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Energy security policy of Poland and Hungary in the context of the Russian Federation war with Ukraine. A comparative analysis

Polityka bezpieczeństwa energetycznego Polski i Węgier w kontekście wojny Federacji Rosyjskiej z Ukrainą. Analiza porównawcza

Abstract: The 2022 conflict between Russia and Ukraine highlighted the extent to which European Union member states rely on Russian energy resources. This article aims to conduct a comparative analysis of the energy security policies of Poland and Hungary during the energy crisis in Europe caused by the war in Ukraine between 2022 and 2023. To achieve the research purpose mentioned above, the following research questions were formulated: 1. What stance did Hungary and Poland take regarding the EU's proposal for sanctions against the Russian Federation in the field of energy raw materials? 2. What actions did the governments of Hungary and Poland take to reduce their dependence on Russian energy raw materials?
The following methods were used in the research: decision-making method, comparative method, analysis of the foundational research and statistical method. The analysis showed that the Polish government's policy was focused on reducing its reliance on Russian energy imports and the need to find an alternative to eastern suppliers. The pro-Russian government of Hungary, on the other hand, was opposed to abandoning Russian energy resources and lacked a developed plan to shift away from them.
Keywords: energy security, energy raw materials, political decisions, European Union
Streszczenie: Konflikt między Rosją a Ukrainą w 2022 r. uwypuklił stopień, w jakim państwa członkowskie Unii Europejskiej polegają na rosyjskich zasobach energetycznych. Celem artykułu jest analiza porównawcza polityki bezpieczeń-

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stwa energetycznego Polski i Węgier w sytuacji kryzysu energetycznego w Europie w wyniku wojny w Ukrainie w latach 2022–2023. Dążąc do osiągnięcia powyższego celu badawczego starano się odpowiedzieć na następujące pytania badawcze: 1. Jakie było stanowisko Węgier i Polski w stosunku do propozycji unijnych sankcji wobec Federacji Rosyjskiej w obszarze surowców energetycznych?, 2. Jakie decyzje podjęły rządy Węgier i Polski w zakresie znacznego uniezależnienia się od rosyjskich surowców energetycznych?
W badaniach zastosowano następujące metody: decyzyjną, porównawczą, analizy badań zastanych i statystyczną. Przeprowadzona analiza ukazała, że polityka rządu polskiego była ukierunkowana na odejście od importu rosyjskich surowców energetycznych i konieczność znalezienia alternatywy dla kierunku wschodniego. Z kolei prorosyjski rząd Węgier był przeciwny rezygnacji z rosyjskich surowców energetycznych i nie posiadał wypracowanego planu odejścia od nich.
Słowa kluczowe: bezpieczeństwo energetyczne, surowce energetyczne, decyzje polityczne, Unia Europejska

Introduction

On 24 February 2022, the Russian Federation launched the war in Ukraine, demonstrating the scale of the mistake made by European Union countries in becoming dependent on Russian energy resources. Before the war began, the EU imported an average of 60% of its energy raw materials from Russia each year. In response to Russian aggression, the EU introduced sanctions against the Russian Federation in the area of energy raw materials, among other things, and announced that it would reduce its dependence on Russian energy imports. Faced with this new and unexpected political and economic situation, EU countries began to look for solutions aimed at importing energy raw materials from sources other than Russia. Hungary, unlike other EU countries, did not support proposals to reduce the supply of Russian energy resources. The Hungarian leader's repeated defiance of Western countries' policies toward Russia has led to Hungary's deepening isolation in the EU and NATO.

The purpose of this article is to conduct a comparative analysis of the energy security policies of Poland and Hungary in the context of the energy crisis in Europe as a result of the war in Ukraine. In pursuing the above objective, the following questions are addressed: 1. What was the position of Hungary and Poland in relation to the proposal of EU sanctions against the Russian Federation in the area of energy raw materials?, 2. What decisions were taken by the governments of Hungary and Poland in terms of significant independence from Russian energy raw materials?

The article verifies the thesis that the energy security policies of Poland and Hungary in the era of the war in Ukraine were different. Poland was in favour of giving up Russian energy resources and seeking new directions for their supply. Hungary, on the other hand, was opposed to giving up Russian energy resources and did not have a developed plan to shift away from them. Hungary's differing position from Poland and Western countries was due to the pro-Russian policy of the government of Prime Minister V. Orbán.

