

Polish Sustainable Recovery Monitor

– November 2021 issue

1.1

Economic Recovery – the big picture



COVID-19 pandemic – current state:

[The overall number of cases detected in Poland is estimated at 26 735 as of the 26th of November 2021](#), while the numbers of deaths exceeded 82 607. By the 26th of November 2021, 51.75% of the Polish population has been fully vaccinated. Poland is recording an upward trend in the number of daily cases with spikes after national holidays. Schools remain open but the number of quarantined classes rises.



Polish commitments at COP-26 - summary:

[During the summit, Poland along with other 190 countries signed a declaration to stop financing coal power plants and move away from coal until 2040.](#) This is the first official statement made

by the Polish government regarding the coal phase-out.

Poland agreed to [move away from selling combustion-engine cars since 2035 and trucks from 2040](#). Poland is amongst 24 developed countries and companies which signed the document that aims to facilitate the development of zero-emission vehicles.



Polish opinion on Social Climate Fund:

[Polish Committee of Electric Energy \(PKEE – Polski Komitet Energii Elektrycznej\)](#) issued a statement which [approves Social Climate Fund](#). PKEE suggests making the Fund accessible to energy and heating companies and highlights that PLN 12.7 billion (ca. EUR 2.7 billion) by 2032 may not be enough to combat the consequences of the green transition in Poland. The Fund will support investments in cleaner transportation, changes of heat sources and energy efficiency. According to the proposal by the European Commission, Poland will be the biggest beneficiary of the Fund.



Tax changes within “Polish Order” approved:

On the 16th of November 2021, President Andrzej Duda signed the [“Polish Order”](#) act. The main element of the flagship government programme is the tax reform which is aimed to help lower-income citizens. [The main changes include a higher tax-free amount of PLN 30 thousand \(ca. EUR 6.4 thousand\) and a second tax threshold from PLN 90 to 120 thousand \(ca. EUR 19 to 25.5 thousand\)](#). It also introduces an obligatory healthcare contribution of 9% from companies. New tax regulations will come into force in January 2022.

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Energy



Further delays with the repair of the coal-fired unit at the Jaworzno power plant:

Synchronisation of 910MW coal-fired unit in Jaworzno power plant with the power system, shut down in June 2021 due to its [malfunction, will move from February to April of 2022 after an agreement made between the contractor Rafako and Tauron – owner of the power plant.](#) The delay will result in total losses of up to PLN 390 million (ca. EUR 83 million). (For background information see [September's](#) edition of the Monitor).



Investments in Dolna Odra power plant:

[A cornerstone in the newest combined gas and steam Dolna Odra power plant has been laid.](#) The investment which will cost PLN 5 billion (EUR 1.06 billion) is planned to be finished by the end of 2023. With the combined power of 1400MW, two power units will be an important part of the Polish energy mix. The emissions will be as low as 0.35 tonnes of CO₂/MWh - only half of Poland's average. With minor technological changes, power units will be able to use green hydrogen in the future.

Environmental control in Ostrołęka power plant:

[Inspectors at Ostrołęka power plant informed that the administrative decisions on environmental protection during the last 20 months have been respected.](#) The emissions of NO_x and SO₂ have reached only 50% of what is allowed whilst fine particles emissions have been as low as 25% of the permitted level.



Coal to gas transition in Gorzów power plant:

[The combined heat and power plant will receive a new gas-fired peaking and reserve heating boiler with a power of 62 MWt.](#) The new boiler will cost PLN 40 million (ca. EUR 8.5 million) allowing to reduce CO₂ emissions and air pollution from 2023 when the old coal-powered boiler will be shut down.



Construction of 5 new solar power plants:

[Polish Energy Group \(PGE – Polska Grupa Energetyczna\) informed that the construction of 5 new photovoltaic plants has started and will be finished in the second half of 2022.](#) According to the company's strategy, by 2030 their PV farms are supposed to reach a total capacity of 3GW.



Launch of the biggest solar power plant in Brudzew:

[The photovoltaic farm in Brudzew with a power capacity of 70MW and a total area of 100 ha, was launched by the beginning of this month.](#) It was constructed by Esoleo and ZE PAK on the premises of the former lignite mine and is one of the biggest green energy projects financed by private capital in Poland, says the chairman of ZE PAK.



Subsidy for geothermal deposits search:

Call for applications for local governments will start [at the beginning of 2022 allowing them to receive money for projects regarding exploration and recognition of geothermal deposits.](#) The programme is coordinated by the National Fund for Environment Protection and Water Management (NFOŚiGW - Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej) with a total budget of PLN 70 million (ca. EUR 14.9 million). Piotr Dziadzio, Chief National Geologist, underlined that around 50% of Polish territory may have geothermal potential.



