



Brussels, 18.11.2016
C(2016) 7510 final

<p>In the published version of this decision, some information has been omitted, pursuant to articles 24 and 25 of Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC Treaty, concerning non-disclosure of information covered by professional secrecy. The omissions are shown thus [...].</p>	<p style="text-align: center;">PUBLIC VERSION</p> <p>This document is made available for information purposes only.</p>
--	--

Subject: State Aid SA.41161 (2015/N) – Poland
State aid to Polish coal mining in the period 2015-2018

Sir,

I am pleased to inform you that the European Commission (the Commission) has assessed the notified support to the Polish hard coal mining sector and has decided not to raise objections to it on the ground that the measure constitutes state aid which is deemed to be compatible with the internal market on the basis of the *Council Decision of 10 December 2010 on State aid to facilitate the closure of uncompetitive coal mines (2010/787/EU)*¹ (the Council Decision).

1. PROCEDURE

- (1) Following pre-notification contacts, on 4 March 2015, the Polish authorities notified the Commission, pursuant to Article 108 (3) of the Treaty on the Functioning of the European Union (TFEU), a State aid measure designed to finance the closure of coal mining units. Numerous contacts and exchanges of information took place between the representatives of the Commission and the Polish authorities, the last being a submission of an updated closure plan by the Polish authorities on 9 September 2016.

¹ OJ L 336, 21.12.2010, p. 24.

Witold Waszczykowski
Ministerstwo Spraw Zagranicznych
al. J. Ch. Szucha 23,
00-580 Warszawa

- (2) By letter dated 28 October 2016, Poland agreed exceptionally to waive its rights deriving from Article 342 TFEU in conjunction with Article 3 of Regulation 1/1958² and to have the present decision adopted and notified in English.

2. BACKGROUND

- (3) The Polish hard mining sector is the biggest among all the Member States in terms of production, consumption and employment.
- (4) Coal is also the main primary energy source for power generation in Poland. In 2015, coal-fired power plants generated 81 883 GWh of electricity which accounted for 50.6 % of total electricity production.
- (5) There are currently 22 active coal mines in Poland which are concentrated in two main regions: Upper Silesia and Lublin basin. In 2015, 72.2 million tonnes of coal were mined and coal sales totalled 73.5 million tonnes. At the end of 2015, 70 400 workers were employed underground and 21 700 were employed on the surface.
- (6) Due to the high level of coal production costs, coupled with a steady decrease in the revenues from coal sales and a growing debt, in 2015, the coal mining industry in Poland generated a loss of PLN 4.5 billion.
- (7) The abovementioned factors contributed to the decision of Polish authorities to restructure the Polish coal mining industry and to take remedy measures in this area. To this they have drawn a closure plan which concerns in total 14 mining units.

3. OBJECTIVE AND SCOPE OF THE NOTIFICATION

- (8) The objectives of the notified measure are, in accordance with the rules set out in the Council Decision:
- to assist the closure by 31 December 2018 of the coal mining companies remaining in operation in the Polish coal sector by covering current production losses arising from the operation of mining units in the period 2015 - 2018 (under Article 3 of the Council Decision);
 - to grant aid to cover exceptional costs arising from the definitive closure of mining units in the period 2015 – 2018 (under Article 4 of the Council Decision).
- (9) The notification involves aid to cover the current production losses of coal production units to be irrevocably liquidated, namely KWK Makoszowy and KWK Kazimierz-Juliusz.
- (10) The notification also covers aid to cover certain exceptional costs arising from or having arisen from the closure of coal production units and which are not related to current production losses, which will be granted to coal mines which have been/will be closed between 1 January 2007 and 1 January 2019. The aid will be granted to cover exceptional costs related to the closure of Centrum; Rozbark V; Makoszowy;

² Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

Brzeszcze-Wschód; Mysłowice; Boże Dary; Kazimierz-Juliusz; Anna; Śląsk; Jas-Mos; Krupiński; Rydułtowy; Sośnica and Pokój I.

- (11) Finally, the notification foresees the prolongation of aid to cover exceptional costs in the period 2011-2015 in connection with the closure of mines put into liquidation prior to 1 January 2007, approved by the Commission Decision of 23 November 2011³.

4. LEGAL BASIS AND GRANTING AUTHORITY

- (12) The legal basis for the granting of closure aid under Article 3 of the Council Decision is comprised of the following legal acts:

- Act of 7 September 2007 on the functioning of the coal mining industry (consolidated text, Journal of Laws of 2016, item 704); and
- Regulation of the Minister of Economy of 10 April 2015 on budget grants allocated to finance one-time severance payments and to cover current production losses of an undertaking

- (13) The legal basis for the granting of aid to cover exceptional costs under Article 4 of the Council Decision is comprised of the following legal acts:

- Act of 7 September 2007 on the functioning of the coal mining industry, together with the implementing acts (consolidated text, Journal of Laws of 2016, item 704); and
- Environmental Protection Law Act of 27 April 2001 (consolidated text, Journal of Laws of 2016, item 672)

- (14) The notified measure will be granted and administered by the Ministry of Energy, also via the Social Insurance Institution (ZUS), the National Fund for Environmental Protection and Water Management (NFOŚiGW) and the State Fund for Rehabilitation of Disabled Persons (PFRON).

5. DURATION

- (15) The notified closure plan formally covers the period 2015 – 2018; however, it also contains relevant information about aid to cover exceptional costs granted by the Polish authorities during the period 2011 - 2015. This means that the aid granted by the Polish authorities during the period 2011 – 2015 is considered to be an integral part of the notified closure plan.

- (16) The present decision assesses the aid - closure aid and aid to cover exceptional costs – already granted or planned to be granted by the Polish authorities in the period 2015 – 2018 as described in Sections 6.2 and 6.3.

³ The aid will be granted to cover exceptional costs related to the closure of Dębieńsko; Jaworzno; Siersza; Bytom II; Brzeziny; Gliwice; Barbara Chorzów; Katowice; Kleofas; Morcinek; Wałbrzyskie KWK; Nowa Ruda; 1 Maja; Jan Kanty; Sosnowiec; Saturn; Porąbka-Klimontów; Jowisz; Powstańców Śląskich; Jadwiga; Niwka Modrzejów; Siemianowice Rozalia; Polska Prezydent; Paryż; Grodziec; Andaluzja; Julian; Bobrek Miechowice; Centrum – Szombierki; Rozbark and Pstrowski.

6. ELIGIBLE COSTS, FORM OF THE AID AND AID AMOUNT

- (17) The notification concerns aid to cover:
- the positive difference between production costs and revenues from units being closed or about to close (production losses), namely KWK Kazimierz-Juliusz and KWK Makoszowy and
 - costs arising from or having arisen from the closure of coal production units and which are not related to current production losses (exceptional costs).

6.1. Total amount of aid

- (18) Total aid under Articles 3 and 4 of the Council Decision is PLN 7 957 847 000 to cover both the production losses and the exceptional costs, under the closure plan for the period 2015 – 2018.
- (19) The aid will be granted during four production years between 2015 and 2018, where the first production year begins on 1 October 2014 and runs until September 2015.
- (20) The Polish authorities have explained that such a definition of the production year arises from the specific nature of the coal sector in Poland, demonstrating seasonality of coal demand, while the supply of coal is basically stable throughout the year, and production costs do not change. The seasonality of coal sales in Poland is closely correlated with the heating season resulting from the climate conditions of Poland, comprising, on average, a period from mid-October to March.
- (21) The seasonality of sales in Poland concerns mainly the purchase of steam coal by entities generating heat and electricity in co-generation, for the purposes of district heating, and by individual customers (coal for heating). As power plants and heating plants increase their stocks before the heating season, domestic purchases of hard coal are at their peak between September and December.
- (22) The seasonality of demand is also reflected in changes in mining companies' coal stocks. Stocks are also subject to seasonality and reflect considerable increases in demand, in particular in the fourth quarter of a calendar year.

6.2. Aid to cover production losses

- (23) The Polish authorities have drawn up a closure plan, which foresees that losses resulting from a positive difference between coal production costs and the sale price are to be covered with State budget funds ("the Closure Plan"). The aid will be used to finance production costs not covered with revenues from coal sales, including costs related to the production, enrichment and sale of coal, such as labour costs, costs of materials, energy, external services, depreciation, capital costs and other costs ("closure aid" pursuant to Article 3 of the Council Decision).
- (24) The Closure Plan foresees closure aid for two coal mines: KWK Kazimierz-Juliusz and KWK Makoszowy.
- (25) KWK Makoszowy became part of Kompania Weglowa S.A. ("KW") on 1 February 2003. Spółka Restrukturyzacji Kopalń S.A. ("SRK") acquired KWK Makoszowy from KW on 30 April 2015. The Polish authorities have committed that KWK Makoszowy will only receive closure aid up to 31 December 2016.

- (26) KWK Kazimierz-Juliusz had been a subsidiary of Katowicki Holding Węglowy S.A. ("KHW") since the beginning of the 1990s. On 6 November 2014, KHW sold 100 % of the shares in KWK Kazimierz-Juliusz to SRK. The mining activities in KWK Kazimierz-Juliusz permanently ceased on 31 May 2015.
- (27) The beneficiary of closure aid is SRK. SRK is a State-owned company, set up on 21 August 2000 as part of the restructuring of the hard coal mining industry in Poland to carry out mine closures and manage the assets of mines that have been closed. Poland intends to transfer all mines about to be closed to SRK.
- (28) Pursuant to the SRK's statutes, its activities cover, among others, tasks related to physical closure of underground workings and shafts; closure or development of the surface infrastructure of closed coal mines (equipment and buildings of coal processing facilities, social and administrative buildings); securing operating mines against gas and fire hazards and against the threat of water, by pumping the water flowing into closed mines, during and following closure; removal of damage caused by the mining activities of the closed mines; selling administrative and social buildings to investors or handing them over to local authorities; sale of real estate.
- (29) The total amount of aid for production losses is estimated to amount to PLN 371.2 million during the period 2015 – 2017.
- (30) The amount of aid to cover current production losses was set on the basis of the costs and revenues projected, taking into account the estimated coal prices in the domestic market. The values for the first production year were determined on the basis of performance. Aid to cover production losses in the third production year will be granted only for the first three months, i.e. until 31 December 2016.

Table 1: Amount of State aid awarded and to be awarded under Article 3 of the Council Decision – closure aid

Planned aid to cover current production losses of an undertaking [PLN thousand]				
Description	1 st production year	2 nd production year	3 rd production year	Total
	October 2014 / September 2015	October 2015 / September 2016	October 2016 / September 2017	
KWK Kazimierz-Juliusz Sp. z o.o.	120 183.6	0.0	0.0	120 183.6
KWK Makoszowy	39 525.5	157 471.0	54 052.8	251 049.3
Total	159 709.1	157 471.0	54 052.8	371 232.9

Source: Polish authorities

- (31) Table 2 presents the estimated production per year for all mining units included in the Closure Plan for the period 2015 - 2018. The figures are estimates, provided by the mining companies.