To verify the aforementioned thesis, research methods characteristic of the social sciences were used, including the decision-making method, comparative method, foundational research analysis, and statistical method. The research conducted covers the years 2022–2023. The article is divided into sections relating to: 1. The resources, consumption, and imports of energy resources to Poland and Hungary, 2. The position of Poland and Hungary towards the EU's decisions on energy sanctions imposed on the Russian Federation, and 3. The resilience of Poland and Hungary in response to the energy crisis caused by the war in Ukraine.

1. Resources, consumption, and imports of energy resources to Poland and Hungary

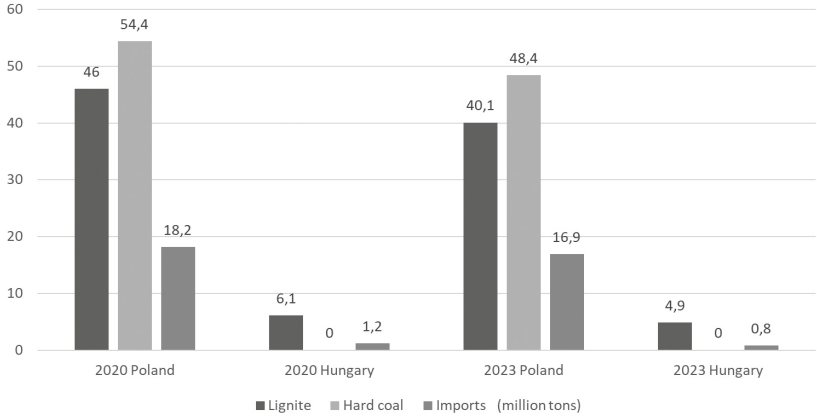
A year before the outbreak of war in Ukraine, nearly 50 million tons of Russian hard coal entered the EU market. This raw material was also imported from Australia, the United States, Colombia, and Kazakhstan. In 2020–2021, the Russian Federation was the main supplier of hard coal to Poland. Imports of Russian raw materials were as follows: 9.4 million tons in 2020 and 8.25 million tons in 2021[1]. Other suppliers included Australia, Colombia, the Czech Republic, the United States, and Kazakhstan. In the first quarter of 2022, Russian hard coal imports to Poland amounted to 2.6 million tons. As of mid-April 2022, Poland introduced an embargo on hard coal imports from Russia. The structure of imports of this raw material has changed. New destinations for hard coal imports have emerged, such as South Af-

1 *Ministerstwo Aktywów Państwowych, Raport podsumowujący interwencyjny import i dystrybucję węgla kamiennego w sezonie grzewczym 2022/2023, Warsaw, April 2023, p. 14,* https://www.gov.pl/web/aktywa-panstwowe/wicepremier-jacek-sasin-zapewnilismy-polakom-wegiel-na-zime-dotrzymalismy-slowa [12.02.2024].

rica and Indonesia. Imports from countries such as Kazakhstan, Colombia, and Australia increased significantly. In 2023, hard coal output in Poland amounted to 48.4 million tons, nearly 4 million tons lower than a year earlier. The change in coal supply sources to Poland affected the price of the raw material. Russian coal was cheaper than that mined in Polish mines.

A decrease in coal imports to Hungary was noticeable in 2020–2023. In 2022, as a result of the EU embargo on Russian coal, most of Hungary's supplies of this raw material came from the United States (408 thousand tons) and South Africa (144 thousand tons). Other import destinations were Poland, the Czech Republic, Germany, Croatia and Slovakia[2]. Figure 1 shows the volume of domestic coal mining and imports for Poland and Hungary in 2020 and 2023.

Figure 1. Domestic coal and lignite production and imports of hard coal to Poland and Hungary in 2020 and 2023



Source: own study: Eurostat, *Energy statistics – an overview*, 31 May 2023, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_statistics_-_an_overview [14.03.2024].

In conducting a comparative analysis between the production of hard coal and lignite in Poland and Hungary, as well as imports of this raw material to these countries in 2020–2021, it should be

2 Eurocoal, *Coal and lignite production and imports in Europe 2022*, https://public.euracoal.eu/download/Public-Archive/Library/Charts-Maps/Coal-in-Europe/EURACOAL-Coal-in-Europe-2022-04.pdf [14.03.2024].

noted that: 1. Poland was more dependent on coal than Hungary; 2. Hungary's lignite output was on a downward trend; 3. Unlike Hungary, Poland was a hard coal producer.

