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The Government's Policy in the Field of Hard Coal Mining Restructuration as an Element of Poland's Energy Security

Abstract: Coal is the primary energy source affecting Poland's energy security. It is because deposits of this raw material are available in Poland. Unlike natural gas or oil reserves, which are limited in the country. The high cost of extracting Polish coal in comparison with coal prices on the world market has made it necessary to adopt Polish mining to functioning in market economy conditions. The paper presents the evolution of Polish government policy towards the activity of coal mines in the years 1990–2015. This article aims to present government policy on restructuring coal mining after 2015 and showing its effects. The stages of consolidation of the power industry with the mining industry are shown. The above issues are presented in the context of the European Union's energy and climate policy, paying particular attention to the share of renewable energy sources in the energy and fuel balance and the reduction of carbon dioxide emissions into the atmosphere.

Keywords: *energy security; government; the European Union; restructuring; hard coal mining; renewable energy sources*

Introduction

Ensuring energy security is one of the main goals of state policy. In the literature of the subject as well as the government documents and legal acts defined energy security term. Energy security is most often defined as a global and regional state (government) activity designed to provide the national economy with the ability to deliver current and prospective domestic energy supplies at socially acceptable prices and with political independence. The above definition shows the economic aspect of energy security (Gradziuk et al., 2002, p. 706–708; Chmielewski, 2009, p.10).

Regarding politics, energy security means eliminating (or reducing) the ability of other countries (external entities) to have the status of energy supplier (s) with a deficit of their resources. According to Frank Umbach, energy security is perceived as a public good. The country is responsible for ensuring the supply of energy, which affects its economic development and the security of society. The responsibility of the government lies in supplying both energy and energy resources to the market. Energy security constitutes an important factor in the foreign policy of states (Umbach, 2008, p. 1).

The concept of energy security was defined in the Law of 10 April 1997 - Energy Law as a set of actions aimed at creating legal and economic conditions that can guarantee energy supply, price competitiveness and environmental protection. This definition clarifies the economic and environmental aspects of energy security (*Ustawa z in. 10 kwietnia*).

In the *Polish Energy Policy until 2030 program, the* concept of energy security, as adopted by the Parliament, is understood in the same way as in the Energy Law, but its importance has been extended. In the mentioned document, energy security means not only providing energy supplies to meet domestic needs at acceptable prices but also "optimising the use of domestic energy resources" (Ministerstwo, 2009, p.8). On the other hand, the government, taking steps to guarantee Poland's energy security should pay special attention to the use of raw materials such as coal. Coal, apart from natural gas and crude oil, is one of the main energy resources affecting Poland's energy security and economic situation.

This article aims to present government policy and effects on restructuring coal mining after 2015. This issue was presented in the context of the evolution of government policy towards the hard coal mining industry in the years 1990–2015 and the carbon price in the global market and the (European Union) EU's energy and climate policy.

By analysing the decision of the Beata Szydło government on the restructuring of coal mines, the following question was answered:

1. What factors influenced the financial crisis of the mines in 2015?
2. What were the assumptions of the Government of Law and Justice on Poland's energy security in 2015?
3. To what extent did the government of B. Szydło undertake actions concerning the restructuring of hard coal mines?

The article assumes the following hypothesis: the successful implementation of the government program of B. Szydło in the field of hard coal mining restructuring will be possible thanks to limiting the mining privileges (coal deputats, barbarians, fourteen salaries) and reducing the number of mines leaving only those which, as a result of debt relief and investment, will be profitable.

Decisions of the Polish Government towards the Restructuring of Hard Coal Mining, 1990–2015

In 1990, the Polish government started the restructuring of the hard coal mining industry, which aimed at improving the financial situation of the mines and increasing their competitiveness on the domestic and world market. By the end of 1990, 70 coal mines were operating in Poland, employing some 387 thousand workers and extracted 147.4 million tons of hard coal (Karbownik, 1997, p. 81). In years 1990 and 2015, the coal mining reform programs of individual governments assumed organisational, employment, financial and ownership restructuring. Covered by the restructuring process of the company had to regain profitability among others: by increasing productivity, reducing production costs, reducing employment and debt, selling old assets, and changing management arrangements.

