

LAW AND POLITICS

Large Scale Integration of Wind Energy

On 7th - 8th November, 2006 in Brussels a policy conference organised by the European Wind Energy Association (EWEA), the European Association of Transmission System Operators (ETSO) and the European Commission, took place. The conference was opened by Mr. Arthouros Zervos, President of EWEA, and Mr. Andris Piebalgs, EU Commissioner for Energy.

Experts discussed about the European power network and infrastructure, the need to modernise the grid, increase interconnection between networks and adapt the grid to new technologies such as wind energy. The issues of full ownership separation of production and transmission and a possible single European energy regulator were also discussed.

During this two-day meeting it was concluded, that for large amounts of wind energy to be integrated effectively into the network, closer cooperation in the sector of wind energy is needed. Moreover, significant investments in the transmission network are crucial to improving the functioning of the European internal electricity market. Electricity networks of the future have to be better connected and reshaped to be adapted to new technological, economic, environmental and political realities.

The two-day conference, was attended by more than 250 delegates, representatives of European institutions, the wind industry, TSOs (Transmission Systems Operators), research institutes and national governments. Polish Wind Energy Association was represented by Mr. Jarosław Mroczek, President of PWEA. Moreover, the meeting was attended by other representatives of Polish companies and institutions – Mr. Zbigniew Kamieński, Ministry of Economy, Mr. Piotr Wójcik and Mr. Włodzimierz Mucha, PSE-Operator S.A., Mr. Bogdan Sobczak, Institute of Power Engineering in Gdańsk, Mr. Krzysztof Prasalek and Mr. Dariusz Iwanowski, EPA Sp. z o.o., Mr. Wojciech Matuszek, Pumped Storage Power Plants Co. and Mrs. Katarzyna Michałowska - Knapp, EC BREC Institute.

Source: www.ewea.org

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newsletter

United Nations Climate Change Conference - Nairobi 2006

On 6th November, 2006, a Nairobi United Nations Climate Change Conference has been opened. The conference that will last till 17th November, is the twelfth Conference of the 189 Parties to the United Nations Framework Convention on Climate Change - UNFCCC and the second meeting of the 166 Parties to the Kyoto Protocol.

The conference (lasting from 6th to 14th November) also includes the twenty-fifth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 25), the twenty-fifth session of the Subsidiary Body for Implementation (SBI 25), and the second session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG 2).

The UN Climate Change Conference calls for action in the extent of climate change which is fast proving to be one of the greatest challenges in the history of humankind. The UNFCCC's Executive Secretary Yvo de Boer called for specific activities to be agreed within the five-year work plan in the extent of climate change. Another key outcome expected of the conference is agreement on how to manage the UNFCCC's Adaptation Fund, which is financed by a share of proceeds generated by the Kyoto Protocol's clean development mechanism (CDM). The key obstacles faced by the least developed countries, in particular those in Africa, in participating successfully in the CDM will also be addressed during the meeting.

Source: <http://unfccc.int/>

Plenipotentiary for the Promotion of Alternative Energy Sources

On 31 October 2006, Professor Jan Szyszko, Minister of the Environment, gave Letter of Appointment to Mr. Krzysztof Zaręba - newly appointed Secretary of State, Ministry of the Environment and the Governmental Plenipotentiary for the Promotion of Alternative Energy Sources.

Mr. Krzysztof Zaręba in years 2001 – 2005 acted as the Chief Inspector of Environmental Protection and at the same time a Vice-minister of the Environment.

Source: www.mos.gov.pl

newsletter



Stern Review “The Economics of Climate Change”

A British government report “The Economics of Climate Change”, prepared by Adviser to the Government on the economics of climate change and development, Sir Nicholas Stern was launched on 30th October, 2006. According to the report, global warming could have a disastrous effect on the world’s economy, causing a loss of at least 5% of global GDP each year, and if a wider range of risks is taken into account, the estimates of damage could rise to 20% of GDP or more.

The report states that tackling the problem of climate change now would require 1% of global gross domestic product. Moreover, the report recommends to promote cleaner energy technology, increase in use of the so called low carbon technologies, energy efficiency improvements and an international framework for action. The report emphasizes the need to extend the emissions trading scheme; technology cooperation which can boost the effectiveness of investments in innovation around the world; action to reduce deforestation (loss of natural forests around the world contributes more to global emissions each year than the transport sector).