Between 2020 and 2023, the EU had insufficient natural gas resources to meet its needs. Natural gas consumption in the EU reached 394 bcm in 2020, 426 bcm in 2021, and dropped significantly to 350 bcm in 2022[3]. The share of Russian piped gas in EU imports declined from 40% in 2021 to about 8% in 2023. This decline was made possible by a significant increase in LNG imports and an overall reduction in EU gas consumption. It should be noted that the EU embargo on Russian fuels did not extend to LNG and LPG. EU-wide, LNG imports from Russia increased from 14.2 bcm in 2021 to 19.3 bcm in 2022.

In Poland, natural gas production figures were as follows: 4.8 bcm in 2020, 3.51 bcm in 2021, 3.43 bcm in 2022, and 3.34 bcm in 2023. According to the Orlen Group, *the reason for* the decrease in *natural gas production in Poland in 2020–2023 was the prolonged investment process as a result of COVID-19*[4] .

In 2020–2021, Russia was the largest exporter of gas to Poland. Gas exports to Poland from this country averaged 9.6 bcm per year. In April 2022, Russia stopped supplying gas to Poland and thus ceased to be the largest supplier of this commodity. Between 2022 and 2023, Russian gas was replaced by raw material from other suppliers. Poland, using the Swinoujscie LNG Terminal, received gas primarily from the United States, Qatar and, through the Baltic Pipe, from Norway. The directions of natural gas imports to Poland and Hungary in 2020 and 2023 are shown in Figure 2.

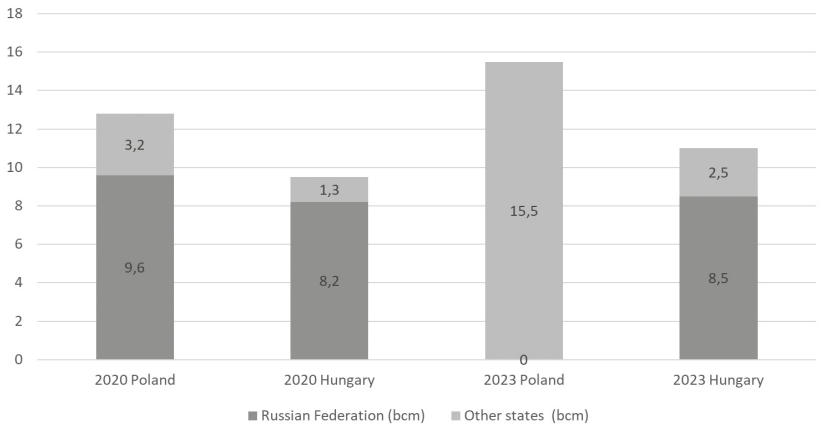
Hungary, unlike Poland, reduced its use of natural gas in the first two decades of the 21st century. Between 2020 and 2022, Hungary's consumption of this resource was close to 11 bcm. More than 75% of the natural gas imported into the Hungarian market came from the Russian Federation[5]. In 2021, the government of Prime Minis-

3 Eurostat, *Energy statistics – an…*

4 P. Kleinschmidt, J. Maćkowiak-Pandera, *Ponad billion złotych na import surowców energetycznych do Polski*, Forum Energii, 18 February 2020, https://www.forum-energii.eu/ponad-bilion-zlotych-na-import-surowcow-energetycznych-do-polski [11.03.2024].

5 Polski Instytut Ekonomiczny, *Unia Europejska niezależna od Rosji? Alternatywne źródła dostaw surowców energetycznych*, Warsaw, marzec 2022, p. 19, https://pie.net.pl/wp-content/uploads/2022/03/PIE-Raport_UE-niezalezna-od-Rosji-1.pdf [14.03.2024].

Figure 2. Directions of natural gas imports to Poland and Hungary in 2020 and 2023



Source: own study: European Commission, *Natural gas supply Statistics Explained*, May 2024, https://ec.europa.eu/eurostat/statistics-explained/SEPDF/cache/10590.pdf [11.03.2024].

ter V. Orbán negotiated a 15-year contract under which Gazprom sends 4.5 bcm of natural gas to Hungary annually via the Turkish Stream pipeline[6].

Since Russia's invasion of Ukraine, Hungary has been the only EU member state to increase its natural gas imports. Between 2022 and 2023, the Hungarian government, in defiance of EU policy, signed contracts for additional gas supplies from Russia. In 2022, as part of their implementation, Russia supplied Hungary with 9 bcm of blue fuel. The following year, Hungary signed several smaller short-term contracts, including with Azerbaijan (2 bcm) and Turkey (0.3 bcm), which generally did not affect the structure of gas supplies to the Hungarian market. Despite the agreements, Hungary still remained heavily dependent on Russian gas, which covered 75% of its total consumption.

