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Press release

MFW Bałtyk II and MFW Bałtyk III projects to receive investment aid

The President of the Energy Regulatory Office has granted the right to cover the negative balance for electricity generated and fed into the network to the offshore projects MFW Bałtyk II and MFW Bałtyk III. The projects with a total capacity of 1440 MW are implemented jointly by Polenergia and Equinor. Investment expenditure related to their performance may even reach PLN 19 billion.

The ERO President granted the right to cover the negative balance of the so-called contract for difference, guaranteeing a price for electricity generated in an offshore wind farm and fed into the network on a level not higher than determined by the Minister of Climate and the Environment in a regulation of 30 March 2021, i.e. PLN 319.60 per 1 MWh. The awarded aid is a significant step on the way to performance of the MFW Bałtyk II and MFW Bałtyk III projects which were thus included in the first stage of development of the Polish offshore wind power production.

“Polenergia noted the huge energy potential of the Baltic Sea over a decade ago. Our offshore wind farm, MFW Bałtyk III, was one of the first ones to receive the location permit in 2012 and the environmental decision in 2016. The awarded aid is the key condition for further dynamic work and also an answer as to the commencement of the construction. We are already on the right track to have the first project of Polenergia and Equinor commissioned at the latest in 2027. We have to take this opportunity, as it will be the measure of the accomplished success and it will show whether procurement of as much as 28 GW until 2050 from Polish offshore wind farms located in the Polish exclusive economic zones of the Baltic Sea is realistic. This would mean that Poland was be able to use the energy potential of the Baltic Sea in as much as 30%,” claims Michał Michalski, Ph.D., President of the Management Board of the Polenergia Group.

“Awarding aid for the MFW Bałtyk II and MFW Bałtyk III projects is a breakthrough step for Equinor and it allows us to make use of the long-term experience in pursuing offshore energy projects around the world. Together with our partner Polenergia, we are happy that we can have our contribution to the developing sector of the Polish offshore wind energy. Seeing the potential offered by energy transformation, Equinor became involved in the offshore wind energy sector in Poland at an early stage. The MFW Bałtyk II and MFW Bałtyk III projects will provide green energy to the Polish homes and companies, contributing to the development of low-emission economy, creating high quality jobs and leading to further investments. We are continuing our cooperation with administration bodies and the local community in order to successfully pursue projects that

are so important for the Polish economy,” stresses Michał Kołodziejczyk, President of the Management Board of Equinor Polska.

Receipt of aid is related to an obligation incurred by the project companies to generate and to feed for the first time into the network of electricity generated in their offshore wind farms or a part thereof after the receipt of the permit, within 7 years from the date when the Energy Regulatory Office issues a decision determining the price of aid. After receiving the required permits, entering into the required contracts, the construction work could start at the end of 2023/ the beginning of 2024, on the condition that the Shareholders make their final investment decision.

By 2030, Poland intends to build almost 6 GW of capacity in the offshore wind energy sector and 11 GW until 2040. Equinor, together with Polenergia, is readying three offshore wind farms with a capacity up to 3000 MW for construction. In these projects, Equinor acts as the operator at the stage of their development, construction and operation, whereas Polenergia is responsible for procuring all permits and for managing the domestic affairs related to the project development. MFW Bałtyk II and MFW Bałtyk III implemented in the first place will allow for providing clean, renewable electricity to over two million Polish households.

Polenergia: Polish private energy group consisting of vertically integrated companies operating in the area of energy production from renewable and conventional gas sources, as well as distribution , and trading of electric energy. The strategic project implemented by the Group is construction of wind farms in the Baltic Sea with a total capacity of 3000 MW. Gazeta Giełdy i Inwestorów “Parkiet” awarded the “Byk i Niedźwiedź” prize to Polenergia as the best company in the sWIG80 index in 2018. More information: www.polenergia.pl

Equinor: energy company engaged in sourcing energy from petroleum, gas, wind and sun. The Group provides renewable energy derived from offshore wind farms to over one million European homes in Great Britain and Germany. The Company develops clusters of offshore wind farms in the North Sea, eastern coast of the USA and in the Baltic Sea.

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