stream II pipeline. Also, Prime Minister M. Morawiecki was critical of the idea of building a pipeline linking Russia with Germany by saying that "it constitutes a threat to Europe's energy security and solidarity (…). Poland supports investments, but not at the cost of security" (PAP, 28.05.2018). At the end of 2017 the European Commission placed the projects of building Baltic Pipe pipeline and the extension of the LNG terminal in Świnoujście on a list of priority investments until 2022. The investment was awarded a status of PCI – Project of Common Interest. The status is awarded to infrastructural projects that aim to strengthen the European internal energy market, fulfilling the EU's energy policy objectives. Projects of Common Interest benefit from a number of facilities, inter alia, accelerated procedures for the issue of permits and the possibilities of receiving financial backing within the framework of the Connecting Europe Facility

[7] In 2017 PGNiG held shares in 20 exploration and production licenses in the Norwegian Continental Shelf. The Polish company produced 0.5 bln m^3 of gas per year from own deposits in Norway (Sawicki, 10.09.2018).

(„Wsparcie finansowe Unii Europejskiej dla projektu Baltic Pipe w ramach CEF Energy 2017 r.", 29.01.2018). On 25 January 2018 the EU member states decided to grant financial support to the Baltic Pipe project within the framework of the Connecting Europe Facility. It was yet another way of EU's support provided to the project. Thanks to that decision the Danish operator of Energinet and the Polish operator of Gaz-System SA received 33.1 mln EUR for design work of Baltic Pipe (Borkowska, 2018, p. A9). In January 2018 Gaz-System SA and Energinet signed an agreement for the provision of gas transmission services to the total value of 8.1 bln PLN. The agreement concerns the years of 2022–2037. PGNiG signed similar agreements with Gaz-System SA and Energinet (PAP, 30.01.2019).

In June 2018 the government's plenipotentiary for strategic energy infrastructure – P. Naimski as well as the president of Gaz-System SA – Tomasz Stępień informed that the route of Baltic Pipe gas pipeline would stretch across approximately 275 km and it would run across the Danish and Polish sea areas and across the Swedish exclusive economic zone. The pipeline exit sites onto the land were planned in Faxe South in Denmark and Niechorze-Pogorzelica in the West Pomeranian Voivodeship in Poland. The route adopted by Gaz-System SA for Baltic Pipe provides for its crossing with the Nord Stream pipeline, but also with the projected Nord Stream II at the internal sea waters of Denmark.

In November 2018 the operators of Polish and Danish transmission systems – Gaz-System SA and Energinet – took a decision on the construction of Baltic Pipe gas pipeline and they agreed to jointly implement the project. The gas pipeline will run across the territories of three countries – Denmark, Sweden and Poland – and gas transmissions will commence in October 2022.

It should be noted that in addition to the expansion of the LNG terminal in Świnoujście and the implementation of the Baltic Pipe project, it is necessary to expand the national gas transmission network in Poland. New cross-border connections in the gas sector between Poland and Lithuania, Slovakia and Ukraine will be necessary.

Conclusions

Ensuring uninterrupted gas flow to Poland is a top priority for the Polish economy. Owing to limited domestic deposits of natural gas and a dynamic growth of its consumption, Poland is forced to import it. Until 2015 the direction from which gas was imported to the Polish market was chiefly from the East. It was an unfavorable situation, since Russia held a monopolist position in the Polish gas market, which had an impact on high gas prices.

Replying to the question posed at the beginning of the paper, it needs to be concluded that the fundamental objective of the gas security policy under Beata Szydło's and Mateusz Morawiecki's governments was to ensure a diversification of the directions of natural gas supplies to Poland at competitive prices. The government, attempting to strengthen Poland's gas security, in line with the assumptions of its own program, decided to extend Lech Kaczyński's LNG terminal in Świnoujście and to build a Polish-Danish Baltic Pipe gas pipeline enabling gas transports from Norway to the Polish and Danish markets, as well as to end-users in the neighboring countries. The decision to build a gas pipeline linking Poland and Denmark constituted a response to the threat resulting from the execution of a Russian-German project of Nord Stream II and it was intended to contribute to increasing the competitiveness of the Polish gas market.