EU countries, as it is in the case of natural gas, had limited oil resources[7]. From May 2022, oil imports from Russia to the EU began

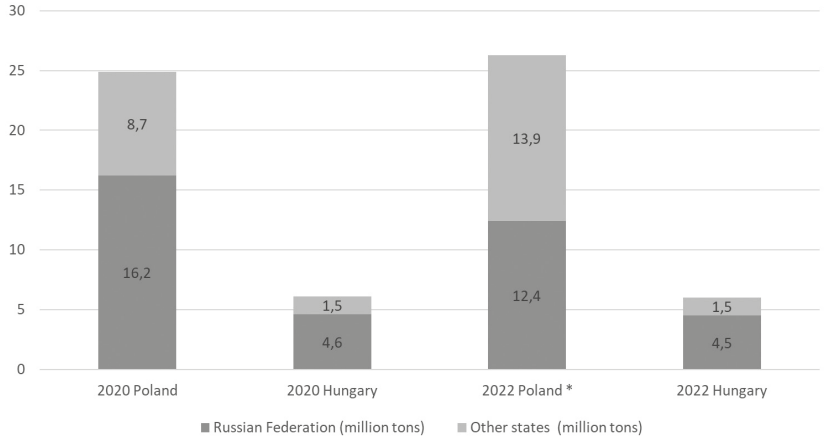
6 D. Héjj, M. Paszkowski, *Konsekwentny wzrost uzależnienia Węgier od Ro*sji, "Komentarze IES" 2021, no. 455, https://ies.lublin.pl/wp-content/uploads/2021/10/ies-komentarze-455-152-2021.pdf [14.03.2024].

7 TL, *Europejski rynek ropy naftowej. Skąd i za ile UE importuje surowiec?*, Forsal.pl, 5 April 2023, https://forsal.pl/biznes/energetyka/artykuly/8691193,europejski-rynek-ropy-naftowej-skad-i-za-ile-ue-importuje-surowiec.html [14.03.2024].

to decline. The EU sanction on Russian oil imported by sea, in effect since December 2022, resulted in the United States (18%) and Norway (17%) becoming the EU's largest suppliers. In 2020–2021, Poland was dependent on Russian oil supplies. In 2020, 65% was imported from Russia, while the rest of the oil came from Saudi Arabia (15%), Kazakhstan (11%), Nigeria (6%), Norway (2%) and others (1%). In 2020, Poland consumed 25.8 million tons of oil, of which 24.9 million tons were imported.

In August 2022, the Polish government suspended imports of Russian oil by sea. In January and February 2023, 1.1 million tons of Russian oil entered Poland via the Druzhba pipeline. At the end of February, the Russian side unilaterally stopped oil deliveries carried out through the Druzhba pipeline. In the second quarter of 2023. Poland imported the most oil from Saudi Arabia (3.3 million tons) and Norway (1.5 million tons). The directions of oil imports to Poland and Hungary in 2020 and 2022 are shown in Figure 3.

Figure 3. Directions of oil imports to Poland and Hungary in 2020 and 2022



* From January to February 2023, Poland imported 5.9 million tons of oil, including 1.1 from the Russian Federation.

Source: own study: UNdata A world of information, *Conventional crude oil*, http://data.un.org/Data.aspx?d=EDATA&f=cmID%3ACR [14.03.2024].

Hungary, compared to Poland, has been more dependent on Russian oil. In 2021, about 80% of Hungary's oil imports came from Russia, which was supplied by the Druzhba oil pipeline. Crude oil was also imported from Saudi Arabia, Croatia, and Turkmenistan. In 2023,

Hungary made limited efforts to diversify the direction of oil sources. Remaining a customer of Russian oil minimised the additional financial burden. For this reason, in April 2023, Hungarian Foreign Minister Péter Szijjarto confirmed the signing of a Russian-Hungarian agreement through which "the Russian side will continue to supply oil to Hungary via the Ukrainian-Hungarian border"[8].

2. The stance of Poland and Hungary on the European Union's decision on energy sanctions against the Russian Federation

In 2022, Russia's aggression against Ukraine triggered a major energy crisis in Europe in the form of price increases for gas, oil and coal. EU governments (including those of Poland and Hungary) introduced a series of measures to protect their citizens from the effects of rising energy prices and encouraged consumers to reduce energy consumption. The EU countries' decisions were aided by a relatively mild winter. In order to reduce shortages of Russian energy resources, EU countries increased their imports from directions other than Russia. In April 2022, the European Parliament (EP) called for an immediate embargo on imports of oil, coal, nuclear fuel and gas from Russia.