The restructuring of the hard coal mining industry was dependent on government decisions. To better present the evolution of the decisions of individual governments, five policy stages for the restructuring of the hard coal mining industry in the years 1990–2015 can be distinguished. Impact on the course of changes in the hard coal mining sector were the protests of mining unions and mine management by their management.

The first of the stages covered the years 1990–1997. The initial focus was on eliminating the centralised mine management system, which meant that they started their activities as standalone entities subject to market rules. In 1993, seven coal companies were formed, among other: Jastrzębska Spółka Węglowa SA (JSW SA) and Katowicki Holding Węglowy SA (KHW SA). Coal mines became the part of coal companies. In the years 1990–1997, 16 mines were liquidated in opposition to the mining union opinions. As a consequence of the restructuring of the hard coal mining industry and diminishing demand, there was a decline in coal production. In 1997, more than 132 million tons of this raw material was extracted, which is about 15 million tons less than in 1990. Despite the changes, some coal companies generated losses. The impact on the negative financial result of the mine was related, among others: with a progressive increase in wages and lower than expected job reductions.

The second phase of government policy in the area of hard coal mining restructuring took place between 1998 and 2002. In June 1998, Jerzy Buzek's government adopted the assumptions of the *Reform of hard coal mining in Poland in 1998–2002*.

The Deputy Prime Minister and Minister of Economy, Janusz Steinhoff, was responsible for implementing the governmental restructuring program for Polish mining. The restructuring of the hard coal mining sector was the largest of the past reforms in the mining sector. As a result of its implementation, 13 mines were liquidated and reducing employment by 100 thousand workplaces (from 240 thousand to 140 thousand employees). By the end of 2002, 41 coal mines were operating. The employment restructuring took place with the approval of mining unions, which was influenced by the so-called: mining social package[1]. The implementation of the mining reform by the Buzek's government was possible thanks to state budget funds and the World Bank loan. The changes in the hard coal mining sector temporarily contributed to the financial improvement of the mine. Not completed financial restructuring of the hard coal mining industry did not lead to the loss of mine activity in 2002.

In this situation, the hard coal mines needed the restructuring program again. In the years 2003–2006 - during the third stage of government policy in the field of hard coal mining restructuring, Leszek Miller's cabinet adopted a program aimed at mine closure and changes in the organisational structure of the hard coal mining sector. In 2003, according to the government program, the coal company Kompania Węglowa SA (KW SA) was established. In the years 2003–2006, nine mines were closed down, leaving 32 mining companies at the end of 2006, employing about 121 thousand people. The government's program for the restructuring of the hard coal mining industry in Poland in 2003–2006 was supported by the Act (*Ustawa z dn.28 listopada*). Financial liabilities of mines were discontinued and deferred. The government policy made hard coal mining a positive financial result for the years 2003–2006. At the same time, the issue of non-productive assets, which bore the mine's activity, was not solved (Paszcza, 2010, p. 75).

The fourth phase of government policy in the area of hard coal mining restructuring took place between 2007 and 2011. In July 2007, Donald Tusk's government adopted the *Coal Mining Activity Program 2007–2015.* The program was designed to reduce the costs of coal mining, the use of modern mining technology, the efficient management of mining companies and the maintenance of the financial liquidity of the mines. In the years 2007–2011, the management of the companies decided not to invest in the companies to reduce the cost of coal mining (Gadomski, 2015, p. 18). The old mining equipment had an impact on high mining costs. Because of the increase in the price of coal in the world market, it was the best time to invest in

[1] The mining social package provided for mining holidays, one-off payments, social benefits, free training to acquire new professional qualifications, and cash benefits. (*Ty górnicza żmijo!* 2014, p. 198–200).

mines. In exchange, the members of the board of directors of the companies and their governors were increased. At the same time, mining privileges such as coal deputats, barbarians, fourteen salaries and extras such as school work, night work, overtime, free holiday tickets were kept.