The implementation of the investment in Świnoujście gas port and the construction of Baltic Pipe within the scope of the Norwegian Corridor influenced the government's lack of decision regarding the commencement of construction of a floating LNG terminal in the vicinity of Tricity. During the years of 2015–2018, as a consequence of the Government's policy, an evident decrease in gas imports from the East occurred with a simultaneous increase in the diversification of the directions from which the raw material is delivered. The Polish government signed long-term contracts with Qatar and the United States for liquefied gas supplies to Poland. In 2018, in accordance with the government's assumptions, a minimum level of diversification of natural gas supplies from abroad was achieved, since the share of gas imported from the east did not exceed 70% (it amounted to about 66%).

There is a very high probability that by the end of 2022 the directions of gas supplies to Poland will have been diversified. Both the works related to the construction of the LNG terminal in Świnoujście as well as to the construction of Baltic Pipe are to be concluded in the year when the Yamal contract for gas supplies to Poland is due to expire. Putting both of the investments into operation and the purchase of new licenses by PGNiG for the extraction of gas in Norway ought to fill the gap left by the Russian raw material. If, however, the Norwegian Corridor is not put into operation within the set time limit, the Polish government will need to import gas from Russia, since the imported liquefied gas and its own gas resources do not fulfil Poland's demand for that fuel.

It is worth noting that in the years of 2015–2018 the government's policy, aimed at reducing Poland's dependency on natural gas supplies from the Russian Federation, was accompanied by an unfavorable phenomenon. There has been a marked increase in the imports of Russian coal to the Polish market. At the same time, the most important oil supplier to Poland was Russia as well.

References

Agency for the Cooperation of Energy Regulators and Council of European Energy Regulators. (2018, September). „ACER/CEER Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets in 2017". *www.acer.europa.eu*. Retrieved from: https://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20Market%20Monitoring%20Report%202017%20%20Electricity%20and%20Gas%20Retail%20Markets%20Volume.PDF.

„Baltic Pipe to strategiczny projekt polskiego rządu". Szydło po spotkaniu z premierem Danii. (2016, April 18). Retrieved from: https://www.tvpparlament.pl/aktualnosci/baltic-pipe-to-strategiczny-projekt-polskiego-rzadu-szydlo-po-spotkaniu-z-premierem-danii/24944653?date=20160411.

Bojanowicz, R. (2018, April 30). „Cena gazu z Rosji jest polityczna. I korzystna dla Niemiec". *biznesalert.pl*. Retrieved from: https://biznesalert.pl/ceny-gazu-gazprom-rosja-niemcy-polska/.

Borkowska, M. (2018, February 5). „Baltic Pipe przyspiesza dzięki unijnemu dofinansowaniu". *Dziennik. Gazeta Prawna*, 25, p. A9.

BP. (2015, June). „Statistical of World Energy". Retrieved from: https://www.bp.com/content/dam/bp-country/es_es/spain/documents/downloads/PDF/bp-statistical-review-of-world-energy-2015-full-report.PDF.

BP. (2017, June). „Statistical of World Energy". Retrieved from: https://www.bp.com/content/dam/bp-country/de_ch/PDF/bp-statistical-review-of-world-energy-2017-full-report.PDF.

BP. (2018, June). „Statistical of World Energy". Retrieved from: https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2018-full-report.PDF/

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (Journal of Laws EU L 211/94).

European Commission. (2017). „Quarterly report on European gas market". *ec.europa.eu*. Retrieved from: https://ec.europa.eu/energy/sites/ener/files/documents/quarterly_report_on_european_gas_markets_q2_2017.PDF.

Janowski, M., Jastrzębski M., Nowakowski, Ł., Protasowicki, I. (2016). *Polityka bezpieczeństwa energetycznego państw Europy Środkowo-Wschodniej. Rola i znaczenie Grupy Wyszehradzkiej*. Warszawa: Towarzystwo Naukowe Powszechne SA.

Kamieniecki, J. (2019, Arpil 10). „Przez rząd PO-PSL straciliśmy miliardy". *Niezależna*. Retrieved from: https://niezalezna.pl/266989-przez-rzad-po-psl-stracilismy-miliardy.

Kamola-Cieślik, M., Tomczak Ł. (2018). *Partie i ugrupowania polityczne wobec polityki bezpieczeństwa Polski w XXI wieku. Założenia i realizacja wybranych programów politycznych*. Szczecin: Wydawnictwo Naukowe Uniwersytetu Szczecińskiego.

Kłaczyński, R. (2010). *Ropa naftowa i gaz ziemny obszaru postradzieckiego. Rola i znaczenie surowców energetycznych w polityce Kremla*. Cracow: Wydawnictwo Naukowe Uniwersytetu Pedagogicznego.