Table 2: Estimated production level in individual production units

Estimated production (thousand tonnes)				
Description	1 st production year	2 nd production year	3 rd production year	Total
	October 2014 / September 2015	October 2015 / September 2016	October 2016 / September 2017	
KWK Kazimierz-Juliusz Sp. z o.o.	[...]	[...]	[...]	[...]

KWK Makoszowy	[...] ⁴	[...]	[...]	[...]
Total	[...]	[...]	[...]	[...]

Source: Polish authorities

- (32) Table 3 presents the estimated costs relating to current production of KWK Kazimierz-Juliusz and KWK Makoszowy. The figures are estimates, provided by the mining companies.

Table 3: Estimated costs relating to current production

Estimated costs relating to current production [PLN thousand]				
Description	1 st production year	2 nd production year	3 rd production year	Total
	October 2014 / September 2015	October 2015 / September 2016	October 2016 / September 2017	
KWK Makoszowy	[...]	[...]	[...]	[...]
KWK Kazimierz-Juliusz ⁵	[...]	[...]	[...]	[...]
Total	[...]	[...]	[...]	[...]

- (33) Table 4 presents the estimated revenues relating to current production of KWK Kazimierz-Juliusz and KWK Makoszowy. The figures are estimates, provided by the mining companies.

Table 4: Estimated revenues relating to current production

Estimated revenues relating to current production [PLN thousand]				
Description	1 st production year	2 nd production year	3 rd production year	Total
	October 2014 / September 2015	October 2015 / September 2016	October 2016 / September 2017	
KWK Makoszowy	[...]	[...]	[...]	[...]
KWK Kazimierz-Juliusz	[...]	[...]	[...]	[...]
Total	[...]	[...]	[...]	[...]

- (34) Aid granted to KWK Kazimierz-Juliusz was of a specific nature. In November 2014 SRK received from the Minister of Economy a capital injection of PLN 120 million in connection with the purchase of 100 % of the shares in KWK Kazimierz-Juliusz and the handover of the mining plant to SRK for closure. The aid was granted by means of an increase in SRK's share capital. This amount was allocated to a reserve capital, which was used by the coal mine to settle its outstanding liabilities. The settlement of the liabilities was a prerequisite for ensuring that the mining plant closure was properly prepared and executed and prevented the initiation of liquidation proceedings against KWK Kazimierz-Juliusz.

⁴ The low volume of coal produced by KWK Makoszowy in the first production year (October 2014 – September 2015) is explained by the fact that KWK Makoszowy was transferred to SRK only on 30 April 2015.

⁵ The costs include production costs and outstanding liabilities (social security contributions, taxes, liabilities due to employees and civil liabilities due to contractors) of KWK Kazimierz-Juliusz due as at 30 September 2014. The liabilities arose in connection with the current operation of the mine.

- (35) The basic rules and procedure for granting and settling closure aid are set out in the Regulation of the Minister of Economy of 10 April 2015 on budget grants allocated to finance one-time severance payments and to cover current production losses of an undertaking⁶. The aid is granted to SRK upon an application and disbursed in monthly instalments. SRK must also submit a proper monthly settlement showing how the aid for the previous month was used.
- (36) The Polish authorities have explained that rules for calculating and settling closure aid are set out in the Methodology and procedures for calculating the amount of funds, instalments and settlement of funds provided to cover current production losses of an undertaking ("the Methodology").
- (37) According to the Methodology, the amount of aid to cover current production losses is calculated as a positive difference between the coal production costs for eligible uses (i.e. coal used to generate electricity, co-generate electricity and heat, produce coking coal and fire furnaces in the steel industry) and the sale price of this coal adjusted by the price of coal of similar quality imported from third countries. In other words:
- if the coal sale price is lower than the price of imported coal calculated according to the Methodology, then the amount of aid to be granted will be calculated on the basis of the price of the imported coal;
 - if the coal sale price is higher than the price of imported coal calculated according to the Methodology, then the amount of aid to be granted will be calculated on the basis of the coal sale price.
- (38) The Polish authorities set up a mechanism designed to make up for the surplus/deficit of funds during the aid granting period. The mechanism involves decreasing or increasing an instalment for the next monthly settlement period due to potential discrepancies between the losses actually incurred in the period concerned and the aid instalments paid. According to the Polish authorities, this solution ensures ongoing monitoring of the aid granted, also in the light of the price of coal sold, and makes it possible to respond flexibly so as to prevent any distortion of the principles of competition.
- (39) The procedure requires SRK to :
- submit the relevant settlements of the current production losses incurred, as well as grant funds obtained and used, and make the necessary adjustments of costs and receipts;
 - reimburse any excessive funds obtained, together with interest.
- (40) Additionally, statutory auditors will conduct an audit at the coal mining units, and the audit findings will be the basis for the final settlement of aid, submitted to the aid granting authority for approval.
- (41) If properly prepared monthly settlements are not submitted, the Minister of Energy may temporarily suspend the payment of aid. Moreover, if the grant is not used as intended, then the aid is withdrawn.

⁶ Journal of Laws of 2015, item 510

6.3. Anti-dumping

- (42) The Polish authorities have explained that the Methodology for calculating the amount of aid is based on a principle that the aid to cover current production losses is limited to the level of the price of coal imported from third countries, i.e. the price of coal imported to Poland from non-EU countries. With this principle and an external independent market factor introduced in calculations, the Polish authorities argue that the aid granted will not affect the freedom to agree sale prices between the contracting parties in the light of market conditions.
- (43) The Polish authorities have also confirmed that if it is found or becomes known that the market coal price could decrease as a result of the aid granted, the Minister of Energy will request SRK to provide the relevant explanations and will take the appropriate steps to eliminate such a risk.
- (44) Therefore, the Polish authorities committed to ensure that supported national coal will not have any dumping effect on international coal prices.

6.4. Plan of measures to mitigate the environmental impact of coal production

- (45) The Polish authorities put forward that they had put in place an extensive set of policy measures aimed at mitigating the environmental impact of coal production in Poland, with a particular focus on the promotion of energy from renewable sources or the measures aimed at reducing primary energy consumption, as well as the implementation of energy efficiency measures.
- (46) Likewise, individual priorities of regional operational programmes for the coal mining provinces focus on resolving the local problems and promoting ecological solutions in the region. For example, the planned activities comprise the replacement of heating stoves belonging to natural persons or housing cooperatives by the pro-ecological systems based on condensation gas boilers or coal-fired retort boilers with electrofilters, or electric heating installations with electric heat storing furnaces.

6.4.1 General measures mitigating the environmental impact of coal extraction during the periods of operation and closure

At the national level, in order to ensure a coherent energy policy the Polish authorities have adopted "Poland's energy policy until 2030" (2009), the National Renewable Energy Action Plan (2010) and the National Energy Efficiency Action Plan for Poland (2014).

Poland's energy policy until 2030

- (47) Poland's energy policy until 2030 sets directions for actions aimed, *inter alia*, at increasing energy efficiency; diversifying the electricity generation mix by introducing low-carbon nuclear power; promoting renewable energy sources, including biofuels; or reducing the environmental impact of the energy sector. As regards increasing energy efficiency, the specific targets include, *inter alia*, increasing the efficiency of electricity generation by building high-efficiency generating units or through a two-fold increase in the amount of electricity generated from high-efficiency cogeneration by 2020 (compared with 2006).
- (48) The set out targets include: an increase in the share of renewable energy sources in the final energy consumption to at least 15 % by 2020 and a further increase in that share in

subsequent years, a 10 % share of biofuels in the transport fuels market by 2020, and increased use of second generation biofuels.

- (49) As regards reducing the environmental impact of the energy sector, the document points to the need to take measures to reduce the emissions of CO₂, SO₂, NO_x and dust to the atmosphere and to limit the adverse impact of the energy sector on underground and surface waters. These targets are to be achieved by supporting measures to reduce greenhouse gas emissions, introducing standards for the construction of new power plants with CO₂ capture systems, taking active part in the implementation of the Commission initiative to build large-scale demonstration facilities using the CO₂ capture and storage technology (CCS), intensifying research and development work on the CCS technology and new technologies enabling the use of the captured CO₂ as a raw material in other industry sectors, as well as utilising coal waste.

National Action Plan in the scope of energy from renewable sources

- (50) The plan defines the national targets related to the share of energy from renewable sources consumed in the transport sector, electric energy sector, heating and cooling sector in 2020, taking into account the impact of other measures of energy efficiency policy on the final energy consumption as well as the appropriate measures to be taken in order to achieve national targets in the scope of RES share in the use of the final energy. The target for 2020 has been adopted as the share of energy from renewable sources in the final gross energy consumption at a level of 15%.

National Energy Efficiency Action Plan for Poland

- (51) The National Energy Efficiency Action Plan for Poland describes measures to be taken to improve energy efficiency in individual sectors of the economy, which are necessary in order to meet the national target of efficient energy management for 2016 as well as measures designed to achieve the overall energy efficiency target, understood as 20 % savings in primary energy consumption in the European Union by 2020.
- (52) As regards increasing energy efficiency, the target set is the reduction of primary energy consumption in the period 2010 - 2020 by 13.6 Mtoe.
- (53) In the area of promoting environmental protection, NFOŚiGW developed a number of financial schemes aimed at promotion of energy efficiency; development of dispersed renewable energy sources and deployment of low emission urban transport. It is also implementing the programme Ekologiczny Akumulator dla Przemysłu (Ecological Recharge for the Industry) which supports projects designed to reduce the negative impact of businesses on the environment, in particular to reduce or avoid harmful emissions into the atmosphere from fuel combustion plants, as well as from industrial activities.

Research and development programmes

- (54) Under the programme "Advanced Technologies for Energy Generation" four projects are carried out: developing a technology for high efficient zero emission coal blocks integrated with CO₂ capture from exhaust gases; developing a technology of oxyfuel combustion for pulverized fuel and fluidized-bed furnaces integrated with CO₂ capture system; developing a technology of coal gasification for high efficient production of fuels and electric power.