Between 2022 and 2023, the sanctions imposed by the EU were designed to weaken the Russian economy by depriving it of access to critical technologies and foreign markets, thereby limiting the Russian Federation's capacity to wage war. One of the first actions was the suspension of certification for the Nord Stream 2 pipeline by German Chancellor Olaf Scholz, which has yet to begin transporting Russian gas to Germany. As a result of the reduction in natural gas consumption for power generation, the government in Germany decided to reactivate coal-fired power plants at Mehrum in Lower Saxony and Heyden 4 in North Rhine-Westphalia.

In early March 2022, Hungary, as well as Poland, voted in favour of a UN resolution condemning Russia's actions and triggering the withdrawal of its troops from Ukraine. It should be noted that,

8 E. Szőke, *Hungary concludes three energy agreements with Russia*, Ceenergynews.com, 14 April 2023, https://ceenergynews.com/oil-gas/hungary-concludes-three-energy-agreements-with-russia/ [24.03.2024].

unlike other EU countries from Central and Eastern Europe, Hungary did not provide Ukraine with military equipment and did not agree to transport weapons destined for Ukraine through Hungary. On 24 March 2022, during a meeting of the European Council, Ukrainian President Zelensky addressed Hungarian Prime Minister V. Orbán with the words "You have to decide for yourself who you are with… Do you hesitate whether to impose sanctions or not? Do you hesitate whether to let weapons through or not? And do you hesitate whether to trade with Russia or not? There is no time to hesitate. It's time to make a decision"[9]. Prime Minister V. Orbán, in response to a question from the Ukrainian president, said Hungary was siding with Russia, and the extension of EU sanctions on Russian energy would hinder the development of the Hungarian economy.

In March 2022, the EU adopted a fourth package of sanctions against Russia that banned European investment in Russia's energy sector and restricted exports of equipment, technology and services from EU countries for Russia's energy industry. Both Poland and Hungary implemented the sanctions adopted in the fourth package. A month later, the European Commission (EC) adopted a fifth package of sanctions against Russia, banning the import of all forms of Russian coal to member states. As of the date of adoption of the fifth package, EU countries could not conclude new contracts for importing coal from Russia, although existing contracts could be executed until 10 August 2023. The EU ban covered a quarter of all Russian coal exports, resulting in an estimated revenue loss for Russia of about 8 billion EUR a year[10]. Since the EU was the largest buyer of Russian coal, EU sanctions affected Russia's revenues from coal sales. The EU's adoption of the embargo on Russian coal was not as difficult for member states as it was for other raw materials, as in recent years, demand for coal has been weakening compared to other raw materials. Although Prime Minister V. Orbán did not veto the EU's sanctions against the ban on

9 *Speech by President of Ukraine Volodymyr Zelenskyy at a meeting of the European Council*, President of Ukraine Volodymyr Zelenskyy Official website, 25 March 2022, https://www.president.gov.ua/en/news/promova-prezidenta-ukrayini-volodimira-zelenskogo-na-zasidan-73809 [24.03.2024].

10 Rada Unii Europejskiej, *UE przyjmuje piąty pakiet sankcji wobec Rosji w związku z jej agresją wojskową na Ukrainę*, 8 April 2022, https://www.consilium.europa.eu/pl/press/press-releases/2022/04/08/eu-adopts-fifth-round-of-sanctions-against-russia-over-its-military-aggression-against-ukraine/ [24.03.2024].

Russian coal imports to the EU (most of it came from domestic mines), he refrained from criticizing Russia for its invasion of Ukraine. Furthermore, the Hungarian government opposed the extension of EU sanctions on Russian oil and gas due to Hungary's high dependence on these two Russian resources. It is noteworthy that the right-wing Fidesz party's victory in the 2022 Hungarian parliamentary elections was partly influenced by its election promise to maintain low natural gas supply prices for Hungarian households.

Following the adoption of the fifth package of sanctions targeting Russian energy, EC Chairwoman Ursula von der Leyen announced that this would not be the last package of sanctions, and that the next one would be for an embargo on Russian oil. French President Emmanuel Macron was one of the first leaders to support a total ban on Russian oil imports. German Chancellor Olaf Scholz, on the other hand, said the German economy would be ready to become independent of Russian oil by the end of 2022. In turn, Prime Minister V. Orbán, who maintained good relations with President V. Putin, was against the extension of EU sanctions to the oil and gas sectors. The differing positions of EU leaders reflected the varying levels of their dependence on Russian oil imports and the preparedness to source oil from other suppliers. In May 2022, during negotiations on the sixth package of sanctions against Russia, the EC announced the REPowerUE plan aimed at ending the EU's dependence on Russian fossil fuel imports. The REPowerUE plan, like the economic sanctions against Russia, was the EU's response to the energy crisis caused by the war in Ukraine.

