

Polska Grupa Energetyczna (PGE) Poland

Sectors: Coal Electric Power Generation, Coal Mining, Nuclear Electric Power Generation

Active

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Created before Nov 2016

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Sectors	Coal Electric Power Generation, Coal Mining, Nuclear Electric Power Generation
Headquarters	
Ownership	<i>listed on Warsaw Stock Exchange</i> PGE is a majority state-owned company with the Polish State Treasury holding 57.39% of the shares as of January 2020. PGE's complete shareholder structure can be accessed here .
Subsidiaries	
Website	https://www.gkpge.pl/

About Polska Grupa Energetyczna (PGE)

PGE Polska Grupa Energetyczna, the parent company of the PGE Capital Group, is the largest producer of electricity and heat in Poland. As of 2019, the company has a **39%** market share in energy generation. Its generation is 96% fossil fuel-based. PGE owns a series of conventional power plants, including Europe's single biggest CO2 emitter: the [Belchatów power plant](#). The company owns two large lignite mines where **43 million tonnes** per year of lignite is mined. In total, PGE accounts for approximately **87%** of Poland's lignite extraction. Besides lignite, PGE uses hard coal, gas and biomass in its generation processes. [PGE is currently building](#) two new coal power plants, a lignite plant at [Turow](#) and a hard coal power plant at Opole, and is expanding its lignite mining.

Latest developments

PGE abandons proposed Gubin-Brody lignite mine

Aug 27 2019

Legal challenge of PGE's Zloczew coal mine by Polish NGO ClientEarth

Mar 5 2019

Why this profile?

Polska Grupa Energetyczna (PGE) is the [EU's number 3 top CO2 emitter](#). **91%** of PGE's energy is generated from lignite and hard coal, higher than any other major European utility. The company negatively impacts the environment, human health and climate change due to its coal-fired energy generation and coal mining extraction. PGE is tracked as part of the [Europe Beyond Coal](#) campaign.

Impacts

Social and human rights impacts

Polska Grupa Energetyczna (PGE) is largely fossil-fuel based, with coal as its core source of energy. As was found by IEEFA, the company's hard coal and lignite plants accounted for **91%** of its total generation. The use of coal-fired power plants negatively impacts human health, the environment and climate change. Coal-fired energy generation causes air pollution, which can affect people's health. Health issues that arise are illnesses (like bronchitis and asthma), but they can also result in premature deaths. Due to the health impacts of coal, considerable costs are created as well. In 2016, the total modelled premature deaths due to the air pollution caused by PGE's operational coal power plants were **1,179** (median). The costs of health impact were estimated at EUR 1.789 billion. These costs are not covered by the coal sector but are borne by society.

Polish coal plants cause the most [health damage](#) in the EU and have caused [5,800](#) premature deaths across the EU. Of these deaths, 1,100 occurred in Poland. Moreover, the most damaging plant to human health in the EU, the coal power plant [Belchatow](#), is owned by PGE.

Environmental and climate impacts

As mentioned, coal pollution also negatively affects the climate. Coal-fired power generation processes emit greenhouse gases and therewith directly contribute to climate change. About two-thirds of PGE's [investments](#) are still in hard coal and lignite and as recently as 2016 PGE [acquired](#) EDF's coal assets, adding 3.3 GW of coal capacity.

As reported in [Europe's Dark Cloud](#), Polish coal plants are the worst CO2 emitters of the EU. Unsurprisingly, Poland is struggling to meet the European air pollution requirements. The worst CO2 emitter of the EU is the lignite-fired plant, [Belchatow](#), which is owned by PGE. This plant emitted almost [38 milion tonnes](#) of CO2 in 2017.

As reported by [IEEFA](#), PGE is facing enormous pressure regarding the stricter standards on air pollution that will come into effect in 2021. The company is majority state-owned, and the Polish [government](#) is backing the use of coal. However, as market forces are shifting, the government is now facing economic pressures.

Governance

Updates

PGE abandons proposed Gubin-Brody lignite mine

Aug 27 2019

Polska Grupa Energetyczna (PGE) has abandoned plans for the proposed Gubin-Brody lignite mine after a decade-long campaign against the project by local residents and Greenpeace Poland. The proposed open-cut lignite mine would have displaced up to 3,000 people and destroyed 15 villages and agricultural land. In a referendum in 2009 a majority of voters opposed the project while over 7,000 people attended an August 2014 rally against the plan. In 2016 environmental regulators found major deficiencies in the company's environment assessment and allowed up to three years for the deficiencies to be addressed. At the expiry of the three years, the Regional Director for Environmental Protection announced the application for the project has lapsed.

Legal challenge of PGE's Zloczew coal mine by Polish NGO ClientEarth

Mar 5 2019

Approval for a huge new coal mine that would leave 3,000 people in search of new homes [is being challenged](#) by ClientEarth's lawyers in Poland. The Zloczew open-cast mine would be Poland's deepest ever and, for the first time, use explosives to access the lignite (the dirtiest form of coal) beneath the surface. This project of state-owned energy company PGE, would result in the displacement and destruction of 33 villages, including highly specialised modern farms, homes, schools, shops, chapels and fire stations.

PGE signs EUR 950 million credit facility

Sep 17 2018

In September 2018 PGE signed a EUR 950 million [loan agreement](#) with Intesa Sanpaolo, MUFG, Banco Santander and PKO Bank.

Financiers

From 2014-2017, nine financial institutions loaned a total of USD 1.875 billion and provided underwriting services totalling USD 1.733 billion to PGE. These are specified below.

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PGE finances include debt finance in the form of bonds and loans from commercial banks and development banks EBRD and EIB. PGE lists its most important available financing [here](#); financial institutions involved are listed below.

The following banks are holding shares and/or bonds in PGE (February 2020): Crédit Agricole, Deutsche Bank, UBS, DZ Bank, BNP Paribas, Santander, HSBC, Skandinaviska Enskilda Banken, Credit Suisse, KBC, PKO Bank Polski and Bank Pekao. For more details see Annex II on page 36-39 of the [Fool's Gold report 2020](#).

Related Dodgy Deals

Projects

There are no projects active for Polska Grupa Energetyczna (PGE) now.

Złoczew lignite open-pit mine Poland

Coal Mining

on record

Rybnik coal power plant Poland

Coal Electric Power Generation

on record

Turów coal power plant Poland

Coal Electric Power Generation

on record