6.4.2. *Specific measures mitigating the environmental impact of coal extraction during the periods of operation and closure*

- (55) In relation to the operation of coal mines, initiatives focus on the development of methane removal installations and economic use of the methane captured. It enables to acquire electric energy and heat in order to satisfy own needs. It compensates costs incurred for conducting of the required methane removal process and it is a pro-ecological activity reducing the emission of greenhouse gases.
- (56) Coal mining companies are also involved in the optimisation of activities associated with the underground water management in terms of protection of surface water of Upper Vistula.
- (57) In view of a significant environmental impact of mining activities, mines are subject to stringent requirements, including environmental protection requirements. An entity which intends to close down a mining plant is required to: secure or eliminate the mining excavations and the equipment, installations and facilities of the mining plant; take the necessary measures to protect the excavations of neighbouring mining plants; secure the unused portion of the mineral deposit and the adjacent deposits; and take the necessary measures to provide environmental protection and land rehabilitation following the completion of mining activities.
- (58) The Polish authorities have explained that the following mitigating measures have been undertaken in KWK Makoszowy and KWK Kazimierz-Juliusz:
- actions taken to reduce electricity consumption in hard coal production;
 - actions involving the use of waste generated in coal combustion;
 - actions involving the use of waste generated in coal production;
 - actions involving the re-use of mine water;
 - actions to reduce air pollution during the processes which support the operation of the mine;
 - actions involving fire prevention measures;
 - rehabilitation activities.
- (59) Following the introduction of innovation/upgrading measures such as synchronous motors in KWK Makoszowy, the consumption of the electricity used for ventilation of the mine fell by approximately 30 %. In addition, KWK Makoszowy and KWK Kazimierz-Juliusz are supplied with compressed air from the station of compact screw compressors, which contributed to a reduction in electricity consumption in that regard of approximately 35 %.
- (60) The use of waste generated in coal combustion in KWK Makoszowy and KWK Kazimierz-Juliusz have reduced the environmental burden caused by the extraction and subsequent combustion of coal. It should be noted that if the waste generated from coal combustion is not re-used, it will be stored on waste heaps or blown away by the wind, if not properly secured. The re-use of waste mitigates the side effects of coal mining and combustion.

- (61) KWK Makoszowy uses and KWK Kazimierz-Juliusz has used the waste generated in coal production in rehabilitation and hydro technical work, for example for the construction of embankments, the regulation and sealing of watercourses, the elimination of overflow land, and the construction of dykes.
- (62) Further, thanks to the re-use of mine water in KWK Makoszowy and KWK Kazimierz-Juliusz, there is no need for the mine to use extra quantities of water from the water supply network. This translates into lower water consumption. Also, by using gas boilers instead of coal, KWK Makoszowy does not contribute to increased air pollution and gas emissions.
- (63) In 2016, the Polish authorities have envisaged three mining site rehabilitation tasks for KWK Kazimierz-Juliusz, namely technical and biological rehabilitation of overflow land (phase I), technical and biological rehabilitation of the Juliusz settling tank and rehabilitation of the Kazimierz settling tank.
- (64) The Polish authorities have explained that the cessation of the mining activities in KWK Kazimierz-Juliusz on 31 May 2015 caused a reduction in CO₂ emissions and the cessation of post-mining waste generation. Upon closure of the underground part of the mine, i.e. as of 31 December 2016, there will be no need to dewater the gobs of the closed mine or to discharge mine water into surface watercourses. Given the very short period between the granting of aid and the actual cessation of mining activities in KWK Kazimierz-Juliusz, the environmental impact of harmful factors resulting from production during the period for which closure aid was granted was very negligible.

6.5. Aid to cover exceptional costs

- (65) The notification concerns aid to cover exceptional costs stemming from:
- the prolongation of the aid scheme Coal plan for the period 2011-2015, approved under the Commission Decision C (2011) 8280 final of 23 November 2011⁷ relating to the closure of mines put into liquidation prior to 1 January 2007;
 - the process of the closure of the coal mining units which have been or will be put into liquidation after 1 January 2007 and prior to 1 January 2019.
- (66) The total amount of aid for exceptional costs to be granted in the period 2015 – 2018 is PLN 7 586 million.

Table 5: Amount of State aid awarded under Article 4 of the Council Decision – aid to cover exceptional costs in 2015-2018 (PLN thousand)

Year	Amount of aid to cover exceptional costs
<i>2015</i>	<i>506 035.40</i>
<i>2016</i>	<i>1 394 569.63</i>

⁷ SA.33013 (2011/N) Coal plan for the period 2011 – 2015, [OJ C/122/2013](#)

<i>2017</i>	<i>3 051 877.8</i>
<i>2018</i>	<i>2 634 131.5</i>
<i>Total</i>	<i>7 586 614.33</i>

Source: Polish authorities

6.5.1. Prolongation of SA.33013 for the years 2016-2018 as regards coal mines closed before 1 January 2007

- (67) The aid measure Coal plan for the period 2011 – 2015 was approved by the Commission decision of 23 November 2011. It was in force until the end of 2015 and covered the exceptional costs arising from the closure of mining units⁸ in the form of: (i) a grant to compensate for the paying out of coal allowances, compensatory pensions and the repair of mining damage; (ii) a waiver of contributions to the State Fund for Rehabilitation of Disabled Persons (PFRON); and (iii) a waiver of charges and penalties payable to National Fund for Environmental Protection and Water Management (NFOŚiGW). The approved costs fell under the categories outlined in paragraphs 1(c), 1(e), 1(g), 1(h), 1(i) of the Annex to the Council Decision.
- (68) The beneficiaries of the aid measure Coal plan for the period 2011 – 2015 were:
- Kompania Węglowa S.A;
 - Katowicki Holding Węglowy S.A.;
 - Spółka Restrukturyzacji Kopalń S.A.
- (69) The budget under SA.33013 Coal plan for the period 2011 – 2015 has been fully utilised. Activities related to the closure of mining units, covered by the Coal plan for the period 2011 – 2015 are still ongoing. Therefore, the notification provides for extending the duration of the aid scheme for the period 2016 to 2018.
- (70) The following aspects of the aid measure SA.33013 Coal plan for the period 2011 – 2015 remain unchanged under the notified prolongation: the beneficiaries; the granting authorities and the form of aid.
- (71) The cost categories covered under the notified prolongation also remain the same as the ones approved under the Commission Decision of 23 November 2011.
- (72) The total budget for the notified prolongation amounts to PLN 1 464 million.
- (73) The estimates per individual cost category for the period 2016 – 2018 are shown in table 6 below. A more detailed information on individual cost categories per mining unit is available in Annex 1.

⁸ Dębieńsko; Jaworzno; Siersza; Bytom II; Brzeziny; Gliwice; Barbara Chorzów; Katowice; Kleofas; Morcinek; Wałbrzyskie KWK; Nowa Ruda; 1 Maja; Jan Kanty; Sosnowiec; Saturn; Porąbka-Klimontów; Jowisz; Powstańców Śląskich; Jadwiga; Niwka Modrzejów; Siemianowice Rozalia; Polska Prezydent; Paryż; Grodziec; Andaluzja; Julian; Bobrek Miechowice; Centrum – Szombierki; Rozbark and Pstrowski

Table 6: Aid under Article 4 of Council Decision 2010/787/EU for mines closed before 1 January 2007 (PLN thousand)

	PFRON	NFOŚiGW		Employee claims	Repairing mining damage	Liquidation and post-liquidation activities	Total
		Exemptions from charges	Tasks relating to environmental protection				
2016	1 227.9	2 595.7	0	185 942.5	19 440.0	253 000.0	462 206.1
2017	1 227.9	2 619.2	95 396.8	188 618.6	21 560.0	247 000.0	556 422.5
2018	1 227.9	2 669.4	0	190 288.2	16 470.0	235 500.0	446 155.5
Total:	3 683.7	7 884.3	95 396.8	564 849.3	57 470.0	735 500.0	1 464 784.1

Source: Polish authorities

- (74) The volume of demand was estimated on the basis of the planned necessary activities envisaged as part of the execution of projects following from closures of production units put into liquidation prior to 1 January 2007 and taking account of the number of persons entitled to compensatory pension, cash equivalent to free coal allowance. Currently, the number of persons entitled to receive the benefit is approximately 101 971.
- (75) Aid will be paid out to separate bank accounts of the beneficiaries. The costs of tasks implemented and compensations paid will be recorded in separate accounting ledgers. The beneficiaries will be obliged to submit to the Ministry of Energy reports on implemented measures and compensations paid out and the relevant justifications for the payments made.

6.5.2. Aid to cover exceptional costs of coal mines closed after 1 January 2007

- (76) The beneficiary of the measure is SRK.
- (77) The measure involves aid to cover exceptional costs arising from the closure of fourteen hard coal mining units: Centrum; Rozbark V; Makoszowy; Brzeszcze – Wschód; Mysłowice; Boże Dary; Kazimierz-Juliusz; Anna; Śląsk; Jas-Mos; Krupiński; Rydułtowy; Sośnica and Pokój I.
- (78) The coal mines form part of SRK, they have been transferred or will be transferred to the latter for the purposes of being liquidated. The Polish authorities committed to transfer to SRK the coal mining units indicated in Table 7:

Table 7: List of coal mining units which are to be transferred to SRK

Transferring company	Coal production unit	Planned date of transfer to SRK
PGG	KWK Sośnica	[...]
PGG	Pokój I Ruda mine	[...]
PGG	Ruch Rydułtowy 'ROW' mine	[...]
KHW	Ruch Śląsk 'Wujek' mine	[...]
JSW	Ruch Jas-Mos 'Borynia-Zofiówka-Jastrzębie' mine	Fourth quarter of 2016
JSW	KWK Krupiński	[...]

Source: Polish authorities

- (79) The Polish authorities confirmed that the transfer of the above-mentioned coal mining units to SRK is synonymous with deciding on their liquidation, i.e. on the cessation of coal mining and on mine closures. The complete cessation of production at these mines will occur by no later than their transfer to SRK.
- (80) The total amount of aid for exceptional costs to be granted in the period 2015 – 2018 is PLN 6 121.8 million.
- (81) Table 8 presents the amount of aid and the breakdown of funds into particular years. The breakdown was prepared on the basis of the estimated demand for aid drawn up by SRK. The volume of demand was estimated on the basis of the planned actions envisaged as part of the execution of projects following from closures of mining units. The amounts of aid resulting from employees' claims were calculated having regard to the number of persons entitled to receive a cash equivalent, compensatory pension, mining leaves, leaves for employees of coal preparation plants or a one-off severance payment.

Table 8: Amount of aid and the breakdown of funds into particular years (PLN thousand)

Year	Amount of aid to cover exceptional costs in the years 2015 - 2018
<i>2015</i>	<i>506 035.40</i>
<i>2016</i>	<i>932 363.53</i>
<i>2017</i>	<i>2 495 455.30</i>
<i>2018</i>	<i>2 187 976.00</i>
<i>Total</i>	<i>6 121 830.23</i>

Source: Polish authorities

6.6. Cost categories

- (82) Table 9 shows the categories of exceptional costs foreseen under the notified plan and their disbursement per year over the period 2015 – 2018. A more detailed information on individual cost categories per mining unit is available in Annex 2.