After lengthy negotiations, the European Council reached an agreement on sanctions (as a part of the sixth package) on Russian oil. On 3 June 2022, EU leaders capitulated to the demands of Prime Minister V. Orbán by granting Hungary an exemption from the embargo on Russian oil and imports of petroleum products. Prime Minister V. Orbán, summing up the negotiations, stated on Facebook that Hungary "succeeded in defeating a European Council proposal that would have banned Hungary from using Russian oil"[11]. The embargo

11 PM Orbán: *"We have managed to defeat the Commission's proposal to ban the use of oil from Russia in Hungary"*, Facebook, 31 May 2022, https://www.facebook.com/AboutHungary/videos/pm-orb%C3%A1n-we-have-managed-to-defeat-the-commissions-proposal-to-ban-the-use-of-oi/1184755592292259/ [20.02.2024].

exemption applied to oil transported via the Druzhba pipeline until the end of 2024. Such oil transport was used not only by Hungary but also by Slovakia and the Czech Republic. The adopted sanctions applied to oil delivered to EU countries by sea (about 90%), and did not cover oil transported by oil pipelines (about 10%). Poland and Germany, in turn, pledged to end oil imports using oil pipelines from Russia. The EU's decision to embargo Russian oil was aimed at stopping the supply of oil to the EU by the end of 2022, depriving Russia of revenue to finance the war in Ukraine.

Prime Minister V. Orbán's government did not only oppose the EU sanctions imposed on oil imports from Russia. In July 2022, Hungary voted against the draft of the EU Council regulation aimed at reducing natural gas consumption. Prime Minister V. Orbán defended his decision on the grounds that Hungary, as a landlocked country, had been heavily dependent on gas imports from Russia. Poland, too, spoke out against the EU-wide reduction in gas consumption, having serious reservations "about the content of the project, including in particular the flawed legal and treaty basis"[12]. The purpose of reducing gas demand was to create savings before winter in order to prepare for possible disruptions in gas supplies from Russia, which constantly uses energy supplies as a weapon.

In 2022, the union did not impose sanctions on Russian gas. However, supplies of the resource from Russia to the EU decreased. Gazprom cut off gas exports to most EU countries in retaliation for their refusal to pay for gas in rubles. In addition, it is highly likely that the flow of Russian gas through Ukraine to the EU (for example, Hungary) could end in 2024. The Ukrainian oil and gas company has signalled that it does not intend to extend its contract for the transit of Russian natural gas to the EU. In an effort to counter declining gas imports from Russia, the EU has increased imports of LNG from the United States, among others, while reducing demand for gas. Despite the EU's criticism and in defiance of its policies, Hungary signed a new agreement with Russia for additional Russian gas supplies.

12 J. Spike, *Hungary's Orban wins exemption in EU Russian oil embargo*, APNew.com, 31 March 2022, https://apnews.com/article/russia-ukraine-viktor-orban-hungary-989184ef46804f2f7ac3eaa411fa7dbd [20.02.2024].

3. Resilience of selected Central and Eastern European countries to the energy crisis caused by the war in Ukraine

3.1 The policy of the Polish government towards the limitation of supplies of energy resources from the Russian Federation

Poland and Bulgaria were the first EU countries to have their gas supplies halted by Gazprom in April 2022. Gazprom justified its decision on the grounds that gas supplies to these countries were not profitable. Russia's decision came after the government of M. Morawiecki and most EU countries refused to pay Gazprom for gas in rubles. Only Hungarian Prime Minister V. Orbán had a different stance on the matter by announcing that he would pay for Russian gas in rubles. The decision of Prime Minister V. Orbán showed the differences that exist in the energy security strategies of Hungary and Poland in their efforts to become independent of Russian energy resources.