Stern’s report also confirmed that action on climate change is urgent in order to avoid large scale climatic disasters with serious economic consequences. The costs of economic action now are minimal in comparison to those that will have to be born in the future, if the problem is ignored.

Source: <http://www.hm-treasury.gov.uk>

Mid-eastern Europe Forum for Cooperation and Development of Systems and Electrical Power Markets

On 30th October, 2006, in Warsaw a Mid-eastern Europe Forum for Cooperation and Development of Systems and Electrical Power Markets, was held. The Forum was attended by representatives of ministries of energy, offices for regulation and transmission system operators from Austria, Czech Republic, Lithuania, Poland, Hungary and German Federal States. Poland was represented by Vice-minister of Economy, Mr. Tomasz Wilczak.

According to Minister Wilczak the best method for development of the internal electrical power market of the EU is first of all creation of regional markets, and afterwards integrating them into the European structure. Moreover, the Vice-minister thinks that issues that require further discussion are: development of grids, investment and increasing transmission capabilities of transmission systems, and harmonization of procedures and provisions regulating homogeneous electrical power market.

Participants of the Forum signed a letter of intent, in which they declared taking actions for cooperation upon further development of electrical power systems, strengthening international connections enabling exchange of bigger amounts of energy and works upon harmonization of rules and provisions regulating inner energy market. Three work groups were also created, which will work upon issues discussed during the Forum.

Mid-eastern Europe Forum for Cooperation and Development of Systems and Electrical Power Markets was created in order to cooperate for creation of a European energy market. The Forum is a place of exchange of information and discussion about perspectives of creating legal, organizational and technical basis for efficient functioning of regional energy markets.

Source: www.mgip.gov.pl

Appointment of Chief Inspector of Environmental Protection

On 26th October, 2006, Mr. Jarosław Kaczyński, Prime Minister, appointed Mr. Marek Haliniak, Ph.D. Eng., as the Chief Inspector of Environmental Protection.

For the post of Deputy to the Chief Inspector of Environmental Protection, Minister of the Environment appointed Mr. Wojciech Stawiany.

Source: www.mos.gov.pl

Approval of Distribution Grid Traffic and Maintenance Instructions

On 26th October, 2006, President of the Energy Regulatory Office, Mr. Leszek Juchniewicz, approved distribution grid traffic and maintenance instructions in the extent of balancing the system and management of system limitations, submitted by operators of electrical power distribution systems: Górnośląski Zakład Elektroenergetyczny S.A., Koncern Energetyczny ENERGA S.A., ENEA S.A., EnergiaPro Koncern Energetyczny S.A. and Zakład Energetyczny Białystok S.A. Instructions of the above mentioned distribution system operators in part approved by President of the ERO, will come into force on 1st January, 2007.

According to the Energy Law, distribution system operators place valid instructions at their websites and make them accessible for public in their abodes.

Source: www.ure.gov.pl

Summary of public consultation of a draft of Operational Programme "Infrastructure and Environment"

On 25th October, 2006, in Ministry of Regional Development a conference summarizing consultation of a draft of Operational Programme "Infrastructure and Environment" for 2007 – 2013, was held. The meeting was attended by vice-ministers of regional development Mr. Jerzy Kwieciński and Mr. Janusz Mikuła and representatives of all ministries, that will function as mediating institutions in implementation of the Programme.

Vice-minister Jerzy Kwieciński informed that, remarks submitted during the process of consultation concerned mainly allocation of funds for particular priorities. At the same time Mr. Kwieciński assured that they will be taken into consideration during preparation of the new version of the Programme, especially that there is 2 billion Euro at Poland's disposal from the Programme's reserve. As a result of indexing the amount granted to Poland for 2007 – 2013, i.e. 59,5 billion Euro, by CPI, additional 7,7 billion Euro was gained.

Moreover, Vice-minister Kwieciński, informed that within OP "Infrastructure and Environment" more money will be dedicated for road infrastructure and energy security.

At present, works upon development of qualifying criteria and rules of applying for funds within particular priorities and actions, are continued. In Ministry of Regional Development a Team has been appointed, which task will be to develop rules of applying for funds within action concerning increase of utilizing energy from renewable sources.