Table 9: Exceptional cost categories and their disbursement per year (PLN thousand)

	<i>Employee claims</i>	<i>Repairing mining damage</i>	<i>Liquidation and post-liquidation activities</i>	<i>Exemptions from charges and taxes</i>
<i>2015</i>	<i>110 217.3</i>	<i>1 761.1</i>	<i>155 188.2</i>	<i>238 868.8</i>
<i>2016</i>	<i>399 176.2</i>	<i>31 635.6</i>	<i>493 676.8</i>	<i>7 874.8</i>
<i>2017</i>	<i>869 647.4</i>	<i>91 576.4</i>	<i>1 162 184.7</i>	<i>372 046.8</i>
<i>2018</i>	<i>1 088 857.0</i>	<i>71 991.1</i>	<i>939 207.4</i>	<i>87 920.5</i>
<i>Total:</i>	<i>2 467 897.9</i>	<i>196 964.2</i>	<i>2 750 257.1</i>	<i>706 711.0</i>

- (83) The Polish authorities explained that the amount of aid granted to cover abovementioned exceptional costs corresponds to the actual costs incurred by beneficiaries for the specified purposes. The mechanisms, which were put in place, are explained below.

Aid to cover costs of mining damage

- (84) Under Polish law, an entity conducting activity in the scope of extraction of minerals is obliged to repair mining damage arising in connection with the activity. Damage repair takes place through reinstating the previous condition or, should that prove impossible, through payment of compensation. The State aid covers the costs of tasks consisting in repairing damage caused by the operation of a production unit put into liquidation prior to 1 January 2019.
- (85) The aid application specifies the tasks to be executed in connection with the damage and indicates the estimate of annual expenditure for their execution. The application is handled by Agencja Rozwoju Przemysłu S.A. ("ARP"). Each month, the authorised entity will apply to the Ministry of Energy for an advance towards execution of the tasks specified in the accepted application. The grants will be transferred to a separate bank account, and the costs of the tasks executed will be recorded in separate accounting ledgers. The entity entitled to the aid will be obliged to submit to the Ministry of Energy monthly reports on the implementation of the activities indicated in the application and the utilisation of advances, and any advances not utilised will be subject to reimbursement. The spending of budget funds is subject to the control of ARP.

Aid to cover costs of underground safety works and surface re-cultivation

- (86) Aid covers liquidation and post-liquidation activities, which comprise: liquidation and securing of mine workings; liquidation and securing of mine shafts and raises; decommissioning of mine infrastructure; securing neighbouring mines against water, gas and fire hazards in the course of mine liquidation; re-cultivation of post-mining land; maintaining facilities intended for liquidation in an order ensuring safe liquidation of the mining plant; developing projects, documentation, and opinions, as well as expert studies and analyses, related to the implementation of tasks specified in the annual plan of the tasks executed in the course of mines liquidation, as required by separate provisions.
- (87) The Polish authorities consider that liquidation of nearly 40 mines within the framework of government programmes for the coal mining sector restructuring entails the necessity of ensuring public safety. To this aim it is necessary to execute works consisting in liquidation and securing of inactive mine workings, mine shafts and raises,

as well as other projects preventing the hazards associated with the mining plant subject to liquidation. At the same time, post-liquidation activities are necessary, in particular in the scope of drainage of the closed mines. Cessation of drainage activities could result in a direct threat of water on the surface, which causes environmental threat, as well as threat for cities, their inhabitants and businesses. Drainage activities also secure active mines against water threat posed by closed mines due to their hydrogeological connections. This situation gives rise to a continuous need to carry out drainage at the closed mines.

- (88) Grants provided out of NFOŚiGW funds to cover exceptional costs following from closure of production units put into liquidation prior to 1 January 2019, are in particular earmarked to:
- re-cultivation of degraded areas;
 - collection and treatment of mine water and saline water;
 - protection of the earth's surface against the effects of underground extraction, including by way of filling and allocating mineral waste.
- (89) The tasks seek to bring the areas above the mine to the state from before the coal extraction, as well as prevent the discharge of water – contaminated as a result of mining operations – into streams of water.
- (90) SRK files an application with the Ministry of Energy for a grant for the financing of the costs following from mines liquidation. ARP handles the application. Each month, entity entitled to the aid applies to the Ministry of Energy ("ME") for an advance towards execution of the tasks specified in the approved plan. The grants for the entity eligible for the aid are transferred to a separate bank account, and the costs of the tasks executed will be recorded on separate accounting ledgers, thus ensuring proper recording of the public funds provided to the entity eligible for the aid. The entity eligible for the aid is obliged to submit to the Ministry of Energy monthly reports on the implementation of the activities indicated in the application and the utilisation of advances, and any advances not utilised will be subject to reimbursement. The spending of budget funds is subject to the control of ARP.

Aid to cover certain social costs

- (91) The possibility of financing the free coal allowance is available to former employees of a mine put into liquidation prior to 1 January 2015 and employees of a mine put into liquidation prior to 1 January 2007, being part of SRK, who become eligible for pension or disability pension prior to 1 January 2016. As of 1 January 2016, the financing of the free coal in-kind allowance was discontinued. Currently, the right may only be exercised in the form of a cash equivalent paid out by the Social Insurance Institution (ZUS). The cash equivalent is paid out instead of the free coal allowance to pensioners from completely closed mines and employees of a mine put into liquidation, being part of SRK, who become eligible for pension or disability pension. The payer of the benefit is ZUS.
- (92) ZUS notifies the Ministry of Energy of the annual funding requirements. The Ministry of Energy concludes a contract for financing with ZUS. ZUS submits a report on utilisation of the budgetary funds, which is also subject to verification.

- (93) In the Polish law, compensatory pension seeks to increase the pension received so as to make it equivalent to the remuneration the miner could have received in the job, had the miner not suffered the accident. Compensatory pension is disbursed on the basis of court judgments or settlements concluded with mining undertakings. SRK took over disbursements of all compensatory pension benefits financed by way of the grants, namely also those benefits hitherto paid out to employees of mines put into liquidation prior to 1 January 2007 by mining companies other than SRK. Therefore, as of 1 January 2016 disbursement of pensions to both groups of entitled persons has been made by SRK.
- (94) Disbursement of funds will be effected on the basis of an application. Once a contract for the financing of benefits is concluded by the Ministry of Energy, the ME will pay out monthly advances to a separate bank account. The costs of the executed tasks will be recorded in separate accounting ledgers, thus ensuring proper recording of the aid. The beneficiary will be obliged to submit monthly and annual reports on the utilisation of the aid awarded. ARP will verify both monthly and annual reports.
- (95) The leaves are granted during the period of closure of a mine, a mining plant or its specified part acquired by SRK after 1 January 2015.
- (96) A mining leave may be granted to an employee for a period of up to four years, provided that taking the leave will allow the employee to become eligible for pension by the end of 2022. A leave for employees of coal preparation plants may be granted to an employee for a period of up to three years, provided that taking the leave will allow the employee to become eligible for pension by the end of 2021. During the leave, the employee receives a benefit in the amount of 75 % of the monthly remuneration.
- (97) A one-off severance payment may be granted to employees of coal preparation plants and employees working on the mine surface and is provided during the period of closure of a mine, a mining plant or its parts acquired by SRK after 1 January 2015.
- (98) In the case of employees with whom the employment contract is terminated by mutual consent between 1 January 2015 and 31 December 2015, the one-off severance payment may be granted to those employed as at 1 January 2015 at a coal preparation plant for a period not shorter than five years and those employed on the mine surface as at 1 January 2015, with at least 5 years of work experience at a mining undertaking. Employees who submitted applications for the benefit by 31 December 2015 may be granted a severance payment in the amount of 12 times their average monthly remuneration from the first half of the year preceding the termination of the employment contract at the mine where the employee was employed.
- (99) In the case of employees with whom the employment contract is terminated by mutual consent after 31 December 2015 and prior to 1 January 2019, the one-off severance payment may be granted to those employed on the mine surface, including at a coal preparation plant, as at the day of the unit disposal to SRK, with at least 5 years of work experience at a mining undertaking. Employees with whom the employment contract was terminated within 3 months from the day of the unit disposal to SRK may be granted the amount of 12 times their average monthly remuneration from the first half year preceding the termination of the employment contract at the mine where the employee was employed. If the contract is terminated within the period of 4 to 6 months from the day of disposal, the amount of 8 times the amount of remuneration may be granted, and if it takes place within the period of 7 to 9 months from the disposal – 4 times the amount of the remuneration.

(100) A one-off severance payment may be granted not later than 12 months prior to the day on which the employee becomes eligible for pension.

Aid to cover additional costs

(101) In addition to the measures described above, the Polish authorities intend to grant to SRK exemption from payments to PFRON, as well as charges and penalties due to NFOŚiGW, exemption from tax on civil law transactions (PCC), exemption from the corporate income tax (CIT) and exemption from profit contributions.

(102) The exemptions pertain to:

- the obligation to make on-going payments to PFRON, and also to make payment of charges and penalties to NFOŚiGW in part relating to those funds, but excluding the charges and penalties constituting the income of local authorities;
- the obligation to make profit contributions to the State budget in the amount of 15 % of the profit (after income tax), imposed on companies wholly-owned by the State Treasury⁹; the exemption from profit contributions is analogous to the exemption from charges due to NFOŚiGW and payments to PFRON and constitutes a specific measure applicable solely to SRK as an entity of a special legal status established under the Act to execute particular public tasks relating to closure and liquidation of mines;
- the tax on civil law transactions related to the act of a free-of-charge acquisition of a mine, a mining plant or its specified part conducted by SRK prior to 1 January 2019 for the purpose of liquidation (SRK, as the acquirer of the property, is the sole taxpayer and a sole beneficiary of the exemption);
- the corporate income tax – the exemption means that revenues from the free-of-charge acquisition by SRK of a mine, a mining plant or its specified part for the purpose of liquidation prior to 1 January 2019 do not constitute revenues¹⁰; this entails the possibility of reducing the taxable amount by SRK.

(103) The Polish authorities have explained that charges and penalties payable to NFOŚiGW are imposed only in the case of infringement of individual obligations for a respective undertaking which are set out in an individual administrative decision. The Polish authorities have clarified that the penalties do not constitute a sanction for non-compliance with environmental standards as stipulated in relevant directives.

(104) The Polish authorities have confirmed that the exemptions from the corporate income tax and tax on civil law transactions apply exclusively in relation to the free-of-charge acquisition of mines by SRK. Therefore, the exemptions are not generally applicable to all the revenues generated by or transactions carried out by SRK, but they are aimed at one particular transaction consisting in the transfer of coal mines to SRK.

⁹ Act of 1 December 1995 on profit contributions by companies wholly owned by the State Treasury

¹⁰ Act of 15 February 1992 on the corporate income tax (Journal of Laws of 2014, item 851, as amended)

- (105) The Polish authorities have also asserted that the exemption from the payment of profit contributions applies in relation to the revenues generated in the process of the sale of assets of closed coal mines. The Polish authorities have also explained that all the revenues generated by SRK in the course of liquidating coal mines are used to cover the exceptional costs arising in relation with the closure of mines.
- (106) The amounts resulting from the exemptions decrease the budgetary grant that would otherwise have to be granted to SRK for the purpose of settling the public law liabilities.

