

Warsaw, 12 January 2021

TGE and PGNiG embark on cooperation with a view to developing a biomethane market in Poland

Press Release

On 12 January Towarowa Giełda Energii (TGE) and Polish Oil and Gas Company (PGNiG) signed a cooperation agreement aimed at leveraging their mutual expertise and capabilities in creating a biomethane market in Poland.

TGE and PGNiG intend to jointly prepare modern solutions supporting the creation and development of a biomethane market in Poland. The expertise of both PGNiG, as a key player on the gas market, and of TGE as a trading platform where the trading in gas and certificates promoting the use of RES are concentrated, should contribute to the transformation of the energy market leading not only to increased significance of green technologies but also the emerging market for alternative fuels, such as biomethane or hydrogen.

'For over 20 years, TGE has been supporting all transformation processes on the energy market and actively contributing to its development by offering its participants comprehensive solutions and products. The cooperation with PGNiG in creating a biomethane market is an opportunity for the Exchange to further develop the RES segment. Certainly, our registers have a key role to play in this project' said Piotr Zawistowski, President of the Management Board of TGE.

'PGNiG has been an active member of the gas exchange market since its inception and continues to contribute to its development, as evidenced, among other things, by the record-high volume of natural gas trading on TGE in 2020. Now we are about to a new chapter of cooperation, which will allow us to create modern market solutions in the field of biomethane trading. This green fuel offers considerable potential which will give us the opportunity for playing an active part in the future energy transformation of the Polish economy, while at the same time pursuing our business objectives and ensuring Poland's energy security' said Paweł Majewski, President of the Management Board of PGNiG.

In the first stage of the cooperation, the partners plan to leverage the experience of the Exchange which currently maintains the Certificate of Origin Register as an element of a potential support scheme for biomethane based on certificates, as well as the Guarantees of Origin Scheme as a potential instrument for achieving the National Indicative Target (NCW).

Towarowa Giełda Energii S.A. (TGE) is the only licensed commodity exchange in Poland, holding a licence to operate a regulated market. The Exchange offers a comprehensive range of products – its members can trade electricity, natural gas, property rights and CO2 emission allowances at a single place. As part its activity, the Exchange also maintains two registers, i.e. the Certificate of Origin Register and the Guarantees of Origin



Register. TGE is under ongoing supervision of the Energy Regulatory Office and the Polish Financial Supervision Authority, which guarantees security and safety for its members. As the largest commodity market in the CEE region, the Exchange is also active on the international arena. TGE is the Nominated Electricity Market Operator (NEMO) for the Polish pricing area. Since 15 November 2017, it has been active on the European Day-Ahead Market SDAC. On 19 November 2019, the Exchange launched its cross-border SIDC Intraday Market based on the XBID model. TGE is included on the ACER's list of platforms for reporting transaction information according to REMIT requirements.

Polish Oil and Gas Company (PGNiG) is the leader of the Polish natural gas market. Listed on the Warsaw Stock Exchange the company's core business includes exploration and production of natural gas and crude oil. Its key branches and subsidiaries import, store, sell and distribute gaseous and liquid fuels. They also generate heat and electricity. PGNiG holds stake in about 30 companies including entities that provide professional geophysical, drilling and maintenance services. PGNiG holds exploration and production licenses on the Norwegian Continental Shelf, in Pakistan and United Arab Emirates. The exploration and production activity in Norway is carried out by PGNiG Upstream Norway. While Munich-based PGNiG Supply & Trading is engaged in gas trading in Western Europe, also operating the LNG trading office in London. In 2020, PGNiG launched a research program aimed at developing alternative fuels and ultimately including them in the sales offer. The PGNiG Group wants to become involved in the use of biomethane as well as storage and distribution of hydrogen. PGNiG wants to expand its competences in the area of generating electricity from renewable energy sources based on i.a. photovoltaic farms.

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