

Opinion of the Chief Expert of the Union of Entrepreneurs and Employers on Power Industry regarding the Energy Sector in the National Recovery Plan

The two projects recently presented: the National Recovery Plan (NRP – Krajowy Plan Odbudowy) and the Polish Energy Policy until 2040 (PEP2040), are documents of highly strategic importance that concern, to a large extent, the future of the entire Polish economy. Both strategies will significantly affect the image of our domestic economy, not only in the area of energy.

Furthermore, the recently presented Polish Hydrogen Strategy assumes the development of a national hydrogen economy based mainly on energy from renewable sources, the development of which will depend on the implementation of the assumptions of PEP2040, whereas financing will be in part be provided from funds of the National Recovery Plan.

The assumptions regarding energy presented in the NRP are consistent with the objectives set by the European Commission, which means that the Polish state intends to allocate as much as 37% of the received aid funds to the development of green energy and to the reduction of energy consumption. Individual statements of government officials concerning the goals of climate neutrality that Poland has set itself are also optimistic and quite unambiguous as well as substantively consistent.

According to Małgorzata Jarosińska-Jedynak, Deputy Minister of Development Funds and Regional Policy, at the core of these investments, there will be onshore and offshore wind farms along with large-scale solar energy facilities. This is a very apt statement due to the fact that these are the cheapest and most effective sources of green energy. They are also proven in terms of technology and economy of energy production.

Under the National Recovery Plan, considerable funds are to be allocated to the development of technologies based on biogas and hydrogen. However, reducing the supply deficit of green energy ought to be the absolute investment priority in the years to come.

There is a serious risk that Poland might not receive half of the funds it has been granted under the Just Transition fund. This is due to the lack of support for the EU's 2050 climate neutrality target. All the more so, Poland needs to further invest in a more precise manner in technologies that could relatively quickly be introduced to the national energy system.

Hydrogen-based technologies are still a thing of the distant future. Yet this does not mean that Poland should not select its fields of specialty, whereas the development thereof ought to be supported. On the other hand, biogas investments will not ensure a complete equilibrium to renewable energy, nor a steady energy supply when there is hardly any sun or wind. They should be supported under the distributed energy development programme, as they have the potential to play a very important supporting role in the development of agriculture as well as economic initiatives in rural areas.

Energy from gas can effectively supplement renewable sources, as it is rational in terms of investment and economics. The Polish economy has considerable opportunities to diversify supplies, thus excluding dependence on a single supplier, in spite of the need to significantly increase gas imports should we decide to develop this type of energy and heat sources. The Polish power industry and the Polish heating sector must for some time be based on gas sources, which we can treat as a temporary fuel, replaceable in the future with hydrogen and / or atom.

Although nuclear power in Poland is still in its design phase, strategic initiatives should be undertaken to develop and make use of nuclear technology as quickly as possible. It is undeniable that the Polish

economy will not be able to handle such an investment alone, neither technologically nor economically. The development of this energy source will depend on the right choice of an investment partner with appropriate technical and financial resources. The above will contribute not only to increasing the stability and energy independence of Poland, but also to improving the strategic security of the country.

Mining agreements are another extremely important issue having a fundamental impact on energy policy. A clear and straightforward description of the situation in the energy sector in Europe needs to be presented, as “black energy” may in a couple of years become a hard-to-sell commodity, both domestically and in terms of exports. Coal can only act as a system protection against unpredictable circumstances. Thus, the possibilities of selling steam coal will be significantly limited, most likely to approximately 20 million tonnes annually. Mining agreements should be created only for such a sales programme. On the other hand, sales of coke will remain at an attractive price level for a long time, which may be an opportunity for some Polish mines, especially in the region of Ruda Śląska.

The National Recovery Plan and the Polish Energy Policy should be considered extremely important and necessary documents. They should be consistent and feasible. However, what they require is that their details be worked out and specific goals to be achieved within realistic deadlines, as well as a rational list of Polish specialisations be presented as part of the new division of labour in Europe.

The acceleration of legislation on energy (and renewable energy in particular) is the most important task for the legislators of today due to the need to significantly increase green energy production by 2025 at the latest. Increasing investment opportunities in onshore wind energy may be of decisive importance in the supply of green energy by 2025. Only onshore wind energy and large-scale solar investments can quickly increase the volume of green energy on our market. After this date, producers of goods exported to European markets may be obliged to use only zero-emission energy in the production of most goods.

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