Cumulation

- (107) The aid to be granted to cover exceptional costs of coal mines closed after 1 January 2007 cannot be cumulated with other operating aid for the same eligible costs.

7. ASSESSMENT OF THE MEASURE

7.1. Existence of state aid within the meaning of Article 107(1) TFEU

- (108) State aid is defined in Article 107(1) TFEU as "*any aid granted by a Member State or through State resources in any form whatsoever, which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods in so far as it affects trade between Member States*".
- (109) The notified aid measure favours a specific economic undertaking - Spółka Restrukturyzacji Kopalń S.A ("SRK"). The measure covers the production cost losses of KWK Makoszowy and KWK Kazimierz-Juliusz (closure aid) and certain exceptional costs arising from the closure of Centrum; Rozbark V; Makoszowy; Brzeszcze – Wschód; Mysłowice; Boże Dary; Kazimierz-Juliusz; Anna; Śląsk; Jas-Mos; Krupiński; Rydułtowy; Sośnica and Pokój I, which are not related to current production losses (aid for exceptional costs). The measure allows SRK to be relieved, by means of State resources transferred directly from the State budget, of a part of the production, social and safety costs which it would normally have to bear itself for the activity of the above mentioned mining units. They thereby grant a selective advantage to SRK. The market for coal is fully open to competition and coal is traded across borders. Consequently, the financial aid from the State strengthens the position of SRK in relation to its competitors in the EU and therefore has potentially distorting effects on competition and is liable to affect intra-EU trade.
- (110) Accordingly, the Commission concludes that the notified measure in favour of Spółka Restrukturyzacji Kopalń S.A constitutes State aid within the meaning of Article 107(1) TFEU.

7.2. Legality of the measure

- (111) By granting aid to cover production losses and exceptional costs in the period 2015 – 2016 the Polish authorities have put the aid measure into effect before a Commission decision was adopted. Thus Poland has breached the stand-still obligation set out in Article 108(3) TFEU and has granted unlawful aid.

7.3. Compatibility

- (112) Pursuant to Article 2, paragraph 1 of the Council Decision in the context of closure of uncompetitive mines aid to the coal industry may be considered compatible with the internal market if it complies with the provisions of the Council Decision 2010/787/EU.
- (113) Pursuant to Article 2, paragraph 2 of the Council Decision, "*aid shall cover only costs in connection with coal for the production of electricity, the combined production of heat and electricity, the production of coke and the fuelling of blast furnaces in the steel industry, where such use takes place in the Union*". The notified aid measure concerns the production of coal used for the generation of electricity and heat. Therefore, this criterion is complied with.
- (114) The Commission has assessed the compatibility of the notified aid measure under this Decision for the period 2015 - 2018. Section 7.3.1 and Section 7.3.2 below assess respectively the compatibility of the closure aid and the compatibility of aid to cover exceptional costs.
- (115) Poland has granted in the period 2015 – 2016 and intends to grant in the period 2016 - 2018 the aid measure in the context of the notified Closure Plan. As defined in Article 1(c) of the Council Decision, the closure plan drawn up by the Member State must provide for measures culminating in the definitive closure of coal production units. The Closure Plan submitted by the Polish authorities includes the legislative and other measures adopted by Poland described in Sections 2 to 6 of this decision, including also the financial measures planned to accompany the definitive and irrevocable closure of the units concerned, thus leading to an orderly winding down of activities of such units at the planned dates.
- (116) Moreover, Article 7(2) of the Council Decision specifies the minimum elements that a closure plan must contain:
- a. identification of the coal production units;
 - b. real or estimated production costs for each coal production unit per coal year;
 - c. estimated coal production, per coal year, of coal production units forming the subject of a closure plan;
 - d. the estimated amount of closure aid per coal year.
- (117) The Polish authorities have submitted all the relevant data required for the assessment of the Closure Plan in line with the requirements of Article 7(2) of the Council Decision.

7.4. Closure aid

- (118) According to Article 3(1) of the Council Decision, aid to an undertaking intended specifically to cover the current production losses of coal production units may be considered compatible with the internal market only if it satisfies the following conditions:

- a) *the operation of the coal production units concerned must form part of a closure plan the deadline of which does not extend beyond 31 December 2018;*

- (119) The Polish authorities have explained that the production of mining units in KWK Kazimierz-Juliusz and in KWK Makoszowy forms part of the notified Closure Plan for which deadline does not go beyond 31 December 2018.
- (120) The Polish authorities have stated that in the case of closure of additional coal mines in the future no other coal mine will receive closure aid.
- b) the coal production units concerned must be closed definitively in accordance with the closure plan;*
- (121) The submitted Closure Plan provides for a gradual reduction of the coal production activity in the coal mining units concerned up to 31 December 2016, as of when no further closure aid may be granted.
- (122) In any event, pursuant to Article 3(1) a) of the Council Decision, all production activities of the mining units concerned must definitely and irrevocably cease by 31 December 2018 at the latest.
- c) the aid notified must not exceed the difference between the foreseeable production costs and the foreseeable revenue for a coal year. The aid actually paid must be subject to annual correction, based on the actual costs and revenue, at the latest by the end of the coal production year following the year for which the aid is granted;*
- (123) As explained in the recitals (32) and (33), the annual aid notified for coal production in the closing production units does not exceed the difference between the foreseeable costs and foreseeable revenues.
- (124) The Polish authorities have committed to ensure that the aid actually paid will be subject to annual correction, based on the actual costs and revenues in the year following the year for which the aid is granted. The aid amounts will be subject to an ex-post adjustment in the year following the year for which the aid is granted.
- d) the amount of aid per tonne coal equivalent must not cause prices for Union coal at utilisation point to be lower than those for coal of a similar quality from third countries;*
- (125) As explained in Section 6.2 above, Poland shall perform regular checks of the monthly invoices issued by aid beneficiaries to their customers to ensure that the price of supported coal is not below international coal prices.
- e) the coal production units concerned must have been in activity on 31 December 2009;*
- (126) All coal mining units for which SRK will receive the closure aid (see recital (25) and (26)) were in activity in 2009.
- f) the overall amount of closing aid granted by a Member State must follow a downward trend: by the end of 2013 the reduction must not be less than 25%, by the end of 2015 not less than 40%, by the end of 2016 not less than 60% and by the end of 2017 not less than 75% of the aid granted in 2011;*
- (127) The Commission concludes from the Table 1 provided by the Polish authorities that the closure aid to cover production losses of KWK Kazimierz-Juliusz and KWK

Makoszowy during three production years from October 2014 to September 2017 follows a downward trend and respects the maximum levels of aid pursuant to Article 3(1)(f) of the Council Decision.

- (128) Since the Polish authorities did not grant any closure aid in 2011 that year is not relevant for the purpose of the assessment pursuant to Article 3(1)(f). The Closure Plan submitted by the Polish authorities foresees that the closure aid will be granted only during three production years starting from October 2014 until September 2017.
- (129) In view of the above, the first production year (October 2014 - September 2015) sets a reference point for the mandatory reductions of the amount of closure aid.
- (130) As indicated in Article 3(1)(f) of the Council Decision, the amount of closure aid foreseen for the third production year (October 2016 - September 2017) should be subject to the first reduction, which means that the amount of the closure aid to be granted in that year should be reduced by at least 25% as compared to the amount granted in the first production year.
- (131) The Commission notes that in the third and last production year the overall amount of the estimated closure aid for all mining units under the Closure Plan will total PLN 54 052.8 million. This amount is 66 % lower than the amount of closure aid in the first production year (PLN 159 709.1 million) and thus is reduced by at least 25% as required by the Council Decision.
- (132) Therefore, the Commission considers that the overall amount of closure aid as set out in the notified Closure Plan during the period 2015 – 2018 complies with the downward trend set out by Article 3(1)(f) of the Council Decision.
- g) the overall amount of closure aid to the coal industry of a Member State must not exceed, for any year after 2010, the amount of aid granted by that Member State and authorised by the Commission in accordance with Articles 4 and 5 of Regulation (EC) No 1407/2002 for the year 2010;*
- (133) In 2010, the Polish authorities granted only aid for initial investments under Article 5 of the Regulation. The aid was granted under an aid scheme approved by the Commission Decision of 6 May 2010 in case N 653/2009 – Investment aid for the coal mining sector. The scheme budget totalled PLN 400 million.
- (134) Apart from this aid, Poland has not granted any other aid under Articles 4 and 5 of Regulation (EC) No 1407/2002, in particular it has not granted operational aid for closures to date.
- (135) The overall closure aid amount of PLN 400 million is not exceeded as the highest overall annual closure aid granted by Poland is PLN 159 709.1 million, therefore the Commission concludes that Article 3(1)(g) of the Council Decision is met.
- h) the Member States must establish a plan to take measures aimed at mitigating the environmental impact of the production of coal by production units to which aid is granted pursuant to this Article, for example in the field of energy efficiency, renewable energy or carbon capture and storage.*
- (136) The Polish authorities have provided a list of environmental protection measures (as described in Section 6.4.2 above) to mitigate the environmental impact of coal production in mining units of KWK Makoszowy and KWK Kazimierz-Juliusz which

includes environmental measures during the period of operation and environmental measures during the period of mine closure.

- (137) In light of the above, the Commission considers that the conditions laid down in Article 3(1)(h) of the Council Decision are satisfied.
- (138) The assessment above demonstrates that all substantive criteria of Article 3 of the Council Decision regarding the closure aid to be granted for the implementation of the Closure Plan are complied with.

7.5. Aid to cover exceptional costs

- (139) The Commission has assessed the compatibility of the two notified measures involving aid to cover exceptional costs – (i) the prolongation of SA.33013 Coal plan for the period 2011 – 2015 and (ii) aid to cover exceptional costs of coal mines closed after 1 January 2007 on the basis of the Council Decision.
- (140) The two notified measures involving aid to cover exceptional costs fall within the scope of the Council Decision, as the beneficiaries - Kompania Węglowa S.A, Katowicki Holding Węglowy S.A. and Spółka Restrukturyzacji Kopalń S.A. - carry out activities closely related to coal production. Thus the planned aid covers in line with Article 2 (2) of the Council Decision only costs in connection with coal for the production of electricity, the combined production of heat and electricity, the production of coke and the fuelling of blast furnaces in the steel industry, where such use takes place in the Union.