The fifth stage of government policy in the area of hard coal mining restructuring was 2012–2015 and was associated with lower world coal prices. The low coal prices in the world market and the high cost of coal mining by Polish mines (as a result of low production capacity) affected the emergence of the Polish mining crisis. Since 2013, the activities of most state-owned mines have been deficient (Dudała 2014, p. 57). Losses from coal sales were borne by all three coal companies - KW SA, JSW SA and KHW SA. The most difficult financial situation was in KW SA, which in 2014 was indebted for nearly four bln PLN (Bukowski, Muśnicki, Śniegocki, Trzeciakowski, 2015, p. 20). In 2014, 23 mines were under operation in three coal companies owned by the State Treasury. Between 1990 and 2014, the Polish government spent 170 bln PLN on restructuring hard coal mines.

In January 2015, the government of E. Kopacz adopted the *Recovery Plan of Kompania Węglowa SA* (Ministerstwo, 2015, p. 7) without consulting the plans with the mining union. The lack of government talks with the trade union was incompatible with the previously agreed arrangements. The implementation of the government's recovery plan had to prevent the collapse of KW SA, which was the largest coal company in the EU[2]. The plan assumed the liquidation of four mines whose activity was deficient. For over five thousand employees of the liquidated mines are provided with a shielding package. The remaining mines of KW SA were planned to be transferred to a newly created entity called Nowa Kompania Węglowa SA (NKW SA). Subsequently, it was planned to sell the shares of the mine to new investors - energy companies.

Power energy companies did not show any interest in engaging in the implementation of the government's hard coal mining restructuring program. In July 2015 PGE SA refused to participate in the financing of NKW SA activities, defending its position with the interests of smaller shareholders.

The mine closure plan triggered the protest of mining unions. Under the influence of mining demands, the government abandoned its intention to close four unprofitable mines for the price of social peace during the pre-election period. The agreement between the government and the mining unions did not specify the number of layoffs and the rules governing them. These issues were to be the subject of further findings by the parties. Unmanaged mines were to be forwarded to the Spółki Restrukturyzacji

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2 At the end of 2014 KW SA employed about 35 thousand people.

Kopalń SA (SRK SA) for sale. As a result of the lack of investors interested in taking over the mine, they were supposed to be liquidated.

By the end of September 2015, the government of E. Kopacz resigned from the creation of the NKW SA, fearing a decision by the European Commission (EC), which could consider public aid for the restructuring of Kompania Węglowa SA (KW SA) unlawful with EU law. If the EC were to consider financing NKW SA as illegal public aid, KW SA would have to return the subsidy received, which would mean bankruptcy.

Hard Coal Mining in the Energy Security Policy of the PiS Government

In October 2015, during the parliamentary campaign, PiS candidate for prime minister Beata Szydło stated that ensuring Poland's energy security would be one of the primary goals of its government program. The candidate for the prime minister responded to the mine maintenance, which was against the EU policy, which sought to close them and reduce carbon dioxide emissions into the atmosphere. It should be emphasised that Poland, in line with the EU climate package, was required to reduce its carbon footprint by 20% by 2020 compared to 1990 levels. Under EU law, Poland should achieve 15% share of renewable energy sources (RES) by 2020 in energy consumption (Directive 2009/28/EC of the European Parliament …). In 2015, the share of RES in energy consumption in Poland amounted to 11.77% (Główny Urząd Statystyczny, 2016 a, p. 49) and increased by 4.85% compared to 2004. More than 72% of green energy produced came from biofuels solids. No limitation of carbon dioxide emissions to the atmosphere and the share of RES in the fuel and energy balance in line with EU standards will impose fines on Poland.

It is very likely that Poland may find it challenging to gain RES in energy consumption. In 2015, the *Commission in its Progress Report on Renewable Energy stated* that " it is not certain for Hungary and Poland to reach the 2020 target for renewable energy. The 2020 goals seem achievable only by adopting optimistic assumptions for future energy demand changes and funding conditions in individual countries "(Komisja Europejska, 2015, p. 7).

For several years it has been observed that the share of hard coal in the Polish power mix is decreasing, but still, it is still the dominant energy resource. The structure of primary energy consumption and consumption in 2015 is shown in Figures 1 and 2.