Source: www.mrr.gov.pl

Poland's stand during the debate of the European Union Environment Council

On 23rd October, 2006, in Luxemburg, Professor Jan Szyszko, Minister of the Environment, took part in the debate of the European Union Environment Council. The debate was focused on two draft proposals for the Air Quality Directive, and the Marine Environment Framework Directive which accompanies Thematic Strategy on the Protection and Conservation of the Marine Environment.

During the debate, the Council adopted i.a. conclusions concerning preparations to Conference of the Parties to the United Nations Framework Convention on Climate Change, including a part of the postulate stipulated by Poland on the need to emphasize close, mutual links between the issues concerning implementation of the UN Frame Convention on Climate Change, on the Protection of Biological Diversity and the Convention to Combat Desertification. The Council adopted also conclusions on the Conference of the Parties to the Basel Convention.

Professor Jan Szyszko emphasized the importance for Poland of the issues which relate to reduction of health hazards to the general public from air pollution. Nevertheless, he pointed out that the Directive should be adopted in a responsible manner that provides for its realistic implementation, and therefore he refused to support the political agreement.

Source: www.mos.gov.pl

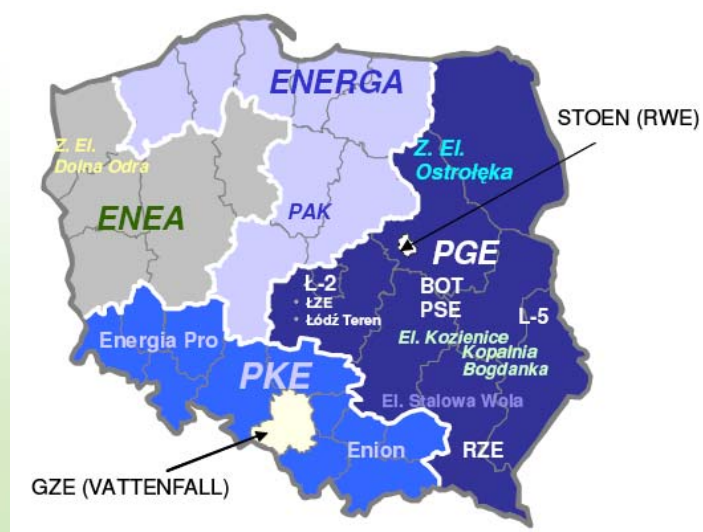


Steering Group for implementation of „Programme for electrical power engineering”

Works of the Steering Group for implementation of „Programme for electrical power engineering” are continued. The Group developed proposals for carrying out the process of consolidation of the wind energy sector. We remind, that according to the „Programme for electrical power engineering”, there will be four energy groups (Polish Energy Group - PEG, “South” Group, “Central”, “North”), that will operate on similar conditions as competitors from abroad, binding various activities like production or sale.

In PEG, that according to the Programme is to be a leading energy group in Poland, the recommended consolidation is to be carried out in stages. In the first stage, it is proposed to include shares of ZEDO S.A. (Zespół Elektrowni Dolna Odra S.A.) into the destination company and eight distribution companies. During the second stage shares of the destination company BOT Górnictwo i Energetyka S.A will be included into PSE S.A. On 22nd October, 2006, Prime Minister Jarosław Kaczyński announced, that abode of PEG will be in Lublin.

Consolidation in stages is also recommended for “Southern” Group (including PKE, Enion, Energia Pro and Stalowa Wola Power Station). It would rest upon creation of a destination company, and subsequently on including shares of consolidated subjects into the company. With regard to “Central” Group, Elektrownia Kozienice S.A and ENEA S.A. proposed to establish a destination company, in which 51% of shares would belong to the Treasury. Consolidation would be carried out on the basis of this company. It was also agreed that, during the creation of the “Northern” Group, recommended variants used in other groups, will be taken into consideration.



Source: www.mgip.gov.pl

newsletter

EC presents Action Plan for Energy Efficiency

On 19th October, 2006, the European Commission presented its Action Plan for Energy Efficiency "Saving 20% by 2020". The plan predicts implementation of over 75 measures, concerning transport sector and energy production, promotion of energy services, and announces implementation of financing mechanisms encouraging to use more energy efficient products.