3.3.2. The prolongation of SA.33013 Coal plan for the period 2011 – 2015

- (141) This scheme expired on 31 December 2015. The Polish authorities expressed that they wish to extend by 3 year the duration of the aid scheme for mines put into liquidation prior to 1 January 2007.
- (142) As explained in recital (70) the mining units¹¹ that will continue to benefit from aid to cover exceptional costs are the ones approved under the Commission Decision of 23 November 2011 (see Annex 1). All the coal mining units were already closed and definitely ceased production. The post-closure activities and repair of damage caused by mining plant operations, and the measures aimed at securing neighbouring mines against water, gas and fire hazards are being carried out. In that sense the condition of irrevocable closure by the end of 2018 set out in the Council Decision is respected.
- (143) In its decision of 23 November 2011 the Commission concluded that the aid categories covered by the aid for exceptional costs are in line with the requirements of Article 4 of the Council Decision. As explained in recital (71) above, the cost categories covered by the aid subject to prolongation, as described in Annex 1 of this decision, remain the same as the ones approved under SA.33013 Coal plan for the period 2011 – 2015 considered by the Commission as falling under the cost categories included in the

¹¹ Dębieńsko; Jaworzno; Siersza; Bytom II; Brzeziny; Gliwice; Barbara Chorzów; Katowice; Kleofas; Morcinek; Wałbrzyskie KWK; Nowa Ruda; 1 Maja; Jan Kanty; Sosnowiec; Saturn; Porąbka-Klimontów; Jowisz; Powstańców Śląskich; Jadwiga; Niwka Modrzejów; Siemianowice Rozalia; Polska Prezydent; Paryż; Grodziec; Andaluzja; Julian; Bobrek Miechowice; Centrum – Szombierki; Rozbark and Pstrowski.

Annex of the Council Decision. They also conform with the requirements of Article 4 of the Council Decision.

- (144) The aid is not combined with any other State aid within the meaning of Article 107(1) TFEU or with other forms of European Union financing for the same eligible costs as required by Article 5 of the Council Decision. Moreover, the Polish authorities confirmed that the aid shall not be used for any other coal production units than the ones already approved under the Commission Decision of 23 November 2011, thereby respecting the rules on the separation of accounts as set out in Article 6 of the Council Decision. It follows that the notified aid meets the conditions laid down in the Council Decision as to cumulation and separation of accounts of the beneficiary.
- (145) The Polish authorities have made the commitment to respect the requirements of Article 7 of the Council Decision.
- (146) In light of the above assessment, the Commission concludes that the notified prolongation until 31 December 2018 of the aid scheme to cover exceptional costs of mining units approved already by Commission decision of 23 November 2011 (case SA.33013 Coal plan for the period 2011 – 2015) complies with Article 4 of the Council Decision.

7.6. Aid to cover exceptional costs of coal mines closed after 1 January 2007

- (147) According to Article 4(1) of the Council Decision, State aid granted to coal mines to cover the costs arising from the closure of coal production units and which are not related to current production may be considered compatible with the internal market provided the amount paid does not exceed such costs.
- (148) As outlined in recital (121) and in Table 7 above, the Polish authorities have made the commitment to terminate the coal extraction, in the case of KWK Makoszowy, in essence, by 31 December 2016; by fourth quarter of 2016 in the case of Ruch Jas-Mos; by [...] in the case of KWK Krupiński and Pokój I; by [...] in the case of Ruch Śląsk; by [...] in the case of Ruch Rydułtowy and by [...] in the case of KWK Sośnica. Other mining units which form part of SRK have already ceased production.
- (149) The exceptional costs notified by the Polish authorities (see recitals (84) to (106)) fall within the eligible categories defined in the Annex to the Council Decision, to which Article 4 refers:
- other exceptional expenditure on workers who have lost or who lose their jobs (paragraph 1(b) from the Annex to the Council Decision);
 - the payment of pensions and allowances outside the statutory system to workers who have lost or who lose their jobs and to workers entitled to such payments before the closure (paragraph 1(c) from the Annex to the Council Decision);
 - the supply of free coal to workers who have lost or who lose their jobs and to workers entitled to such supply before the closure, or the monetary equivalent (paragraph 1(e) from the Annex to the Council Decision);
 - residual costs resulting from administrative, legal or tax provisions which are specific to the coal industry (paragraph 1(f) from the Annex to the Council Decision);

- additional underground safety work resulting from the closure of coal production units (paragraph 1(g) from the Annex to the Council Decision);
 - mining damage, provided that it has been caused by the coal production units which have been closed or which are being closed (paragraph 1(h) from the Annex to the Council Decision);
 - costs of surface re-cultivation (paragraph 1(m) from the Annex to the Council Decision).
- (150) As regards the nature of the costs to be covered, the State aid is exclusively meant to enable SRK to cover the costs arising from the closure of the mining units outlined in recital (77) above in line with Article 4 of the Council Decision. These costs are not related to current production.
- (151) The Commission also notes that the exemption from payments to PFRON, as well as charges and penalties due to NFOŚiGW, exemption from tax on civil law transactions (PCC), exemption from the corporate income tax (CIT) and exemption from profit contributions are granted to SRK in order to decrease the overall exceptional costs related to the mine closures. In the absence of such an exemption, SRK would have to bear additional costs due to these payments and taxes. Such additional costs would result in a decrease of budget for closing activities¹².
- (152) In addition, as explained in recital (104), the exemptions from tax on civil law transactions (PCC) and from the corporate income tax (CIT) apply exclusively to the revenues generated in relation to the free-of-charge transfer of coal mines to SRK which are subsequently closed down.
- (153) The Commission notes that any decrease of budget for closing of coal mines would be ultimately offset by means of direct payments from the State budget to SRK in order to settle these liabilities. Therefore, the Commission considers that the described exemptions are in financial terms equivalent to the direct payments to SRK of those cost amounts.
- (154) In view of the above, the Commission concludes that these exemptions are in line with the requirement in Article 4 of the Council Decision that aid to cover exceptional costs be limited to cover costs incurred by undertakings which are closing or have closed coal production units.
- (155) The Polish authorities have confirmed that in accordance with Article 4(1) of the Council Decision the aid will not exceed the actual costs incurred and that the categories of costs planned to be covered correspond to eligible categories defined in the Annex to the Council Decision, for the purposes of Article 4.
- (156) As described in recital (83) above, the Polish authorities put in place mechanisms to ensure that the amount of aid granted under letters (b), (c), (e), (f), (g), (h) and (m) of the Annex to the Council Decision corresponds to the actual costs incurred by beneficiaries for the specified purposes. The amount of aid foreseen is capped on an annual basis.

¹² See also Commission decision of 23 November 2011 in SA.33013 (2011/N), par. 47

- (157) The Polish authorities have confirmed that in line with Article 4(2) of the Council Decision, the costs covered by the aid do not result from non-compliance with environmental legislation, such as:
- Directive 2006/21/EC on Mining Waste Directive (OJ L 102, 11.4.2006, p. 15–34),
 - Framework Directive 2000/60/EC establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1–73).
- (158) Moreover, as explained in recital (103) above, the fines payable to NFOŚiGW, from which SRK is exempted, sanction infringement of the obligations resulting from administrative decisions (such as integrated permits, permits required under the water law act¹³; or permits for the release of gases and dusts into the air) hence they do not result from infringement of Union environmental legislation. Consequently, measures undertaken in order to comply with mandatory requirements with relevant environmental legislation will not be included in the eligible costs.
- (159) The Polish authorities have committed to deduct any increase in the value of the land (stemming from the planned remediation works) from the eligible costs for categories (g), (h), (i) and (m) of the Annex to the Council Decision as provided therein.
- (160) The aid is not combined with any other State aid within the meaning of Article 107(1) TFEU or with other forms of European Union financing for the same eligible costs as required by Article 5 of the Council Decision. Moreover, the Polish authorities confirmed that the aid shall not be used for any other coal production units of SRK, thereby respecting the rules on the separation of accounts as set out in Article 6 of the Council Decision. It follows that the notified aid meets the conditions laid down in the Council Decision as to cumulation and separation of accounts of the beneficiary.
- (161) It follows that the notified aid to cover exceptional costs of coal mines closed after 1 January 2007 complies with the relevant conditions laid down in the Council Decision.
- (162) Moreover, the Polish authorities committed to ensure that all aid received by the beneficiary shall be shown in the profit-and-loss accounts as a separate item of revenue distinct from turnover.
- (163) Likewise, the Polish authorities committed to ensure that the beneficiaries shall keep precise and separate accounts for the mining units receiving aid and for other economic activities which are not related to coal mining and shall take all the necessary measures to comply with the provisions of Article 6 of the Council Decision.
- (164) It follows that the aid measure in question meets the conditions laid down in the Council Decision as to cumulation and separation of accounts of the beneficiary.
- (165) In line with Article 7(3) of the Council Decision the Polish authorities provided the commitment to notify to the Commission any amendments to the current Closure Plan.
- (166) The Polish authorities also undertook to abide by the requirements under Article 7(5) and (6) of the Council Decision.

¹³ Water Law Act of 18 July 2001 (Journal of Laws No. 115 item 1229 as amended)

(167) The Commission has therefore concluded that both the notified aid programme involving (i) the closure aid, and (ii) aid to cover exceptional costs resulting from the closure of mines put into liquidation after 1 January 2007; and the prolongation of the aid scheme for mines put into liquidation prior to 1 January 2007 comply with the relevant conditions laid down in the Council Decision, and, therefore, are compatible with the internal market pursuant to Article 107(3)(e) TFUE.

8. CONCLUSION

(168) The Commission regrets that Poland put the measures under investigation into effect, in breach of Article 108(3) TFEU.

(169) However, the Commission has decided, on the basis of the foregoing assessment, not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(e) TFEU, since it is in line with the Council Decision of 10 December 2010 on State aid to facilitate the closure of uncompetitive coal mines.

(170) The Commission reminds the Polish authorities that, in accordance with the Council Decision, they shall notify to the Commission any amendments related to the Closure Plan.

(171) The Commission also emphasizes that if the mines to which aid has been granted are not closed at the date fixed in the Closure Plan, as authorised by the Commission, the Polish authorities shall recover all aid granted plus interest under the Council Decision in respect of the whole period covered by the Closure Plan.