On November 18, 2015, Prime Minister B. Szydło in the political *exposé* stressed that Poland's energy security should be linked to "the behaviour of coal as a source of

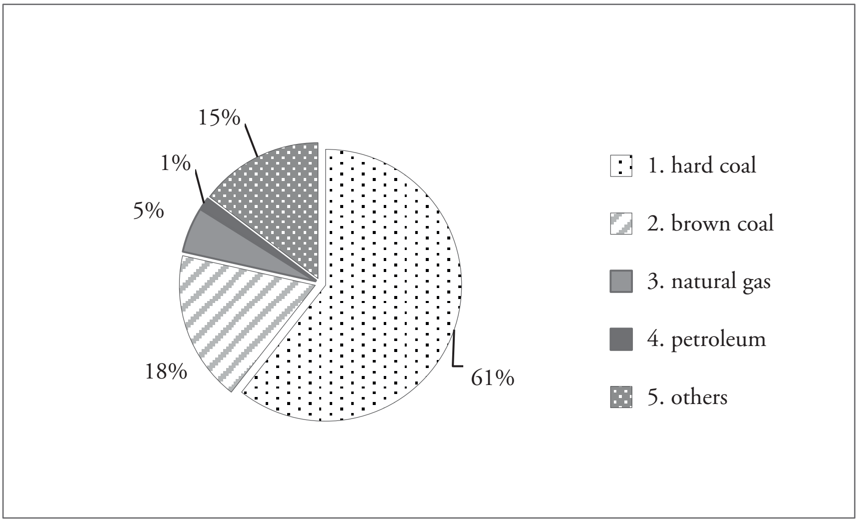

Chart 1. The structure of primary energy acquisition in Poland in 2015

Source: Główny Urząd Statystyczny, 2016b, p. 32.

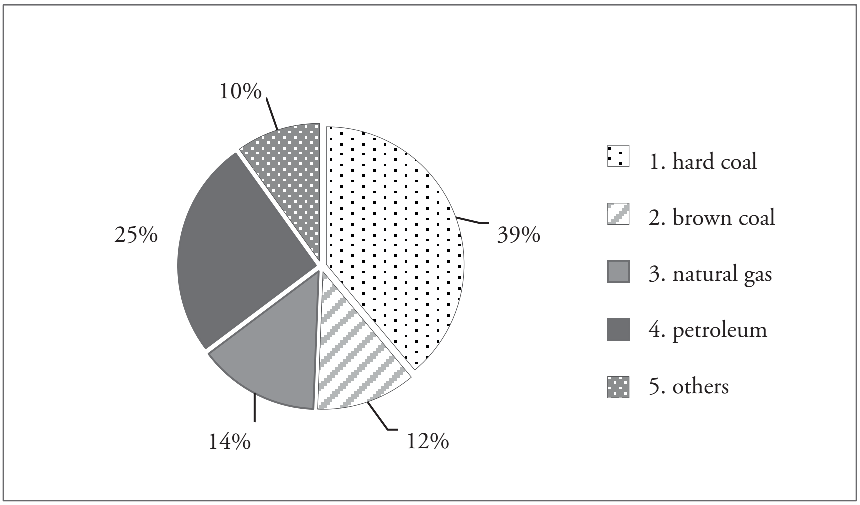

Chart 2. The structure of primary energy consumption in Poland in 2015

Source: Główny Urząd Statystyczny, 2016 b, p. 33.

energy" (Stenograms from the Parliament..., p. 56). The Prime Minister announced the appointment of the Ministry of Energy (ME). The separation of this ministry resulted from the strategic importance of energy security for the Polish country and its existing problems. One of the problems which had to be solved as quickly as possible was the situation of hard coal mining. In December 2015, the Ministry of Energy was created headed by Krzysztof Tchórzewski.

The challenge for the Minister of Energy was to develop and then adopt the government's program for the restructuring of coal mines. It was important to reach an agreement between the government and miners on the assumptions and effects of the government's carbon restructuring program. By the end of 2015, the debt of KW SA amounted to 4.4 bln PLN, JSW SA - 3.9 bln PLN, and KHW SA - 2.7 bln PLN. In 2015, the loss of the hard coal mining sector amounted to over 4.5 bln PLN (Ministerstwo Energii, 2017, p.1). The difficult financial situation of coal companies led to the government's efforts to restructure these entities. Low prices and an oversupply of coal on the world market were the reasons for the financial problems of Polish coal mines. Moreover, Poland's mining industry was characterised by high social costs, low labour productivity and geodetic limitations of the mines. In December 2015, almost six million tons of coal remained in mines' repositories. Coal companies extracted 72.2 million tons in 2015. Poland imported 8.2 million tons of hard coal, primarily from Russia, Australia and the Czech Republic. Polish export of this raw material amounted to nine million tons. The imported coal was cheaper and of better quality than Polish coal. In 2015, the price per ton of hard coal mined by Polish mines was 260 PLN, whereas the price of coal from Russia amounted to about 180 PLN, and from Australia – 200 PLN per ton. Coal production cost in Poland exceeded its sale prices. In 2015, the mines lost – on average – 27 PLN per ton of coal.