The Commission have also set a Covenant of Mayors of the 20 - 30 most pioneering cities in Europe and will propose an international agreement on energy efficiency. *Mr. Andris Piebalgs*, Energy Commissioner, emphasized the fact, that by increasing energy efficiency, around 780 millions tones of CO₂ will also be avoided yearly, and direct cost of our energy consumption could be reduced by more than €100 billion annually by 2020.

Additional information can be found at the website:
http://ec.europa.eu/energy/action_plan_energy_efficiency/index_en.htm

Source: <http://ec.europa.eu>

Will the EC reject plans on emissions of greenhouse gases?

The European Commission criticizes Polish plans on emissions of greenhouse gases. The limits granted to Polish companies on emissions of CO₂ in years 2008 – 2012 are higher than last year. Whereas, the tendency should be quite opposite – year after year, emissions of greenhouse gases should be reduced.

The Commission also reproaches Poland, that up till now it have not sent information concerning a method of monitoring emission. The Polish government explains that, CO₂ emission raises in connection with the planned economy development and bigger energy consumption.

Source: *Gazeta Wyborcza*

newsletter

Information package for companies intending to run a business of producing energy in renewable energy sources

Information package for companies intending to run a business of producing energy in renewable energy sources appeared at websites of the Energy Regulatory Office.

According to the Energy Law, obligation to acquire concession for production of energy, concerns all energy companies producing energy in renewable energy sources. Concession is granted for a limited period of time, not shorter than 10 years and not longer than 50 years, unless a company wants to acquire concession for a shorter time.

Moreover, according to the Energy Law, everyone who intends to run a business of: producing, transforming, accumulating, transmitting, distributing and trading fuels and energy, under concession, can also apply for a promise of a concession, that is a kind of promise to grant concession. Promise of a concession does not give the right to run a business in the extent in which it is obligatory to possess a concession. Therefore, one cannot apply for issuing a certificate of origin, nor to demand purchase of energy.

Detailed information concerning necessary conditions, that should be fulfilled by a future concessionaire, circumstances hindering acquiring concession, preparation of the motion, fees for acquiring concession (promise of concession) and an exemplary motion to acquire concession (promise of concession) are at ERO's website:
<http://www.ure.gov.pl/index.php?dzial=236&id=784>

Source: www.ure.gov.pl

MARKETS

Breakthrough in the expansion of offshore wind energy

On 27th October, 2006, the so-called Infrastructure Act was adopted. According to the new law, energy companies are obliged to assume costs for connecting offshore wind farms to the power grid. Up till now the cost were incurred by farms' operators. This shifting of the costs to grid operators is valid for a limited timeframe, construction of offshore parks must begin before 31st December 2011.

With this legislation, offshore and onshore wind parks are now on equal terms. Moreover, because the costs for connecting to the power grid represent a large part of the investments in offshore projects. (even 30%), it is predicted that attractiveness of such projects will be increased considerably.

According to estimation of BWE (BundesVerband WindEnergie), if such a tendency of wind energy development continues, by 2015, 30 GW (which would cover 15% of Germany's demand for energy) of capacity should be installed on land, and 3 GW out at sea.

Source: www.wind-energie.de

U.S. boom for wind energy continues – 2700 MW installed in 2006

AWEA published its Third Quarter Market Report concerning situation at the wind energy market in the USA. According to the report, it is predicted that in 2006, wind turbines with the record 2700 MW of capacity will be set in the country. Moreover, a project with the capacity of 735 MW was completed, (FPL Energy's Horse Hollow Wind Energy Center in Texas), which is the country's and world's largest wind farm.

According to AWEA's data, up till now a total of 1345 MW has been already completed this year. It is predicted, that 1500 MW of wind farms are to be completed this year. This means that the total installed wind energy capacity in the U.S. amounts to about 10,5 GW, and wind farms will supply energy to over 2,5 million homes. If the present development trend continues, by the end of the year the total capacity installed in the wind energy will amount to 18% to 20% of the capacity installed in the country - making it the second-largest source of new power generation after new natural gas plants.

For 2007, AWEA estimates that new installations in the sector will reach the level of 3000 MW - 3500 MW.

