

Research RES LEGAL – Promotion system

Country: Poland

1. Overview of promotion system

Overview of promotion system	In the Republic of Poland, electricity from renewable sources is promoted mainly through a quota system. Electricity suppliers are obliged to acquire a certain number of so-called "certificates of origin", which are issued to the producers of electricity from renewable sources. Furthermore, electricity from renewable sources is supported through loans and tax relief.
Means of promotion	<ul style="list-style-type: none">• Quota system. In Poland, the main means of promotion is a quota system in terms of a quota obligation, which is combined with a certificate trading system. The Energy Law Act obliges electricity generators and suppliers that provide electricity to customers in Poland to fulfil a specified quota of certificates of origin/ green certificates. These certificates are awarded to the producers of electricity from renewable sources.• Loans. The National Fund for Environmental Protection and Water Management grants low-interest loans to environmentally sustainable projects. This definition also covers projects involving renewable electricity generation.• Tax incentives. Producers of electricity from renewable sources are exempt from the tax on the sale and consumption of electricity.
Promoted technologies	In general, all technologies are eligible for promotion.
Statutory provisions	<ul style="list-style-type: none">• Energy Law Act (Prawo energetyczne – general energy law)• Order of 14/08/2008 (Rozporządzenie Ministra Gospodarki z dnia 14 sierpnia 2008 r. – order on the quota obligation)• Environmental Protection Act (Prawo ochrony środowiska – law on environmental protection in general)• NOG (Zasady udzielania dofinansowania – administrative regulation on the allocation of grants)• Priority Programme for RES (Program Priorytetowy – application conditions for loans for renewable energy)• Tax Act (Ustawa o podatku akcyzowym – general tax law)

2. Basic information on legal sources

Name of legal source (original language)	Ustawa z dnia 10 kwietnia 1997 r. Prawo energetyczne	Rozporządzenie Ministra Gospodarki z dnia 14 sierpnia 2008 r. w sprawie szczegółowego zakresu obowiązków uzyskania i przedstawienia do umorzenia świadectw pochodzenia, uiszczenia opłaty zastępczej, zakupu energii elektrycznej i ciepła wytworzonych w odnawialnych źródłach energii oraz obowiązku potwierdzania danych dotyczących ilości energii elektrycznej wytworzonej w odnawialnym źródle energii	Ustawa z dnia 27 kwietnia 2001 r. Prawo ochrony środowiska
Name of legal source (full name)			
Name of legal source (English)	Act as of 10th May 1997, Energy Law Act	Order of the Polish Minister of Economy as of 14th August 2008 establishing detailed provisions on the obligation to acquire certificates of origin and submit them for collection, the obligation to pay a compensation fee, the obligation to purchase electric energy and heat generated from renewable energy sources, and the obligation to prove that the amount of energy generated and the source of energy used have been accurately reported	Environmental Protection Act
Abbreviated form	Energy Law Act	Order of 14/08/2008	Environmental Protection Act
Entry into force	10/04/1997	14/08/2008	27/04/2001
Last amended on	08/01/2010	23/02/2010	20/08/2010
Future amendments		A new law on electricity from renewable sources is planned to be enacted in 2011.	
Purpose	Regulating the energy market and the national energy policy, see art. 1.	Establishing detailed provisions on the promotion of renewable energy sources	The Act implements several European directives regarding environmental

		through the quota system and the price regulation according to art. 9a of the Energy Law Act.	protection (see art. 1 Environmental Protection Act).
Relevance for renewable energy	The Act also applies to renewable electricity generation.	This Order promotes renewable energy only.	Art. 400 ff. of the Environmental Protection Act provide rules on the granting of loans by the National Fund for Environmental Protection and Water Management. These loans may also be granted to projects involving the use of renewable energy sources.
Link to full text of legal source (original language)	http://www.ure.gov.pl/download.php?s=1&id=1373	http://www.mg.gov.pl/NR/ronlyres/93212343-8CEF-4ADA-ABAF-1D426EC0D675/47786/RozporzadzenieOZE.pdf	http://isip.sejm.gov.pl/Download;jsessionid=F709B8A70E4BBEE3B069C24F7241FF57?id=WDU20080250150&type=3
Link to full text of legal source (English)	http://www.mg.gov.pl/NR/ronlyres/FEF39A92-841A-4D24-AE9D-D6E0A2469100/13609/PE_6092005_Energy_Law_Act.doc Please note: The English translation does not provide information on the latest amendment of the Act.	http://www.res-legal.de/fileadmin/translations/Polen_Verordnung_14.08.2008.pdf Please note: The English translation does not provide information on the latest amendment of the Act.	

