

A large, stylized wind turbine is positioned on the right side of the page, extending from the top to the middle. The background is a light blue gradient. Several decorative snowflakes of various sizes and colors (white, light blue, purple) are scattered across the top and left sides of the page. The word "newsletter" is written in a large, bold, blue font with a slight shadow effect.

newsletter

No 8/2006

13 December 2006



As the Christmas time is upon us, we want to wish you warm, joyous and happy Holiday Season.

May this time be full of peace, spent without haste, worries or troubles.

While at the close of New Year we wish you happiness and lots of professional and personal successes!

Polish Wind Energy Association

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: “Market and politics”, „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 18th December, 2006 by e-mail at PWEA’s office 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 15th 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 !

LAW AND POLITICS

Change at the post of chairman of the Parliamentary Group for Power Industry

On 7th December, 2006, a meeting of Parliamentary Group for Power Industry was held, during which MP Andrzej Czerwiński resigned from the function of chairman, however, staying in the presidium of the Group.

The newly elected chairman is senator, Mr. Marek Waszkowiak, who is currently also a chairman of the National Economy Committee of Senate.

Source: www.cire.pl

„South” Group under construction

In accordance with provisions of „Programme for Electrical Power Engineering” within the consolidation process of the polish electrical power sector, there will be four energy groups established, including the “South” Group.

Holding company under the working name “South” Group is being created by the especially called for the purpose work group under leadership of President of The Southern Poland Power Company Joint – Stock Company (PKE), Mr. Jan Kurp.

Scenario of consolidation at first assumes that a “small” company with a capital of 500 thousand PLN will be created by the National Treasury as well as Enion, EnergiaPro and Stalowa Wola. Afterwards, after acquiring permission of the Council of Ministers and Office of Competition and Consumer Protection – capital of the “South” Group will be raised by 85% of PKE values and other three entities. The rest of shares will be received by staff of consolidating companies.

The “South” Group will be one of the biggest economic entities in the country. Its value will exceed 12 milliard PLN, yearly turnover will amount to over 10 milliard PLN, when its yearly sales will amount to almost 27 TWh of energy by production in its own power plants of 21TWh. Almost 20 000 people will work in the holding.

Source: www.pke.pl

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Amendment to Energy Law in 2007

In second half of 2007 the Government plans to “in depth” amend the Energy Law Act. In the Sejm there was a second reading of draft amendment to energy law in the extent of cogeneration, which is the 28th amendment to the Energy Law Act. As Vice - Minister of Economy Mr. Tomasz Wilczak said, due to constant, but indispensable alternations, the Energy Law became incomprehensible and complicated.

The draft amendment, which was again directed to the joint Sejm’s Committees Economic and Environment Protection, Natural Resources and Forestry Committee, provides for introduction of the so called origin certificates from cogeneration of energy produced in highly efficient cogeneration. The sellers will be able to acquire the certificates by producing energy or by purchasing it at power exchange. When they do not do it, they will have to pay the so called substituting fee. The system of certificates of origin is similar to the one concerning energy from renewable energy sources.

Source: www.cire.pl

The Council of Ministers accepted the Operational Programme “Infrastructure and Environment” 2007 – 2013. National Cohesion Strategy

On 29th November, 2006, the Council of Ministers accepted the Operational Programme “Infrastructure and Environment” 2007 – 2013. National Cohesion Strategy, submitted by the Minister of Regional Development.

The main presumption of the Programme is to raise the investment attractiveness of Poland and its regions throughout development of technical infrastructure and by a simultaneous protection of environment, health, preservation of cultural identity and development of territorial cohesion.

In years 2007 – 2013 36 410,3 million Euro will be dedicated to realization of the Programme. 27 848, 3 million Euro will come from funds of the European Union. This means, that allocation of financial resources for OP “Infrastructure and Environment” have greatly increased from 35,5% to 41,3% of the whole allocation for Poland. Within the draft of the Programme, 3 204 million Euro will dedicated for energy sector and for environment protection it will be 6 020 million Euro. For actions in connection with Priority X “Environmentally friendly infrastructure” 732,2 million Euro will be allocated from the Cohesion Fund.

Approval of the National Cohesion Strategy and Operational Programmes by the Council of Ministers allows to start negotiations with the European Commission (the draft will be sent to the EC for approval by the end of this year). The final shape of the Programme will depend on result of talks with the EC, that will last for a few months. Realization of some projects can start earlier and costs will be refunded when the EC approves the document or from 1st January, 2007.