Source: www.awea.org

newsletter

EVENTS

8th WIND ENERGY FORUM

Polish Wind Energy Association invites to the 8th Wind Energy Forum, that will be held in Marriott Hotel, in **Warsaw, on 21st November, 2006, 9:00 a.m.**, under the motto of: **"Will it be possible to develop wind energy in Poland ?"** The main guest of the Forum: **Mr. Andrzej Czerwiński, MP, Chairman of the Parliamentary Group for Energy.** Invitation to the Forum was also accepted by **Mr. Stanisław Gawłowski, MP** - Member of Environment Protection, Natural Resources and Forestry Committee of the Sejm, and Enterprise Development Committee of the Sejm.

During the Forum the following issues will be discussed:

- Setting long-term objectives concerning RES and assuring a guaranty of system operation, that would be based upon transferable property laws after 2014;
- Simplification and abridgement of procedure for technical conditions of grid connection and lowering costs of wind parks connection to the electrical power system;
- Implementation of additional mechanisms that would support development of new investments, including investment subsidies for extension of technical infrastructure necessary for wind parks connection and fiscal mechanisms promoting renewable energy utilization;
- Setting unequivocal rules for implementation of investments on Nature 2000 areas and elaboration of one list of areas that are under protection within ecology network Nature 2000;
- Preparation of a strategy for wind energy development out at sea;
- Restarting the process of approving projects within the Joint Implementation Mechanism and transposition of Directive 2004/101/EC provisions to the national law.

We address our invitation to the Forum to all enterprises and institutions dealing with wind energy and investors interested in investing in wind parks in Poland, representatives of transfer and distribution of energy sector, central and local administration and sector associations.

The 8th Forum enjoys great interest. **Up till now, over 60 attendees from Poland and abroad, have confirmed their participation.**

Deadline for sending registration forms passes on **16th November, 2006!**

More information at: www.pwea.pl

newsletter

Papers competition!!!

II Annual Conference „Wind Energy Market in Poland”

All those, who are willing to share their knowledge and experience **WE INVITE TO SEND ABSTRACTS OF PAPERS**, for II annual conference “Wind Energy Market in Poland” that will be held on **20th – 21st March, 2007**, in Warsaw.

The conference will be dedicated to sum up of wind energy sector in Poland in 2006 and to outline of perspectives of the sector development in short- and long-term perspective. During a two-day meeting **2 plenary sessions: “Policy and market”, „Grid and resources”** and **4 thematic panels: Offshore, Finance, Technology and Environment**, will take place, where different aspects of development of wind energy in Poland will be discussed. The proposed range of topics of particular panels can be found at: www.pwea.pl

Abstracts of papers concerning the thematic range of the conference, please send electronically till 10th December, 2006 by e-mail at PWEA’s bureau address biuro@psew.pl. Please include the following data:

Name of the session	Author’s name and surname	Company/institution	Post	Contact data (e-mail, telephone)
Size of abstracts no more than 2500 signs with spaces				

Authors of the most interesting works will be invited to present them during the conference! **Results of the competition announced on 14th January, 2007!**

Additional information can be acquired at the telephone: **+48 91 48 77 535** and at PWEA’s website: www.pwea.pl

WE KINDLY INVITE !

newsletter



CURRENT ACTIVITY OF PWEA

Our activities in November 2006

Most of PWEA's activities concerned preparation of the 8th Wind Energy Forum, that will be held on 21st November, 2006, in Warsaw.

Moreover, promotional and organizational works concerning the second annual conference „Wind Energy Market in Poland” organized on 20th – 21st March, 2006 in Warsaw, are continued. Individual invitations were sent i.a. to representatives of DG Tren, DG Environment, DG for Fisheries and Maritime Affairs, EWEA, Ministry of Economy, The Energy Regulatory Office, Polish Power Exchange and experts. A competition was also announced for papers sent for the conference. A package of promotional materials including PWEA's folder was also prepared.

At present, works upon reconstruction of PWEA's websites are carried out. New websites should be activated till 30th November, 2006.

MEMEBERS

We inform that new members have joined PWEA:

1. Vattenfall Poland AB S.A. – sponsor supporting member.
2. Mr. Tadeusz Staszewski - ordinary member (representative of Vattenfall Poland AB S.A.), delegated to work in PWEA's Board.
3. Mr. Marcin Bruszewski - ordinary member (representative of Vattenfall Poland AB S.A.).