In April 2016, as a result of negotiations, the mining unions in the KW SA signed an agreement with the management of KW SA on the restructuring of the company. The parties agreed to suspend the fourteenth payment to miners for a two-year period (2017–2018), cut the monthly salaries of mine directors by 7.3% and set up the Polish Mining Group Sp. z o.o. (PGG). The appointed entity was to take over the mines from KW SA. The most debted mines were to be forwarded to the SRK SA for their closing. Other mining companies were planned to restructure. According to K. Tchórzewski, the intention of the government was not to close the mine but the mining facilities to which the mine would end. The government pledged to open new mining shafts and repair post-mining areas (*Polska energetyka).* Minister Tchórzewski announced that in 2019–2021 the government intends to build "at least one mine. Moreover, in the next five years – two more" (*Niczego nie ukrywać,* 2016, p. 11).

An agreement between the management board of KW SA and the mining trade unions created the possibility of launching a shielding package for miners working in mines, which were planned to be delivered to the SRK SA. About four thousand employees could benefit from mining leave and one-time cash benefits. The employees who were to retire in fewer than four years were to get mining leave of absence. By the time they acquired their retirement rights, mine workers had the opportunity to collect about 75% of their average earnings. At the same time, they could work outside the mine. Initially, the ministry planned to spend three bln PLN on the mining package for miners in 2017–2022. Then this amount was raised to seven bln PLN. Until the end of 2016, the Ministry of Energy allocated for mining holidays and one-time cash severance payments 1.7 bln PLN.

In April 2016, an investment agreement was signed in Katowice between PGG, KW SA, mining unions, and energy companies[3], banks[4] and funds[5]. Investors were expected to inject 2.4 bln PLN into PGG (of which one bln PLN is worth in bonds) (Dudała, 2016, p. 5). The funds transferred by energy companies were to be used to acquire new coal deposits and to purchase mining equipment. Energy companies were allowed to supervise the implementation of the group's business plan. The association of power companies with mines within PGG's activity had a positive influence on the Polish coal market. Consumers of this raw material were to be the energy industry. It should be noted that under Prime Minister E. Kopacz power companies were not interested in the recapitalisation of the mine. It was due to the losses generated by mines and the high price of Polish coal. Energy companies were more profitable by purchasing cheaper, and better quality imported coal. Changes in the positions of governors and members of the supervisory boards of power companies at the request of the government of B. Szydło resulted in the decision by the newly-formed management of power companies to invest funds in PGG (*Zmiany na stanowisku*).

On July 1, 2016, the Polish Mining Group was created in place of KW SA. Tomasz Rogala, former President of KW SA, was the President of the group. Kompania Węglowa SA sent PGG 11 mines and four plants. The PGG model used as a complex mine. As a result, from July 2016 to coal mining companies include ROW coal mine,

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[3] These were the following energy companies: Energia Kogeneracja (part of Grupy Energia), PGE Górnictwo i Energetyka Konwencjonalna (part of Grupy PGE), PGNiG Termika (part of Grupy PGNiG), Węglokoks.

[4] It was: Alior Bank, Bank BGŻ BNP Paribank, Bank Gospodarstwa Krajowego, Bank Zachodni WBK, PKO BP

[5] The investment agreement was signed by the following funds: Towarzystwo Finansowe Silesia, Fundusz Inwestycyjny Polskich Przedsiębiorstw, Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych.