Works upon development of evaluation criteria and rules of application for funds within specific Priority Axes, Actions, Subactions are in progress.

Source: www.kprm.gov.pl; www.mrr.gov.pl

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Investments into power sector in Poland

On 29th November, 2006, a press conference "Power industry: investments into power sector in Poland" was held in Ministry of Economy. Vice-Minister of Economy, Mr. Tomasz Wilczak, participating in the conference, said that solution to problems of the power sector is its consolidation, proposed in the Programme for Electrical Power Engineering.

The Vice-Minister of Economy emphasized that so as to meet the growing demands for power, which are the result of i.a. growth of the domestic product, investments into the sector are essential. According to the Minister, during 10 years about 8000 MW of new production capacity has to be built in Poland. The cost of these investments is estimated for about 30 milliard PLN.

The Vice-Minister stated that the problem of Polish power sector is aging of production capacities, that in 70% are over 20 years old. Vice-Minister Wilczak determined the costs in regard to substitution of the current production potential with new production units for about 20 milliard PLN, when costs of transfer and distribution system modernization were determined for over 10 milliard PLN.

Source: www.mgip.gov.pl

The Council of Ministers accepted draft of the act amending the act – Environment Protection Law

On 21st November, 2006, the Council of Ministers accepted draft of the act amending the act – Environment Protection Law and some other acts, submitted by the Minister of Environment.

Draft amendment would introduce i.a.: arrangement and making the requirements concerning proceedings carried out in order to receive evaluation of influence of investments or other undertakings on environment, more precise. Moreover, the time when decision on environmental conditions is in force, was prolonged from 2 to 4 years. Rules of including ecology organizations into procedures concerning realization of enterprises influencing the environment were also determined.

A novelty in the Environment Protection Law are the provisions concerning Pollution Release and Transfer Register. The Register will have a form of an electronic data base. Information on pollutions will be gathered by Inspectors of Environmental Protection in voivodships and afterwards they will be sent annually by the Chief Inspector of Environmental Protection to the European Commission.

Source: www.kprm.gov.pl

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How is certificates trade taxed?

Property laws resulting from certificates of energy origin are stock exchange commodities, and trade with these is under VAT (22% rate) and income tax.

The act of acquiring and presenting certificates of origin for cancellation by energy companies is not under VAT, because in this case there is no payable provision of services. Expiration of property laws, which is a result of certificates of origin cancellation, is an administrative act – decision of a president of the Energy Regulatory Office.

Moreover, although handing certificates of origin for cancellation is not under VAT taxation, a tax payer has the right to deduct a tax assessed from an invoice documenting purchase of property laws.

Property laws resulting from certificates of energy origin can also be resold and such a transaction is under income tax. In case of sale of property laws to certificates of origin, the trader has a certain “choice” of the moment of tax income emergence, that according to the act on income tax from legal persons – takes place on the day when invoice (bill) is written out, however, not later than the last day of month, when the property law was sold.

In practice an invoice documenting sale of property laws can be written out:

- in the same month, when entry into Register of Polish Power Exchange was made – then income is created at the moment when an invoice is written out;
- in a month later than a month when entry into Register was made, than the income is created on the last day of the month, when the entry was made;
- in a month preceding the moment of making entry into the Register – then income is created in the moment when invoice is written out.

Source: www.rzeczpospolita.pl

Stricter gas emission limits

The European Commission is going to introduce in 2012 obligatory limits of carbon dioxide emission for Member States.


Earlier the EC was only informing about a recommended limitation of greenhouse gases emission by 15% - 30% till 2020, not about accounting the countries for this aim. In the European Union the obligatory limitation of carbon dioxide emission already involves 11 400 companies participating in the European emission trading scheme for this gas. In years 2008 – 2012 they are allowed to emit to the air on average by 7% less CO₂ than in previous year.

Source: www.rzeczpospolita.pl



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Wind energy is essential for the EU to satisfy its existing and future power demand



An important step in the process of defining a common European energy policy was the Green Paper "A European Strategy for Sustainable, Competitive and Secure Energy". The consultation process enjoyed unprecedented interest, informed Mr. Andris Piebalgs, European Commissioner for Energy, in an interview for "Wind Directions" Magazine. There were over 700 responses, ongoing debates in the European Council, Member States and discussions in various committees of the European Parliament.