Senate Committee on climate recommends the rejection of the amendment to the RES Act:

[Energy commission in Sejm prepared amendments to Renewable Energy Act making PV installations less desirable for prosumers.](#) Under the new law currently existing net metering system will be changed to net billing which will result in lower savings for prosumers. The law is set to come into force in February 2022, though those who will become prosumers before that date will still use the current billing method for the next 15 years. It has been reported that due to the changes, interest in PV installations has already fallen. Also recently, [Senate Extraordinary Committee on Climate Affairs has recommended the rejection of](#)

[the amendment](#) stating that proposed regulations do not support the development of renewable energy industries.

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Transport



Ongoing progress in the development of electromobility in Poland:

[InPost – Polish company specialising in e-commerce shipping, will expand its fleet with 260 electric vans.](#) This is the biggest contract in the leasing industry when it comes to zero-emission vehicles. It is expected that by the end of 2021, the total number of electric vans in the InPost fleet will reach 300.

[Electric and hydrogen-powered taxis will appear in the fleet of the Polish iTaxi company.](#) It is expected that by the end of 2022, 50% of its fleet will use alternative fuels and by 2025 that number will increase to 80%.

[Five Polish towns will expand their fleets with 25 new electric buses in total](#) capable of transporting 70 passengers each. The investment will be co-financed from the “Green Public Transport” programme offered by NFOŚiGW and amounting to approx. PLN 87 million (ca. EUR 18.5 million).

[Lidzbark Warmiński, a town in northern Poland, purchased 2 electric buses which initiated the operationalisation of free public transportation in the city.](#) Additionally, supporting infrastructure was built including charging stations for electric buses and cars.



Additional support for local bus network in Poland:

[According to the Ministry of Infrastructure, local buses are getting more popular.](#) For instance, recently 4080 bus lines received subsidies from the Bus Transport Development Fund in the amount of PLN 436 million (ca. EUR 92.75 million). There are plans to implement long-term contracts under the programme starting from 2022.

The Minister of Infrastructure informed that Polish State Railway (PKP – Polskie Koleje Państwowe) will create a subsidiary that will support declining bus companies fully or partially owned by the State Treasury. [The measure aims to reduce transport exclusion especially in rural areas that do not have direct access to trains.](#)

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Buildings



Upper Silesian governments reaching out for subsidies:

[A dozen of local governments applied for a joint subsidy amounting to approximately EUR 2.6 million \(ca. PLN 12.22 million\).](#) The dotation for future investments related to the improvement of energy efficiency in municipal multi-family buildings will be spent on creating the specific documentation and analysis for further investment opportunities under the European Local Energy Assistance (ELENA) programme. During the next three years, PLN 130 million (ca. EUR 27.65 million) will be spent by the beneficiaries

on thermomodernisation and the energy efficiency improvement in multi-family buildings.



Summary of “Clean Air” programme:

More than 2700 local communities have [applied for subsidies under the “Clean Air” programme that supports the replacement of old heat stoves and building renovation](#). In the ranking of most active communities, 52 out of 100 came from Silesian Voivodeship. It is planned that local communities with the highest amount of submitted applications will receive additional cash prizes at the sum of PLN 16 million (ca. EUR 3.4 million).

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Industry



“Polish Hydrogen Strategy” approved by the government:

[On the 2nd of November 2021, the Council of Ministers adopted a resolution on the adoption of the “Polish Hydrogen Strategy”](#). This much-anticipated document sets out goals, policies and measures to facilitate the development of hydrogen technologies by 2030. The document also considers subsidising the production of hydrogen from fossil fuels if CCU/CCS technology will be used. The strategy is based on 6 goals among others 2GW of hydrogen-producing facilities and 5 hydrogen valleys.



PKN Orlen investments in Trzebnia:

[PKN Orlen, Polish state-owned oil company, launched the biggest installation for green glycol production in Europe](#). With the capacity of producing 30 thousand tonnes of ecological glycol per year, it is supposed to cover



75% of national demand. Trzebnia is also the first hydrogen hub in Poland where most of its hydrogen will be intended for glycol production with the remaining allocated to automotive-quality hydrogen.

Agreement for the development of biogas and biomethane signed:

[On the 23rd of November 2021, “Agreement on cooperation for the development of biogas and biomethane sector” has been signed between public administration and private-sector representatives.](#) It is anticipated that the agreement will foster the development of biogas and biomethane in Poland supporting diversification of energy sources and increasing energy security.



Korean company will invest in Stalowa Wola:

[SK Nexilis – a Korean technology company will build a copper foil factory in Stalowa Wola](#) that will be furtherly used to produce lithium-ion batteries. The factory should open in 2024 and will be mostly powered by renewable energy sources. It is also estimated that the investment will cost PLN 3 billion (ca. EUR 640 million).

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1.3

WiseEuropa's updates



[Reverse Gear. Social and economic effects of imports of used vehicles to Poland](#) [EN] – policy brief on imports of used vehicles and its socio-economic consequences



Forgotten Foundation. Buildings and energy efficiency in the new architecture of carbon pricing in the EU [EN] – policy brief on the implications of the EU carbon pricing framework for energy efficiency policy.



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