Name of legal source (original language)	Zasady udzielania dofinansowania ze srodkow Narodowego Funduszu Ochrony Srodowiska i gospodarki wodnej	Program priorytetowy. Program dla przedsiwziec w zakresie odnawialnych zrodel energii i obiektow wysokosprawnej kogeneracji – Czesc 1	Ustawa z dnia 6 grudnia 2008 r. o podatku akcyzowym
Name of legal source (full name)			
Name of legal source (English)	Basic principles for the allocation of grants from the National Fund for Environmental Protection and Water Management	Priority programme. Programme for investments in renewable energy and combined heat and power – Part 1	Tax Act
Abbreviated form	NOG	Priority programme RES	Tax Act
Entry into force	21/12/2009		01/03/2009

Last amended on			01/09/2010
Future amendments			
Purpose	Setting up conditions for the granting of loans and subsidies by the National Fund for Environmental Protection and Water Management.	This regulation sets conditions for the granting of loans and subsidies by the National Fund for Environmental Protection and Water Management.	The Tax Act establishes provisions on the levying of consumption taxes including the consumption tax on electricity.
Relevance for renewable energy	Projects that promote the market access of renewable energy are eligible for loans and subsidies granted by the Fund.	The regulation promotes renewable energy only.	Renewable energy is exempt from the tax.
Link to full text of legal source (original language)	http://www.nfosigw.gov.pl/download/gfx/nfosigw/pl/nfoopisy/23/1/2/zasady_-_od_01.01.2010.pdf	http://www.nfosigw.gov.pl/download/gfx/nfosigw/pl/nfoopisy/573/1/14/zal.1_program_18.10.2010.pdf	http://www.mf.gov.pl/_files_/podatki/podat_ek_akcyzowy/nowa_ustawa.pdf
Link to full text of legal source (English)			

3. Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Ministerstwo Gospodarki (MG) – Ministry of Economy	http://www.mg.gov.pl/		+ 48 22 693 50 00	mg@mg.gov.pl
Ministerstwo Środowiska (MOS) – Ministry for the Environment	http://www.mos.gov.pl/?j=en		+48 22 57 92 900	info@mos.gov.pl
Urząd Regulacji Energetyki (URE) – Energy Regulatory Office	http://www.ure.gov.pl/portal/en		+48 22 661 61 07	ure@ure.gov.pl
Krajowa Agencja Poszanowania Energii S.A. (KAPE) – National Energy Conservation Agency	http://www.kape.gov.pl/EN/index.phtml		+48 22 626 09 10	kape@kape.gov.pl
Instytut Paliw i Energii Odnawialnej (IPiEO) – Institute for Fuels and Renewable Energy	http://www.ipieo.pl/		+48 22 5100 200	instytut@ipieo.pl

4. Means of promotion

4.1. Subsidy (name of means of promotion)

Abbreviated form of legal source(s)		
Country-specific promotion system		
Promoted technologies	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
	Hydro-electricity	
Amount		
Addressees	A	
Procedure	Procedure	
	Competent authority	
Flexibility Mechanism		
Funding	State	
	Consumers	
	System operator	
	Grid operator	
	Distribution mechanism	

4.2. Loans (National Fund for Environmental Protection and Water Management)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Environmental Protection Act • NOG • Priority Programme RES 	
Country-specific promotion system	<p>The National Fund for Environmental Protection and Water Management grants low-interest loans to environmentally sustainable projects. This definition also covers projects involving renewable electricity generation.</p> <p>The loans are awarded through calls for proposals from January 2009 to December 2012. The calls are published on the website of the Fund (www.nfosigw.gov.pl).</p> <p>The loan programme may not be received on top of other incentives granted by the Fund (7.4 Priority Programme RES).</p>	
Promoted technologies	General information	According to the current Priority Programme, the following technologies are eligible for the soft loan scheme (4.1 Priority Programme RES):
	Wind energy	Systems with a capacity of up to 10 MW are eligible (4.1 Priority Programme RES).
	Solar energy	
	Geothermal energy	
	Biogas	Eligible (4.1 Priority Programme RES)
	Biomass	
	Hydro-electricity	Systems with a capacity of up to 5 MW are eligible (§ 4.1 Priority Programme RES).
Amount	<p>The total budget for the support programme for renewable energy and combined heat and power for 2009-2012 is 1.5 bn PLN (370 m €) (4.1 Priority Programme RES).</p> <p>The amount of loan may be 4 m to 50 m PLN (1-12.5 m €) but must not exceed 75% of the project costs (7.2.2 Priority Programme RES). The investment must exceed 10 m PLN (2.5 m €) (7.4 Priority Programme RES).</p> <p>Up to 50% of the loan may not need to be repaid (7.2.3 Priority Programme RES).</p>	
Addressees	All natural persons and legal entities that provide funds for an eligible project are eligible (7.3 Priority Programme RES).	
Procedure	Procedure	<ul style="list-style-type: none"> • Application. Interested companies have to apply for a loan (§ 2 par. 1 NOG). • Selection procedure. Applications are examined and chosen by the National Fund for Environmental Protection and Water Management (§ 3 par. 2 NOG). • Subsidy contract. The loan is granted on the day on which the subsidy contract is signed (§ 3 par. 6 NOG).
	Competent authority	The authority in charge of granting loans is the National Fund for Environmental Protection and Water Management.
Flexibility Mechanism		