The Commissioner stated that the next step in building a common energy policy is the Strategic European Energy Review, upon which the European Commission is currently working on. The Review will include a long term energy policy framework, with a clear Action Plan. It will also include a report on the internal market, with an assessment of the implementation of the EU directives by each Member State and an analysis of the sector in terms. The Renewable Energy Sources Road Map, including long term targets for renewable Energy, a revision of the Green Electricity and the Biofuels Directive and analysis of the objectives after 2010, will be also found in the Review.

In the Commissioner's opinion the main barriers to a development of wind energy in Europe are grid, administrative and market barriers. Changes in the operation of the power system are indispensable. Moreover, grid connection requirements for wind power plants should maintain stable and reliable, the grid infrastructure, and security of supply issues need to be extended and modified. As far as administrative requirements are concerned, introduction of i.a. clear environmental guidelines are also needed. In case of offshore, there is an urgent need for offshore spatial planning, which was already pointed out in the newly adopted Green Paper "Towards a future Maritime Policy for the Union: A European vision for the oceans and seas".

As for political challenges, Mr. Piebalgs said that the group of European countries giving sufficient support to wind energy (currently Germany, Spain and Denmark) must be enlarged. The above mentioned obstacles need to be removed, which is a must because wind energy is essential for the European Union to satisfy its existing and future power demand.

Source: Wind Directions

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'Intelligent Energy – Europe' Programme popular among polish companies

'Intelligent Energy – Europe' Programme (IEE) 2003 – 2006 enjoys great popularity among polish companies. In every fourth, fifth international consortium, that during last three years put forward a motion for a donation from IEE's budget, on average one entity was from Poland.

IEE Programme is a union action Programme, within which initiatives concerning security of energy supplies, counteracting against climate change and protection of environment in energy and transport sector, are supported. The Programme is to serve i.a solution of legal, financial, institutional and social barriers in order to support development of technologies utilizing RES and contributing to energy saving.

Enterprises supported from the IEE budget have to lead to:

- improvement of energy efficiency by about 1% annually,
- increase of RES share in the balance of consumed energy from 6% to 12% till 2010,
- increase of produced energy from renewable sources to 22,1% till 2010.

Member States of the EU, but also countries applying for a EU membership (Bulgaria, Romania, Croatia) and countries belonging to EFTA (European Free Trade Association) can take part in the Programme. Moreover, only legal persons (public and private) can participate in the Programme.

Source: http://ec.europa.eu/energy/intelligent/index_en.html
www.gazetaprawna.pl

MARKETS

Wind farms will arise in the region of Podkarpacie

Investors from the country and abroad, from Spain, Portugal, Germany are interested in construction of wind farms in Podkarpacie.

Daily paper "Gazeta Wyborcza" informs that at the beginning of 2007 in Bukowsko commune, Wojtech company together with the main investor – Portugal company Bukowsko – Windenergy, will open construction of the first wind farm in sanocki district. The target project is a construction of nine wind turbines with capacity of 2 MW each. The construction project has already acquired consent and the investor awaits validation of decision on building permit of the wind farm.

Source: [Gazeta Wyborcza](#)

Iberdrola takes over Scottish Power

The Spanish energy consortium – Iberdrola takes over for 11,6 billion pounds (22,5 milliard USD) the British consortium – Scottish Power. After taking the British company over, in relation to size, Iberdrola will become the third energy consortium in Europe, after Electricite de France connected to Suez group and German E.ON. together with Spanish Endesa.

Thanks to the merger, Iberdrola consortium will gain access to 5,2 million clients in Great Britain and power plants with capacity of over 6 000 MW. Moreover, Scottish Power has shares in the USA market and Canada. At present Iberdrola is the world leader as far as number of possessed wind turbines is concerned. Scottish Power whose production capacities are 6 200 MW, part of energy also generates from wind.

President of Iberdrola, Mr. Ignacio Sanchez Galan estimates that in 2011, the company should possess wind turbines with a total capacity of 10 GW. At present the company participates in projects of wind parks construction in France, Greece and Brazil. It also conducts talks about similar investments in China.

Consolidation process of energy concerns greatly accelerated due to planned for the second half of the next year, complete opening of the union market. In current year value of announced take overs in energy sector at the Old Continent amounts to over 200 billion USD, that is one third more than in 2005.

Source: www.rzeczpospolita.pl
www.parkiet.pl

German government has to fight for a New Energy Policy in Brussels

German government calls the European Union to define clear targets as far as RES development is concerned.