(172) The Commission also reminds the Polish authorities that, in accordance with Article 7(5) of the Council Decision, they shall inform the Commission of the amount and of the calculation of the aid actually paid during a coal year no later than six months after the end of that year. Where any corrections are made to the amounts originally paid during a given coal year, the Polish authorities shall inform the Commission before the end of the following coal year.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Your request should be sent electronically to the following address:

European Commission,
Directorate-General Competition
State Aid Greffe
B-1049 Brussels
Stateaidgreffe@ec.europa.eu

Yours faithfully
For the Commission

Margrethe VESTAGER
Member of the Commission



Annex 1

Aid under Article 4 of Council Decision 2010/787/EU for mines closed before 1 January 2007 (in PLN thousand)

No	Details	2016	2017	2018	total
	Article 4 of Council Decision 2010/787/EU - Aid to cover exceptional costs for mines closed before 1 January 2007 *				
	TOTAL (1+2+3)	458 382.50	457 178.60	442 258.20	1 357 819.30
1	Employee claims	185 942.50	188 618.60	190 288.20	564 849.30
	Compensatory benefits owed by mines that have been completely closed (point 1(f) of the Annex to the Council Decision)	20 942.50	20 618.60	20 288.20	61 849.30
	Spółka Restrukturyzacji Kopalń S.A.	[...]	[...]	[...]	[...]
	<i>comprising</i>				
	<i>comprising</i>				
	Dębieńsko	[...]	[...]	[...]	[...]
	Jaworzno	[...]	[...]	[...]	[...]
	Siersza	[...]	[...]	[...]	[...]
	Bytom II	[...]	[...]	[...]	[...]
	Brzeziny	[...]	[...]	[...]	[...]
	Gliwice	[...]	[...]	[...]	[...]
	Barbara Chorzów	[...]	[...]	[...]	[...]
	Katowice Kleofas	[...]	[...]	[...]	[...]
	Morcinek	[...]	[...]	[...]	[...]
	Wałbrzyskie KWK	[...]	[...]	[...]	[...]
	Nowa Ruda	[...]	[...]	[...]	[...]
	1 Maja	[...]	[...]	[...]	[...]
	Jan Kanty	[...]	[...]	[...]	[...]
	Sosnowiec	[...]	[...]	[...]	[...]
	Saturn	[...]	[...]	[...]	[...]
	Porąbka-Klimontów	[...]	[...]	[...]	[...]

		Jowisz	[...]	[...]	[...]	[...]
		Powstańców Śląskich	[...]	[...]	[...]	[...]
		Jadwiga	[...]	[...]	[...]	[...]
		Niwka Modrzejów	[...]	[...]	[...]	[...]
		Siemianowice Rozalia	[...]	[...]	[...]	[...]
		Cash equivalents to free coal allowances paid by the ZUS to pensioners from mines that have been completely closed (point 1(e) of the Annex to the Council Decision)	165 000.00	168 000.00	170 000.00	503 000.00
	<i>comprising</i>	Equivalents to free coal allowances	165 000.00	168 000.00	170 000.00	503 000.00
2	Repair of mining damage (point 1(h) of the Annex to the Council Decision)		19 440.00	21 560.00	16 470.00	57 470.00
		Kompania Węglowa S.A.	[...]	[...]	[...]	[...]
	<i>comprising</i>	Dębieńsko	[...]	[...]	[...]	[...]
		1 Maja	[...]	[...]	[...]	[...]
		Jaworzno	[...]	[...]	[...]	[...]
		Siersza	[...]	[...]	[...]	[...]
		Bytom II	[...]	[...]	[...]	[...]
		Barbara Chorzów	[...]	[...]	[...]	[...]
		Polska Prezydent	[...]	[...]	[...]	[...]
		Katowicki Holding Węglowy S.A.	[...]	[...]	[...]	[...]
		Katowice Kleofas	[...]	[...]	[...]	[...]
		Spółka Restrukturyzacji Kopalń S.A.	[...]	[...]	[...]	[...]
	<i>comprising</i>	Wałbrzyskie KWK	[...]	[...]	[...]	[...]
		Nowa Ruda	[...]	[...]	[...]	[...]
		Jan Kanty	[...]	[...]	[...]	[...]
		Sosnowiec	[...]	[...]	[...]	[...]
		Saturn	[...]	[...]	[...]	[...]
		Porąbka Klimontów	[...]	[...]	[...]	[...]

		Jowisz	[...]	[...]	[...]	[...]		
		Paryż	[...]	[...]	[...]	[...]		
		Grodziec	[...]	[...]	[...]	[...]		
		Andaluzja	[...]	[...]	[...]	[...]		
		Julian	[...]	[...]	[...]	[...]		
		Powstańców Śląskich	[...]	[...]	[...]	[...]		
		Bobrek Miechowice	[...]	[...]	[...]	[...]		
		Centrum - Szombierki	[...]	[...]	[...]	[...]		
		Rozbark	[...]	[...]	[...]	[...]		
3	Closure and post-closure activities		253 000.00	247 000.00	235 500.00	735 500.00		
	Tasks performed after completion of closure of mines that started being closed before 1 January 2007 (point 1(g) of the Annex to the Council Decision)		38 000.00	37 000.00	35 500.00	110 500.00		
		Spółka Restrukturyzacji Kopalń S.A.	[...]	[...]	[...]	[...]		
	<i>comprising</i>	<i>comprising</i>	<i>comprising</i>	Nowa Ruda	[...]	[...]	[...]	[...]
				Porąbka-Klimontów	[...]	[...]	[...]	[...]
				Jowisz	[...]	[...]	[...]	[...]
				Andaluzja	[...]	[...]	[...]	[...]
				Julian	[...]	[...]	[...]	[...]
				Powstańców Śląskich	[...]	[...]	[...]	[...]
				Bobrek-Miechowice	[...]	[...]	[...]	[...]
				Pstrowski	[...]	[...]	[...]	[...]
				Centrum-Szombierki	[...]	[...]	[...]	[...]
				Rozbark	[...]	[...]	[...]	[...]

		Kleofas	[...]	[...]	[...]	[...]	
		Niwka Modrzejów	[...]	[...]	[...]	[...]	
		Protecting neighbouring mines from water gas and fire risks (point 1(g) of the Annex to the Council Decision)	215 000.00	210 000.00	200 000.00	625 000.00	
	<i>comprising</i>	Spółka Restrukturyzacji Kopalń S.A.	[...]	[...]	[...]	[...]	
		<i>comprising</i>	Nowa Ruda	[...]	[...]	[...]	[...]
			Jan Kanty	[...]	[...]	[...]	[...]
			Saturn	[...]	[...]	[...]	[...]
			Porąbka-Klimontów	[...]	[...]	[...]	[...]
			Paryż	[...]	[...]	[...]	[...]
			Grodziec	[...]	[...]	[...]	[...]
			Powstańców Śląskich	[...]	[...]	[...]	[...]
			Pstrowski	[...]	[...]	[...]	[...]
			Centrum Szombierki	[...]	[...]	[...]	[...]
			Katowice	[...]	[...]	[...]	[...]
			Kleofas	[...]	[...]	[...]	[...]
			Niwka Modrzejów	[...]	[...]	[...]	[...]
			Dębieńsko	[...]	[...]	[...]	[...]
			Siemianowice Rozalia	[...]	[...]	[...]	[...]
	Gliwice	[...]	[...]	[...]	[...]		
4	National Fund for Environmental Protection and Water Management (NFOŚiGW) grant for environmental requirements (points 1(g) and (m) of the Annex to the Council Decision)		0.00	95 396.80	0.00	95 396.80	
	<i>comprising</i>	Spółka Restrukturyzacji Kopalń S.A.	[...]	[...]	[...]	[...]	
		<i>comprising</i>	Nowa Ruda	[...]	[...]	[...]	[...]
			Jan Kanty	[...]	[...]	[...]	[...]
			Jowisz	[...]	[...]	[...]	[...]
			Pstrowski	[...]	[...]	[...]	[...]

5	Partial exemption from payments and penalties in respect of environmental protection (point 1(f) of the Annex to the Council Decision)		2 595.70	2 619.20	2 669.40	7 884.30	
	<i>comprising</i>	Spółka Restrukturyzacji Kopalń S.A.	[...]	[...]	[...]	[...]	
		<i>comprising</i>	Nowa Ruda	[...]	[...]	[...]	[...]
			Jan Kanty	[...]	[...]	[...]	[...]
			Saturn	[...]	[...]	[...]	[...]
			Porąbka Klimontów	[...]	[...]	[...]	[...]
			Paryż	[...]	[...]	[...]	[...]
			Powstańców Śląskich	[...]	[...]	[...]	[...]
			Pstrowski	[...]	[...]	[...]	[...]
			Szombierki	[...]	[...]	[...]	[...]
			Katowice	[...]	[...]	[...]	[...]
			Kleofas	[...]	[...]	[...]	[...]
			Niwka Modrzejów	[...]	[...]	[...]	[...]
			Dębieńsko	[...]	[...]	[...]	[...]
			Siemianowice-Rozalia	[...]	[...]	[...]	[...]
			Gliwice	[...]	[...]	[...]	[...]
	Grodziec	[...]	[...]	[...]	[...]		
6	Exemption from the requirement to pay charges to the State Fund for Rehabilitation of Persons with Disabilities (PFRON) (point 1(f) of the Annex to the Council Decision)		1 227.90	1 227.90	1 227.90	3 683.70	
	<i>comprising</i>	Spółka Restrukturyzacji Kopalń S.A.	[...]	[...]	[...]	[...]	
7	GRAND TOTAL		462 206.10	556 422.50	446 155.50	1 464 784.10	

* The aid covers the closed mines indicated in Annex 1 and Annex 2 to State Aid Decision SA. 33013 (2011/N) Poland. State aid to the coal mining sector.

Source: Polish authorities

Annex 2

Aid to cover exceptional costs for mines closed after 1 January 2007 (in PLN thousand)

Item	Details		YEAR				
			2015	2016	2017	2018	Total
		Article 4 of Council Decision 2010/787/EU - Aid to cover exceptional costs (for mines closed after 1 January 2007)	506 035.40	932 363.53	2 495 455.30	2 187 976.00	6 121 830.23
		TOTAL (1 + 2+ 3+4+5 + 6 + 7 + 8 + 9)					
1	Employee claims		110 217.30	399 176.20	869 647.40	1 088 857.00	2 467 897.90
<i>comprising</i>	<i>comprising</i>	Equivalents to free coal allowances paid by the Social Security Institution ZUS to pensioners from mines that have been completely closed (point 1(e) of the Annex to the Council Decision)	0.00	1 067.90	2 255.80	7 883.30	11 207.00
		Equivalents to free coal allowances	0.00	1 067.90	2 255.80	7 883.30	11 207.00
		Compensatory benefits owed by mines that have been completely closed (point 1(f) of the Annex to the Council Decision)	350.00	7 628.00	16 001.00	17 999.00	41 978.00
	<i>comprising</i>	Centrum	[...]	[...]	[...]	[...]	[...]
		Rozbark V	[...]	[...]	[...]	[...]	[...]
		Makoszowy	[...]	[...]	[...]	[...]	[...]
		Brzeszcze - Wschód	[...]	[...]	[...]	[...]	[...]
		Mysłowice	[...]	[...]	[...]	[...]	[...]
		Boże Dary	[...]	[...]	[...]	[...]	[...]
		Kazimierz-Juliusz	[...]	[...]	[...]	[...]	[...]
		Anna	[...]	[...]	[...]	[...]	[...]
		Śląsk	[...]	[...]	[...]	[...]	[...]
		Jas-Mos	[...]	[...]	[...]	[...]	[...]
		Krupiński	[...]	[...]	[...]	[...]	[...]
		Rydułtowy	[...]	[...]	[...]	[...]	[...]
Sośnica	[...]	[...]	[...]	[...]	[...]		
Pokój I	[...]	[...]	[...]	[...]	[...]		