For more than a decade, Poland, unlike Hungary and other EU member states, has taken steps to reduce its dependence on Russian gas. These were related to the expansion of infrastructure for gas transmission and storage, as well as the commissioning of the LNG Terminal in Swinoujscie and the launch of the gas interconnectors, such as the Poland-Denmark (Baltic Pipe), Poland-Lithuania and Poland-Slovakia, enabled Poland to replace Russian gas with other gas supplies. In 2022, the government of M. Morawiecki passed a resolution to "terminate the agreement on the construction of a gas pipeline system for the transit of Russian gas through Polish territory and the supply of Russian gas to Poland, which was signed in Warsaw on August 25, 1993"[13]. It is worth noting that if it had not been for the decision of M. Morawiecki's government, the suspension of gas supplies through the Yamal pipeline to Poland would have occurred at the end of 2022, coinciding with the expiration of the agreement.

Another decision by the Polish government to make Poland independent of Russian raw materials was to ban the import of coal and coke from Russia and Belarus into its territory. In April 2022, the Pol-

13 *Polska wypowiedziała porozumienie gazowe ws. Jamału*, 23 May 2022, https://www.gov.pl/web/klimat/polska-wypowiedziala-porozumienie-gazowe-ws-jamalu [14.03.2024].

ish parliament passed a law as a unilateral action by Poland. Other EU countries continued to import Russian coal, and the ban on its purchase by the Community did not take effect until August 2022. Replacing Russian coal with imports from other directions proved to be a major challenge for the Polish government. Already in the first months of the April 2022 law, it became clear that Poland was not prepared for the embargo on Russian coal. The suspension of hard coal supplies from Russia caused large shortages of this raw material on the Polish market. The increase in the price of coal, natural gas, and oil in 2022 was due to demand outstripping supply of energy resources and political factors in the form of economic sanctions on Russia. In order to minimize the negative effects caused by the increase in prices of raw materials and energy, the parliament adopted government bills offering a coal allowance, which was a one-time allowance for household heating. Thanks to these legislative solutions, households whose main source of heating was not only coal but also LPG gas, wood pellets, wood, and heating oil could count on financial support from the state. A prerequisite for obtaining a coal or heating allowance for a household was, among other things, to report the heating source to the Central Register of Building Emissions.

Prime Minister M. Morawiecki, as in the case of Russian coal, announced the cessation of oil imports from the Russian Federation to Poland. By the end of 2022, Poland was to stop importing Russian oil. This declaration was not upheld, although Russian oil imports to Poland dropped significantly in 2022–2024. EU sanctions on Russian oil and oil products delivered by sea took effect in December 2022. A month later, PKN Orlen's long-term contract with Rosneft to supply Russian oil via the Druzhba pipeline (about 300,000 tons per month) expired and was not renewed. Russia as the main supplier of *oil* to Poland has been replaced primarily by Saudi Arabia and Norway.

According to the Orlen Group, the share of Russian crude in the Polish company's order book amounted to 10% in 2023, compared to 60% the previous year. The reason for Poland's continued purchase of Russian crude was due to an existing oil supply contract that remains effective until the end of 2024. The Orlen Group's termination of the contract with Russia without EU sanctions would expose the Polish energy company to financial penalties resulting from the unfounded termination of the contract.

Due to Poland's dependence on the supply of Russian energy resources and the EU's climate requirements, M. Morawiecki's government began to consider the construction of a nuclear power plant in order to acquire a new source of electricity production.

In November 2022, the government passed a resolution to build a nuclear power plant in Poland. The U.S. company Westinghouse will be responsible for the investment, which is estimated to cost 18 billion USD. So far, the method of financing the construction has not been presented by the Polish government. The investment in the coastal town of Lubiatowo-Kopalino is scheduled to begin in 2026, and one of the three nuclear reactors (with a total capacity of 4GW) is expected to become operational in 2033. It is worth noting that nuclear power would contribute to Poland's energy security and would be one of the pillars of the country's energy transition alongside renewable energy sources.

3.2 Hungarian government's decisions for energy crisis

In 2021, the Hungarian government adopted a national energy and climate plan developed at the Ministry of Innovation and Technology[14]. The goal of the plan was to strengthen Hungary's energy independence using nuclear and renewable energy, and to reduce energy consumption in public institutions and in industry and transportation. In the short term, these measures were intended to improve household energy efficiency and expand energy reserves ahead of the 2021/2022 autumn/winter season. Russia's invasion of Ukraine created new challenges for the EU and its member states. In July 2022, in response to this situation, Hungary declared an energy emergency and a seven-point action plan to prepare the country for the coming energy crisis. The plan, which began in August 2022, included:

- maintaining low gas and electricity prices for households;
- increasing domestic gas production to 2 bcm from the current 1.5 bcm;
- securing additional sources of Hungarian gas imports to be stored in gas tanks for the heating season;

14 Ministry of Innovation and Technology, *National Energy and Climate Plan*, 1 January 2021, https://faolex.fao.org/docs/pdf/hun212429.pdf [21.03.2024].