„Kolejny rok mniejszego importu gazu z Rosji i większego importu LNG" (2018, January 9). *pgnig.pl*. Retrieved from: https://pgnig.pl/aktualnosci/-/news-list/id/pgnig-2018-kolejny-rok-mniejszego-importu-gazu-z-rosji-i-wiekszego-importu-lng/newsGroupId/10184.

Kowalski, J. (2012, September 18). „Jamalska umowa pogrąża PGNIG". *Nasz Dziennik*. Retrieved from: https://naszdziennik.pl/ekonomia-gospodarka/10201,jamalska-umowa-pograza-pgnig.html.

Kublik, A. (2017, July 4). „Katar zamierza ostro zwiększyć eksport gazu skroplonego". *Gazeta Wyborcza*. Retrieved from: https://wyborcza.pl/7,155287,22051287,katar-planuje-gwaltownie-zwiekszyc-eksport-skroplonego-gazu.html.

Kublik, A. (2018, October 18). „Gaz z USA mamy taniej niż z Rosji". *Gazeta Wyborcza*, 202, 12.

Malinowski, D. (2016). „Bałtycki łącznik", *Nowy Przemysł*, 3, 34.

Ministerstwo Energii. (2018). „Polityka Energetyczna Polski do 2040 roku- projekt". *gov.pl*. Retrieved from: https://www.gov.pl/documents/33372/436746/PEP2040_projekt_v12_2018–11–23.pdf/ee3374f4–10c3–5ad8–1843-f58dae119936.

Ministerstwo Gospodarki. (2007). „Polityka dla przemysłu gazu ziemnego". *cire.pl*. Retrieved from: https://www.cire.pl/pliki/2/politykagazowa405472055.PDF.

Ministerstwo Rozwoju. (2017). „Strategia na rzecz odpowiedzialnego rozwoju do roku 2020 (z perspektywą do 2030 r.)". *gov.pl*. Retrieved from: https://www.gov.pl/web/inwestycje-rozwoj/informacje-o-strategii-na-rzecz-odpowiedzialnego-rozwoju.

Młynarski, T. (2011). *Bezpieczeństwo energetyczne w pierwszej dekadzie XXI wieku. Mozaika interesów i geostrategii*. Cracow: Wydawnictwo Uniwersytetu Jagiellońskiego.

„Naimski: Polska nie przedłuży umowy na dostawy gazu z Rosji" (2016, May 30). Centrum Informacji o Rynku Energii. *cire.pl*. Retrieved from: https://www.cire.pl/item,129910,1,0,0,0,0,0,naimski-polska-nie-przedluzy-umowy-na-dostawy-gazu-z-rosji.html.

PAP. (2017, June 13). „Gaz-System: Koszt Baltic Pipe po stronie polskiej wyniesie około 874 mln euro". *biznesalert.pl*. Retrieved from: http://biznesalert.pl/gaz-system-koszt-baltic-pipe-stronie-polskiej-wyniesie-okolo-874-mln-euro/.

PAP. (2018, May 28). „Premier: Nord Stream2 to zatruta pigułka europejskiego bezpieczeństwa". *energetyka24.com*. Retrieved from: https://www.energetyka24.com/gaz/premier-nord-stream2-to-zatruta-pigulka-europejskiego-bezpieczenstwa.

PAP. (2019, January, 30). „PGNiG podpisało umowę na przesył gazu z duńskim Energinet". *Niezależna*. Retrieved from: https://niezalezna.pl/215630-dunski-gaz-poplynie-przez-baltic-pipe-pgnig-podpisalo-umowe.

„PGNiG ogranicza import gazu ze Wschodu" (2019). *Nowy Przemysł*, 1, 50, 51.

„PGNIG, Raport zintegrowany 2017" (2018, January 1). *pgnig2017.pl*. Retrieved from: https://pgnig2017.pl/dzialalnosc-w-2017-roku/poszukiwanie-i-wydobycie/dzialalnosc-w-2017-r/.

„Polski gaz z Rosji. Najdrożej w UE" (2015, March 7). *Niezależna*. Retrieved from: https://niezalezna.pl/64872-polski-gaz-z-rosji-najdrozej-w-ue.

Regulation (EU) No. 994/2010 of the European Parliament and of the Council of 10 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC (Journal of Laws EU L 295/1).