Funding	State	
	Consumers	The costs of the loan scheme are borne by the end users.
	Grid operator	
	System operator	
	Distribution mechanism	The means provided by the National Fund to promote renewable energy are made up of compensation and penalty fees paid by electricity producers and suppliers that fail to satisfy their quota obligation. These fees are passed on to the end users (art. 401 par. 7 no. 4 and art. 401c par. 5 Environmental Protection Act).

4.3. Feed-in tariff (name of means of promotion)

Abbreviated form of legal source(s)		
Country-specific promotion system		
Promoted technologies	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
	Hydro-electricity	
Amount	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
	Hydro-electricity	
Degression	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
	Hydro-electricity	
Cap		
Eligibility period		
Addressees		
Procedure	Procedure	
	Competent authority	

Flexibility Mechanism		
Funding	State	
	Consumers	
	Grid operator	
	System operator	
	Distribution mechanism	

4.4. Premium tariff (*name of means of promotion*)

Abbreviated form of legal source(s)		
Country-specific promotion system		
Promoted technologies	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
	Hydro-electricity	
Amount	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
	Hydro-electricity	
Degression	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
	Hydro-electricity	
Cap		
Eligibility period		
Addressees		
Procedure	Procedure	
	Competent authority	

Flexibility Mechanism		
Funding	State	
	Consumers	
	Grid operator	
	System operator	
	Distribution mechanism	

4.4. Quota system

Abbreviated form of legal source(s)	<ul style="list-style-type: none">• Energy Law Act• Order of 14/08/2008																			
Country-specific promotion system	The Energy Law Act obliges electricity generators and electricity suppliers to fulfil a certain quota of green certificates (certificates of origin) (art. 9a par. 1 no. 1 Energy Law Act). As an alternative, the companies may pay a fee (art. 9a par. 1 no. 2 Energy Law Act). Satisfying neither of these obligations carries a penalty (art. 56 par. 1 no. 1a) Energy Law Act). Löschungen Electricity producers may also sell their electricity on the market or offer it to an electricity supplier at last year's market price. Electricity generators subject to the quota system may receive grants and subsidies.																			
Promoted technologies	General information	In general, all technologies are eligible (§ 4 par. 1 Order of 14/08/2008).																		
	Wind energy	Eligible, if evidenced by certificates of origin/ green certificates.																		
	Solar energy	Eligible, if evidenced by certificates of origin/ green certificates.																		
	Geothermal energy	Eligible, if evidenced by certificates of origin/ green certificates.																		
	Biogas	Eligible, if evidenced by certificates of origin/ green certificates.																		
	Biomass	Eligible, if evidenced by certificates of origin/ green certificates and if the following requirements are met: <ul style="list-style-type: none">• In systems whose capacity exceeds 5 MW, the amount of biomass shall exceed a certain percentage if substances other than biomass are co-fired (§ 4 par. 2 Order of 14/08/2008).• In systems whose capacity exceeds 20 MW and which fire biomass only, a certain percentage of the biomass shall be of a certain origin (§ 4 par. 4 Order of 14/08/2008).																		
	Hydro-electricity	Eligible, if evidenced by certificates of origin/ green certificates.																		
Amount	Amount of quota and period of application	The quota is a percentage of the total annual amount of electricity sold (§ 3 Order of 14/08/2008). The quota has been fixed until 2017 and amounts to: <table><tr><td>Year</td><td>Quota</td></tr><tr><td>2010</td><td>10.4%</td></tr><tr><td>2011</td><td>10.4%</td></tr><tr><td>2012</td><td>10.4%</td></tr><tr><td>2013</td><td>10.9%</td></tr><tr><td>2014</td><td>11.4%</td></tr><tr><td>2015</td><td>11.9%</td></tr><tr><td>2016</td><td>12.4%</td></tr><tr><td>2017</td><td>12.9%</td></tr></table>	Year	Quota	2010	10.4%	2011	10.4%	2012	10.4%	2013	10.9%	2014	11.4%	2015	11.9%	2016	12.4%	2017	12.9%
	Year	Quota																		
	2010	10.4%																		
	2011	10.4%																		
	2012	10.4%																		
	2013	10.9%																		
	2014	11.4%																		
	2015	11.9%																		
	2016	12.4%																		
	2017	12.9%																		
Adjustment of quotas	The quota may change due to amendments in legislation. The person in charge of energy legislation is the Minister of Economy (art. 9a par. 9 no. 5 Energy Law Act).																			
Number of certificates	The quota does not depend on the technology used, and each technology is eligible																			