KWK Ruda coal mine, KWK Piast-Ziemowit coal mine. In contrast, KWK Bolesław Śmiały and KWK Sośnica operate as independent plants. Within the PGG, in addition to the five mines, four Repair and Production Plant. At the end of 2014 KW SA employed about 31.9 thousand people. Linking the mine was aimed at reducing jobs and improving management of the companies. Managers and managers with pension rights were to leave the management positions. The restructuring of PGG's organisational structure was supposed to lead to a reduction in the operating costs of the company. In addition to organisational changes, the PGG Board of Directors planned to create a new collective agreement with the social party in the company.

In November 2016, the European Commission approved a government aid plan for the hard coal sector prepared by the Polish government. The plan was to expire unprofitable mining plants by 2018. To accomplish this goal, it was planned to allocate almost eight bln PLN from public funds. In the EC's opinion, it was possible to allocate funds to support people who would lose their jobs as a result of the extinction of uncompetitive mining plants. Employees of closed factories were to receive severance pay, pensions and social benefits. The remainder of the funds were planned to cover the mine production losses until they were closed down and the mine infrastructure was eliminated, and the environmental damage caused by their work was repaired. In 2017 ME was going to close mines - Makoszowy, Sośnica, Krupiński, Rydułtowy, Śląsk and part of Pokój. It was then planned to liquidate the mines -Wujek, Wieczorek and Halemba (*Rząd Beaty Szydło zamknie 7 kopalń*). The adoption of a public aid plan for the hard coal sector by the European Commission was linked to the promotion of renewable energy and the transition to a low-carbon economy where the role of hard coal should decrease systematically.

At the end of 2016, under the policy of hard coal mining restructuring in Poland ME started preparing the plan of merging PGG with KHW SA. The purpose of consolidating the two mining companies was to increase their competitiveness on the market by reducing administrative costs and a common coal sales network. The decision of the government on the future of KHW SA was necessary because the company's debt at the end of 2016 amounted to more than three bln PLN.

In January 2017 deputy minister of energy, Grzegorz Tobiszowski reported that in 2016 PGG's business generated a loss of 326 million PLN, but it was lower than planned by 10%. In the fourth quarter of 2016, PGG's financial position improved. The impact on PGG's better-than-expected results was, among others. Increase in labour productivity, higher coal price and increase in coal procurement by state energy companies (Zatoński, 2017, p. 5).

In 2017, KHW SA had difficulties with liquidity. Despite the difficult financial situation of KHW SA, the mining company unions agreed not to suspend the fourteenth salary. Katowicki Holding Węglowy SA was the only coal company where the 14th salary was not suspended. In March 2017, the mining unions of KHW SA and PGG and the management of both mining companies signed an agreement concerning the terms of the merger of KHW SA and PGG. At the same time, KHW SA was unable to pay the miners salaries. Thanks to the merger of two entities, a mining company with over 43 thousand employees were to be formed. According to the agreement, the hiring conditions of the employees of KHW SA had to be valid for one year from the merger of companies. The employees of KHW SA were to receive remuneration in PGG. According to Minister K. Tchórzewski, "any miner will lose his salary by joining KHW SA and PGG" (Dudała, *Podpisano...*). It was envisaged the possibility of using social protection by miners departing for holidays. The Office of Competition and Consumer Protection has agreed to take over KHW SA ("Murcki-Staszic" Coal Mine, Mysłowice-Wesoła Coal Mine, Wieczorek Coal Mine, Wujek Coal Mine), considering that the transaction will not violate the principle competitiveness. The Polish government sent to the European Commission a plan to consolidate KHW SA with PGG. Adoption by the commission of the plan and recognition of public aid in its implementation by EU law will, for example, condition the miners to take advantage of their leave. By the end of April 2017, the European Commission did not decide on this issue.

The Polish Mining Group taking over debt-laden mines from KHW SA received one bln PLN recapitalisation from its shareholders (state-owned energy companies). The transaction was non-cash despite the fact that the mines were valued at 1.1 bln PLN. Banks suspended the repayment of KHW SA debt for two years, and repayment terms were extended by five years (Graniszewska, 2017, p. 4). In addition to KW SA and KHW SA, the restructuring program has been covered by JSW SA. The program was supposed to be valid from 2016–2018. Terms of its implementation were accepted by JSW SA management and mining unions. In 2016, JSW SA made a profit of 6.7 million PLN (Oksińska, 2017, p. B1). JSW SA had an impact on the financial liquidity recovery. Reduction of mining privileges, savings due to time delays, production costs, disposals of non-productive assets, an increase of labour productivity and an increase of coking coal price in the world market. At the end of April 2017, the JSW trade unions announced that they would take steps to renegotiate an agreement with the management of the company. According to the trade union, the recovery of mining privileges should result in the improvement of the financial situation of the company. The proposal to restore privileges was criticised by the ME, due to the need to repay JSW SA's bank debt and to invest the company.