Regulation of the European Parliament and of the Council of the EU No. 715/2009 of 13 July 2009 on the conditions of access to natural gas transmission networks, repealing Regulation No. 17775/2005 (Journal of Laws EU L 3/112).

Rozporządzenie Rady Ministrów z dnia 24 kwietnia 2017 r. w sprawie minimalnego poziomu dywersyfikacji dostaw gazu ziemnego z zagranicy. DzU 2017, poz. 902. Retrieved from: https://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20170000902/O/D20170902.PD.

Rozporządzenie Rady Ministrów z dnia 3 grudnia 2015 r. w sprawie Pełnomocnika Rządu do spraw Strategicznej Infrastruktury Energetycznej, DzU 2016, poz. 2116. Retrieved from: http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20150002116/O/D20152116.PDF.

Rozporządzenie Rady Ministrów z dnia 7 grudnia 2015 r. w sprawie utworzenia Ministerstwa Energii, DzU 2015, poz. 2075. Retrieved from: http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU20150002075/O/D20152075.PDF.

Ruszel, M. (2014). *Bezpieczeństwo energetyczne Polski. Wymiar teoretyczny i praktyczny*. Warsaw: Wydawnictwo Rambler.

Ruszel, M. (2016). *Polski wpływ na kształtowanie polityki energetycznej UE 2004–2015*. Warsaw: Difin.

Sawicki, B. (2018, September 10). „PGNiG startuje w kolejnym wyścigu o złoża Norwegii". *biznesalert.pl*. Retrieved from: http://biznesalert.pl/pgnig-norwegia-koncesje/.

Sejm Rzeczypospolitej Polskiej. (2015). „Sprawozdania Stenograficzne z 1. posiedzenia Sejmu Rzeczypospolitej Polskiej w dniu 18 listopada 2015 r. (czwarty dzień obrad)". *gov.pl*. Retrieved from: https://orka2.sejm.gov.pl/StenoInter8.nsf/0/ACC7A0E8310D1F55C1257F01004844EA/%24File/01_ksiazka_d_bis.PDF.

Sejm Rzeczypospolitej Polskiej. (2017). „Sprawozdania Stenograficzne z 54. posiedzenia Sejmu Rzeczypospolitej Polskiej w dniu 12 grudnia 2017 r. (pierwszy dzień obrad)”. *gov.pl*. Retrieved from: https://orka2.sejm.gov.pl/StenoInter8.nsf/0/7FB7AC056BB67FEDC125821A002F0A5D/%24File/54_a_ksiazka_bis.PDF.

The Treaty on the Functioning of the European Union (consolidated version) Journal of Laws EU 2016, C 202.

Umbach, F. (2008). "German Debates o Energy Security and Impacts on Germany's 2007 EU Presidency". In A. Marquina (Eds), *Energy Security. Visions from Asia and Europe* (1). New York: Palgrave Macmillan UK.

Ustawa z dnia 10 kwietnia 1997 r. – Prawo energetyczne, Dz.U. 1997, nr 54, poz. 348 z późn. zm. Retrieved from: http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU19970540348/U/D19970348Lj.PDF.

„Walczymy o konkurencyjne ceny gazu do Polski 2015–2017-PGNiG”. *pgnig.pl*. Retrieved from: https://pgnig.pl/documents/10184/0/PGNiG+arbitraz+v3+poziom.pdf/e664d536-f6db-46c6-b8df-d0e2feb6c01e.

„Wsparcie finansowe Unii Europejskiej dla projektu Baltic Pipe w ramach CEF Energy 2017 r.” (2018, January 29). *nowa-energia.com.pl*. Retrieved from: https://nowa-energia.com.pl/2018/01/29/wsparcie-finansowe-unii-europejskiej-dla-projektu-baltic-pipe-w-ramach-cef-energy-2017-r/.

Zarządzenie Nr 171 Prezesa Rady Ministrów z dnia 14 listopada 2017 r. w sprawie Międzynarodowego Zespołu do spraw projektu „Baltic Pipe”, Dz. Urz. 2017, poz. 1019. *gov.pl*. Retrieved from: http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WMP20170001019/O/M20171019.PDF.

Zarządzenie Nr 224 Prezesa Rady Ministrów z dnia 30 listopada 2018 r. zmieniające zarządzenie w sprawie Międzyresortowego Zespołu do spraw projektu „Baltic Pipe”, Dz. Urz. 2018, poz. 1174. *gov.pl*. Retrieved from: http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WMP20180001174/O/M20181174.PDF.