- banning the export of energy carriers and firewood;
- increasing domestic lignite production;
- commissioning of all units (lignite) of the Mátra power plant;
- extending the life of the Paks nuclear power plant.

It should be noted that the Energy Crisis Action Plan contradicted the EU's energy transition, which aimed to achieve climate neutrality. The government's action plan did not specify the sources from which gas would be imported to Hungary. So far, the raw material has come from Russia. Foreign Minister P. Szijjártó was responsible for negotiating new contracts. Moreover, in the first year of the plan's implementation, the adopted assumptions were not fully achieved. Instead of keeping gas and electricity prices low for households as promised, the Hungarian government raised gas and electricity tariffs above their average consumption levels. The Ministry of Agriculture did not issue a decree banning the export of firewood. Instead, the Hungarian government has lifted previous restrictions on logging. The government's decision sparked an outcry from the public and environmental organisations for contributing to the destruction of wildlife.

In assessing the government's Energy Crisis Action Plan, it should be noted that it provided little in the way of solutions for secure supplies of energy resources. While the EU called for reducing member countries' dependence on Russian gas, the Hungarian government did not assume a shift away from Russian energy resources.

In April 2023, the government of V. Orbán once again broke out of the West's policy of diplomatic isolation of Russia. Hungary reached an agreement to buy more Russian gas than was envisioned in the 15-year contract signed two years earlier to supply 4.5 bcm per year to Hungary. The deal was signed in Moscow between Hungarian Foreign Minister P. Szijjártó and Rosatom chief Alexei Likhachev. Minister P. Szijjártó, anticipating EU criticism of the tightening of Hungarian-Russian relations and referring to the signed agreement, stated that "about 80–85% of Hungary's gas supply comes directly from Russia, so the continuity of this supply is fundamental for us"[15]. Ac-

15 I. Gizińska, F. Rudnik, A. Sadecki, *Szijjártó w Moskwie: podtrzymanie współpracy energetycznej z Rosją*, 14 April 2023, https://www.osw.waw.pl/pl/publikacje/analizy/2023-04-14/szijjarto-w-moskwie-podtrzymanie-wspolpracy-energetycznej-z-rosja [25.03.2024].

cording to the minister, the signing of the agreement was expected to contribute to "ensuring Hungary's energy security by maintaining stable supplies of Russian raw materials"[16]. At the same time, the Hungarian government announced that it intends to proceed with its plans to build a new nuclear power plant at Paks II, despite Russia's war with Ukraine and the EU's imposition of a series of sanctions on Russia. At the end of May 2023, Minister P. Szijjártó stated that the EU had given the go-ahead for the Paks II investment. In turn, statements by EC representatives indicated that there was no EU approval for the project.

Conclusions

The process of reaching a political agreement on the embargo on Russian energy resources has shown the difficulties the European Union has encountered. Poland condemned Russia's aggression against Ukraine and advocated sanctions against it in the area of energy raw materials. Between 2022 and 2023, the Polish government's policy was aimed at moving away from imports of Russian energy resources and the need to find an alternative to the eastern direction. The significant reduction and eventual cancellation of Russian energy supplies contributed to an increase in their prices. The governments of Prime Ministers Mateusz Morawiecki and Viktor Orbán have been critical of EU policy, accusing it of interfering in the internal affairs of individual member states. In contrast, the two countries' relations with Russia have been different. Between 2022 and 2023, Hungary did not achieve any greater independence from Russian energy resources than it had before the war in Ukraine. Instead of reducing imports of natural gas and oil from Russia, they increased them, signing new agreements. Without much success, the EU has repeatedly admonished Hungary to reduce its dependence on Russian oil and gas. According to Prime Minister V. Orbán, energy policy was conditioned by Hungary's geographic location, which lacks access to maritime waterways and relies on imported raw materials. These arguments had little credibility

16 BOX, *Węgry podpisują porozumienie gazowe z Rosją. Będą mogły zwiększyć zakupy*, Businessinsider.com.pl, 11 April 2023, https://businessinsider.com.pl/gospodarka/wegry-podpisuja-porozumienie-gazowe-z-rosja-w-razie-potrzeby-bedziemy-mogli-kupic/s8zgnzj [25.03.2024].

in the face of the Hungarian Prime Minister's unwillingness to find alternative suppliers of raw materials than Russia.

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