	according to technology	for the same amount of certificates for the same amount of energy.
	Minimum price per certificate	There is no minimum price per certificate.
	Fees and penalty charges	<ul style="list-style-type: none"> • Payment of a fee. The quota obligation may also be fulfilled by paying a fee (art. 9 a par. 1 no. 2 Energy Law Act). Every year, the amount of fee is calculated according to a statutorily set formula and published (art. 9a par. 2-4 Energy Law Act). • Penalty charges. If a generator fails to present certificates of origin or does not pay the fee, regulatory authority URE charges a penalty (art. 56 par. 1 no. 1a) and par. 2 no. 1) Energy Law Act). The amount of penalty must exceed a certain amount (art. 56 par. 2a no. 1) Energy Law Act).
International applicability	International certificate trade	The Act does not stipulate that certificates can be traded on an international basis.
	Flexibility Mechanism	
Addressees	<p>All energy companies that sell electricity to end users connected to the Polish grid are obliged to comply with the quota obligation (art. 9a par. 1 Energy Law Act).</p> <p>Furthermore, electricity suppliers licensed to supply electricity to households that have not chosen a supplier are obliged to purchase electricity from renewable sources from producers within their area of service at a fixed price (art. 9a par. 6 Energy Law Act). The fixed price is the mean electricity price of the previous year. It is calculated by the regulatory authority (art. 9a par. 6 in connection with § 23 par. 2 no. 18 b) Energy Law Act).</p>	
Procedure	Procedure	<ul style="list-style-type: none"> • Submission of certificates of origin/ green certificates. In order to provide evidence for the fulfilment of the quota, companies shall present certificates of origin/ green certificates (art. 9a par. 1 no. 1, art. 9e Energy Law Act). The regulatory authority awards these certificates for electricity from renewable energy to the system operators (art. 9e par. 3 Energy Law Act). Certificates of origin are transferable (art. 9e par. 6 Energy Law Act) and may either be acquired by generating electricity from renewable energy or purchased from other producers. • Payment of a fee. The quota obligation may also be fulfilled by paying a fee (art. 9 a par. 1 no. 2 Energy Law Act). • Penalty charge. If a company fails to present certificates of origin/ green certificates or does not pay the fee, regulatory authority URE charges a penalty (art. 56 par. 1 no. 1a) Energy Law Act).
	Competent authority	Regulatory authority URE monitors compliance with the quota obligation (art. 23 par. 2 no. 4 Energy Law Act).
Funding	State	

	Consumers	The costs of the quota system are borne by the consumers (§ 15 Order of 14/08/2008).
	Grid operator	
	System operator	
	Distribution mechanism	The costs of purchasing certificates of origin/ green certificates and of paying the fee are included in the electricity price and thus equally distributed among the final consumers (§ 15 par. 1 Order of 14/08/2008). The costs that may be passed on to the final consumers are limited in amount (§ 15 par. 2 Order of 14/08/2008).

4.5. Tax regulation mechanisms (name of means of promotion)

Abbreviated form of legal source(s)	Tax Act	
Country-specific promotion system	In Poland, a tax is levied on the sale of electricity to end users and its consumption (art. 9 Tax Act). Electricity from renewable sources is exempt from consumption tax (art. 30 par. 1 Tax Act).	
Promoted technologies	General information	All renewable electricity generation technologies are eligible for tax exemption.
	Wind energy	Eligible.
	Solar energy	Eligible.
	Geothermal energy	Eligible.
	Biogas	Eligible.
	Biomass	Eligible.
	Hydro-electricity	Eligible.
Amount	The amount of subsidy is equal to the amount of taxes entitled persons are exempt from. At the moment, the consumption tax on electricity amounts to 20 PLN (approx. 5 €) per MW/h (art. 89 par. 3 Tax Act).	
Addressees	Electricity from renewable sources is exempt from consumption tax. Both generators and suppliers of electricity are exempt from paying tax on all renewable electricity sold to end users or consumed (art. 30 par. 1 in connection with art. 9 par. 1 Tax Act).	
Procedure	Procedure	<ul style="list-style-type: none"> • Tax collection. The tax is collected when the electricity is supplied to the end user or when it is consumed (art. 11 Tax Act). • Certificates issued by URE. Regulatory authority URE issues certificates to electricity vendors that comply with their quota obligation (see quota system). • Exemption from tax. Generators and suppliers become exempt from the tax when they submit their certificates to the competent authority (art. 30 par. 1 Tax Act).
	Competent authority	The competent authority is the customs office (art. 14 Tax Act).
Flexibility Mechanism		
Funding	State	The costs of tax relief are borne by the state (art. 1 par. 2 Tax Act).
	Consumers	
	Grid operator	
	System operator	
	Distribution mechanism	