		Miners' leave (point 1(a) of the Annex to the Council Decision)	68 540.10	294 915.60	775 790.60	1 040 574.70	2 179 821.00
	<i>comprising</i>	Centrum	[...]	[...]	[...]	[...]	[...]
		Rozbark v	[...]	[...]	[...]	[...]	[...]
		Makoszowy	[...]	[...]	[...]	[...]	[...]
		Brzeszcze - Wschód	[...]	[...]	[...]	[...]	[...]
		Kazimierz-Juliusz	[...]	[...]	[...]	[...]	[...]
		Mysłowice	[...]	[...]	[...]	[...]	[...]
		Boże Dary	[...]	[...]	[...]	[...]	[...]
		Anna	[...]	[...]	[...]	[...]	[...]
		Śląsk	[...]	[...]	[...]	[...]	[...]
		Jas-Mos	[...]	[...]	[...]	[...]	[...]
		Krupiński	[...]	[...]	[...]	[...]	[...]
		Rydułtowy	[...]	[...]	[...]	[...]	[...]
		Sośnica	[...]	[...]	[...]	[...]	[...]
		Pokój I	[...]	[...]	[...]	[...]	[...]
		One-off redundancy payment (point 1(a) of the Annex to the Council Decision)	41 327.20	95 564.70	75 600.00	22 400.00	234 891.90
	<i>comprising</i>	Centrum	[...]	[...]	[...]	[...]	[...]
		Rozbark V	[...]	[...]	[...]	[...]	[...]
		Makoszowy	[...]	[...]	[...]	[...]	[...]
		Brzeszcze - Wschód	[...]	[...]	[...]	[...]	[...]
		Kazimierz-Juliusz	[...]	[...]	[...]	[...]	[...]
		Mysłowice	[...]	[...]	[...]	[...]	[...]
		Boże Dary	[...]	[...]	[...]	[...]	[...]
		Anna	[...]	[...]	[...]	[...]	[...]
		Śląsk	[...]	[...]	[...]	[...]	[...]
		Jas-Mos	[...]	[...]	[...]	[...]	[...]
		Krupiński	[...]	[...]	[...]	[...]	[...]
		Rydułtowy	[...]	[...]	[...]	[...]	[...]
		Sośnica	[...]	[...]	[...]	[...]	[...]

		Pokój I	[...]	[...]	[...]	[...]	[...]
2	Repair of mining damage (point 1(h) of the Annex to the Council Decision)		1 761.10	31 635.60	91 576.40	71 991.10	196 964.20
	<i>comprising</i>	Centrum	[...]	[...]	[...]	[...]	[...]
		Rozbark V	[...]	[...]	[...]	[...]	[...]
		Makoszowy	[...]	[...]	[...]	[...]	[...]
		Brzeszcze - Wschód	[...]	[...]	[...]	[...]	[...]
		Kazimierz-Juliusz	[...]	[...]	[...]	[...]	[...]
		Mysłowice	[...]	[...]	[...]	[...]	[...]
		Boże Dary	[...]	[...]	[...]	[...]	[...]
		Anna	[...]	[...]	[...]	[...]	[...]
		Śląsk	[...]	[...]	[...]	[...]	[...]
		Jas-Mos	[...]	[...]	[...]	[...]	[...]
		Krupiński	[...]	[...]	[...]	[...]	[...]
		Rydułtowy	[...]	[...]	[...]	[...]	[...]
		Sośnica	[...]	[...]	[...]	[...]	[...]
		Pokój I	[...]	[...]	[...]	[...]	[...]
3	Closure and post-closure activities (point 1(g) of the Annex to the Council Decision)		155 188.20	493 676.80	1 162 184.70	939 207.40	2 750 257.10
	<i>comprising</i>	Centrum	[...]	[...]	[...]	[...]	[...]
		Rozbark V	[...]	[...]	[...]	[...]	[...]
		Makoszowy	[...]	[...]	[...]	[...]	[...]
		Brzeszcze - Wschód	[...]	[...]	[...]	[...]	[...]
		Kazimierz-Juliusz	[...]	[...]	[...]	[...]	[...]
		Mysłowice	[...]	[...]	[...]	[...]	[...]
		Boże Dary	[...]	[...]	[...]	[...]	[...]
		Anna	[...]	[...]	[...]	[...]	[...]
		Śląsk	[...]	[...]	[...]	[...]	[...]
		Jas-Mos	[...]	[...]	[...]	[...]	[...]
		Krupiński	[...]	[...]	[...]	[...]	[...]
		Rydułtowy	[...]	[...]	[...]	[...]	[...]
		Sośnica	[...]	[...]	[...]	[...]	[...]

		Pokój I	[...]	[...]	[...]	[...]	[...]
4	National Fund for Environmental Protection and Water Management (NFOŚiGW) grant for environmental requirements (points 1(g) and (m) of the Annex to the Council Decision)		0.00	0.00	126 528.20	9 000.00	135 528.20
<i>comprising</i>	Centrum		[...]	[...]	[...]	[...]	[...]
	Rozbark V		[...]	[...]	[...]	[...]	[...]
	Makoszowy		[...]	[...]	[...]	[...]	[...]
	Brzeszcze - Wschód		[...]	[...]	[...]	[...]	[...]
	Kazimierz-Juliusz		[...]	[...]	[...]	[...]	[...]
	Mysłowice		[...]	[...]	[...]	[...]	[...]
	Boże Dary		[...]	[...]	[...]	[...]	[...]
5	Partial exemption from payments and penalties in respect of environmental protection (point 1(f) of the Annex to the Council Decision)		1 006.80	1 680.80	1 036.50	1 205.00	4 929.10
<i>comprising</i>	Centrum		[...]	[...]	[...]	[...]	[...]
	Rozbark V		[...]	[...]	[...]	[...]	[...]
	Makoszowy		[...]	[...]	[...]	[...]	[...]
	Brzeszcze - Wschód		[...]	[...]	[...]	[...]	[...]
	Kazimierz-Juliusz		[...]	[...]	[...]	[...]	[...]
	Mysłowice		[...]	[...]	[...]	[...]	[...]
	Boże Dary		[...]	[...]	[...]	[...]	[...]
	Anna		[...]	[...]	[...]	[...]	[...]
	Śląsk		[...]	[...]	[...]	[...]	[...]
	Jas-Mos		[...]	[...]	[...]	[...]	[...]
	Krupiński		[...]	[...]	[...]	[...]	[...]
	Rydułtowy		[...]	[...]	[...]	[...]	[...]
	Sośnica		[...]	[...]	[...]	[...]	[...]
Pokój I		[...]	[...]	[...]	[...]	[...]	

6	Exemption from the requirement to pay charges to the State Fund for Rehabilitation of Persons with Disabilities (PFRON) (point 1(f) of the Annex to the Council Decision)	2 846.60	3 221.70	4 409.00	3 715.50	14 192.80
<i>comprising</i>	Centrum	[...]	[...]	[...]	[...]	[...]
	Rozbark V	[...]	[...]	[...]	[...]	[...]
	Makoszowy	[...]	[...]	[...]	[...]	[...]
	Brzeszcze - Wschód	[...]	[...]	[...]	[...]	[...]
	Kazimierz-Juliusz	[...]	[...]	[...]	[...]	[...]
	Mysłowice	[...]	[...]	[...]	[...]	[...]
	Boże Dary	[...]	[...]	[...]	[...]	[...]
	Anna	[...]	[...]	[...]	[...]	[...]
	Śląsk	[...]	[...]	[...]	[...]	[...]
	Jas-Mos	[...]	[...]	[...]	[...]	[...]
	Krupiński	[...]	[...]	[...]	[...]	[...]
	Rydułtowy	[...]	[...]	[...]	[...]	[...]
	Sośnica	[...]	[...]	[...]	[...]	[...]
	Pokój I	[...]	[...]	[...]	[...]	[...]
7	Exemption from corporate income tax (point 1(f) of the Annex to the Council Decision)	212 632.80	2 598.86	216 756.60	66 500.00	498 488.26
<i>comprising</i>	Centrum	[...]	[...]	[...]	[...]	[...]
	Rozbark V	[...]	[...]	[...]	[...]	[...]
	Makoszowy	[...]	[...]	[...]	[...]	[...]
	Brzeszcze - Wschód	[...]	[...]	[...]	[...]	[...]
	Kazimierz-Juliusz	[...]	[...]	[...]	[...]	[...]
	Boże Dary	[...]	[...]	[...]	[...]	[...]
	Mysłowice	[...]	[...]	[...]	[...]	[...]
	Anna	[...]	[...]	[...]	[...]	[...]
	Śląsk	[...]	[...]	[...]	[...]	[...]
	Jas-Mos	[...]	[...]	[...]	[...]	[...]
	Krupiński	[...]	[...]	[...]	[...]	[...]
	Rydułtowy	[...]	[...]	[...]	[...]	[...]
	Sośnica	[...]	[...]	[...]	[...]	[...]
	Pokój I	[...]	[...]	[...]	[...]	[...]

8	Exemption from tax on civil law transactions (point 1(f) of the Annex to the Council Decision)	22 382.60	273.57	22 816.50	7 000.00	52 472.67
<i>comprising</i>	Centrum	[...]	[...]	[...]	[...]	[...]
	Rozbark V	[...]	[...]	[...]	[...]	[...]
	Makoszowy	[...]	[...]	[...]	[...]	[...]
	Brzeszcze - Wschód	[...]	[...]	[...]	[...]	[...]
	Kazimierz-Juliusz	[...]	[...]	[...]	[...]	[...]
	Boże Dary	[...]	[...]	[...]	[...]	[...]
	Mysłowice	[...]	[...]	[...]	[...]	[...]
	Anna	[...]	[...]	[...]	[...]	[...]
	Śląsk	[...]	[...]	[...]	[...]	[...]
	Jas-Mos	[...]	[...]	[...]	[...]	[...]
	Krupiński	[...]	[...]	[...]	[...]	[...]
	Rydułtowy	[...]	[...]	[...]	[...]	[...]
	Sośnica	[...]	[...]	[...]	[...]	[...]
	Pokój I	[...]	[...]	[...]	[...]	[...]
9	Exemption from payments from profit (point 1(f) of the Annex to the Council Decision)	0.00	100.00	500.00	500.00	1 100.00
10	Total	506 035.40	932 363.53	2 495 455.30	2 187 976.00	6 121 830.23

Source: Polish authorities