Till 2020 25% of European demand for energy should be covered with energy from renewable sources. In order to reach this, binding targets on energy, heat and fuels are essential. Without such targets EU dependence on energy import, that at present amounts to 50%, can grow to 70%. That is why a consequent development of renewable energy is indispensable, so as to reach the targets that EU set in the extent of environment protection.

Market participants maintain alike the European Parliament that reaching the share of renewable energy in energy production of 25% till 2020 is possible. Additionally, for 2020, targets should be determined for specific areas: 35% for energy, 25% for production of heat and cooling, 20% for production of fuels till 2020 have to be generated from RES.

The Germans also postulate establishing long-term targets for 2030 and 2050, in order to i.a. assure stable conditions for investment.

Source: www.unendlich-viel-energie.de

EVENTS

Meeting of National Association Network

A second meeting of National Association Network was held on 29th November, 2006. During the meeting representatives of EWEA discussed current actions within RES at the European level, in particular actions for establishing obligatory aims in the extent of renewable energy.

Representatives of sector associations presented data on state of development of national markets and discussed changes in the extent of policy concerning RES, introduced this year in their countries.

The following issues were also discussed:

- action plan for development of wind energy at national levels and at European level, in particular on establishing long-term, obligatory sector aims;
- the need to tighten cooperation between national associations in the extent of information and experiences exchange on various thematic ranges (e.g. influence of wind parks on birds and landscape, realization of investments on NATURE 2000 areas, obstacle marking, influence of wind parks on radars' operation etc);
- project of creating a website of NAN at EWEA's websites;
- coordination of actions during European Wind Day organized on 15th June, 2006.

Most probably the topic of the next meeting within NAN will be RES-E Road Map.

We remind that Poland (similar to Hungary and Czech Republic) has not yet presented any clear stand on establishing binding targets for 2015 and 2020, inclining rather against establishing another targets. Meanwhile:

- Germany supported establishing binding sector targets;
- Binding national targets – Denmark and European Commission;
- Indicative national targets – Sweden, Spain, Ireland, Slovakia, Greece, the UK, Austria, Latvia, Slovenia;
- National targets within sustainable energy or CO₂: France, Holland;
- Italy, Bulgaria, and Lithuania were against establishment of the targets.

Source: PWEA

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2007 European Renewable Energy Policy Conference

EREC - European Renewable Energy Council, whose Members are the European industry, trade and research associations AEBIOM, EGEC, EPIA, ESHA, ESTIF, EUBIA, EUREC Agency and EWEA, representing the entire renewable energy sector, co-organises the 2007 European Renewable Energy Policy Conference together with the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety in the frame of the German Presidency of the EU. The conference will take place in Brussels on 29th – 31st January, 2007.

The aim of the conference is to present and evaluate the most important renewable energy policy developments, bring forward new initiatives and to facilitate networking between senior decision makers and leading industry players

Source: www.erec-renewables.org

Conference: Wind Power in the Nordic and Baltic Region

On 8th – 9th March 2007, in Tallinn, Estonia, the Energy Forum organizes a conference: "Wind Power in the Nordic and Baltic Region".

The programme of the conference comprises of the following plenary sessions: Politics and reality; On- and offshore wind in the Baltics; Developments in the northern parts of Scandinavia; What's new on the supporting front?; How to meet the targets?

Source: www.energyforum.net

CURRENT ACTIVITY OF PWEA

Our activity in November and December:

1. On 29th November, 2006, representatives of Polish Wind Energy Association – President Mr. Jarosław Mroczek and Director, Mrs. Anna Paśławska participated in the second meeting of National Association Network, that gathers representatives of sector associations from all over Europe.
2. A Board meeting of the Association was held on 6th December, 2006. The following issues were discussed during the meeting i.a.: actions of PWEA representatives in Parliament (participation in particular meetings of Committees of Sejm, motion concerning amendment of Building Law etc.), works upon development of criteria within Operational Programme "Environment and Infrastructure", state of works concerning 2nd Annual Conference "Wind Energy Market in Poland".
3. On 7th December, 2006, Director of PWEA, Mrs. Anna Paśławska took part in a meeting of Environment Protection, Natural Resources and Forestry Committee of Sejm. The meeting was dedicated to National Allocation Plan for Allowances for 2005 - 2007 and for years 2008 - 2012. Mrs. Paśławska took part in the discussion on operation of Joint Implementation in Poland.