Conclusion

Poland is one of the largest coal producers in Europe. In 2016 Polish mines produced 70.4 million tons of coal. In 2016, the Polish government donated 13 bln PLN to help mines, at the same time supporting the development of Renewable Energy Sources in a limited way. On the other hand, the project of building a nuclear power plant was suspended by the government of Beata Szydło for lack of funds for this purpose. Unlike the EU countries, Poland invests in the development of coal blocks, among others: in Kozienice, Opole and Jaworzno.

They answer the first question -What factors influenced the financial crisis of the mines in 2015? It should be stated that the restructuring of the hard coal mining sector, which began in 1990, has not been completed to date. Individual governments have tried not to make unpopular decisions that could affect election results. The exception was the hard coal mining reform carried out by the Jerzy Buzek government, although not entirely realised. In 2015, most of the mining activity was in deficit. One of the reasons for this situation was a decrease in investment outlays, among others: for the purchase of mining machinery and equipment. Reducing investment has reduced productivity. The geological factor has had an impact on the situation of Polish mining. Most of the coal deposits on the high decks have been exhausted. For over a decade in Poland, coal mining has taken place on deep decks, affecting and adversely affecting its price. The high cost of coal mining in Poland in the situation of falling prices of this raw material on the world market and high mining privileges have led to the crisis in Polish mining. The impact on the difficult situation of hard coal mining was the import of coal to Poland in the context of its oversupply on the Polish market. At the beginning of 2015, around 12 million tons of coal were stored in the retained compositions. The government's actions improved the mines' financial situation to a limited extent after 2015. The lack of a governmental program to restructure hard coal mining industry is the current issue for Polish coal mines. The program should determine the direction of mining development and the use of coal in the economy. The construction of plants processing coal into liquid fuels and gas could be one possible solution. Processed coal will substantially reduce carbon dioxide emissions. The effects of these actions would be consistent with the European Union climate policy. It seems indispensable to reform all fields of mining activity, such as production costs, labour productivity, miners' privileges and hard coal import and export.

By answering the second question, What were the assumptions of the Government of Law and Justice on Poland's energy security in 2015? It is important to note that the Polish government's energy security depends primarily on hard coal in the context of the crisis of Polish mines and the departure of EU countries from this raw material as the primary source of energy. During the parliamentary campaign in 2015, the PiS candidate for the Prime Minister announced the preparation of a program for the restructuring of the hard coal mining industry and that he did not intend to liquidate the mine. The PiS government intended to reduce coal imports to Poland significantly. Poland's energy security issues were important enough for the PiS government to announce the appointment of the Ministry of Energy.

Responding to the last question, to what extent did the government of B. Szydło undertake actions concerning the restructuring of hard coal mines? - It should be stated that the decision of the government of B. Szydło to merge mining companies with energy was the implementation of the government plan of Ewa Kopacz. The purpose of the marriage was to provide coal mines with a steady coal supply and to burden the power companies with the responsibility of restructuring the mining industry. In turn, the Minister of Energy oversees the owner of Treasury companies, which have a significant impact on Poland's energy security. It is worth noting that the financial links between energy companies and PGG have increased electricity prices since January 1, 2017.

Despite the addition of PGG, Polish mines still have problems maintaining liquidity. It is very likely that the effects of hard coal mining restructuring will only be visible in the coming years. The influence on the situation of Polish mines will be affected by the technical condition of mining machines. The announcement by the Prime Minister of the government of B. Szydło on the failure to close the mine proved to be difficult to achieve. The extinguishing of unprofitable mining plants and hence the liquidation of jobs will be inevitable. The issue of resumption of mining privileges, which have been suspended in most enterprises, remains open. Restoring privileges that significantly finance the mines may adversely affect the course of the mining restructuring. The privileged position of miners about other occupational groups was and is an uncomfortable problem for the government.

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