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ADDENDUM TO THE NOTE

from : Council Secretariat
to : Delegations
Subject : Energy Policy for Europe
Sustainability of energy production and consumption: Promoting Energy
Efficiency and Renewable Energy
– Policy debate
= contribution from Poland

Delegations will find attached a contribution from Poland to the policy debate on energy efficiency and renewable energy to be held on occasion of the TTE Council on 23 November 2006.

Sustainability of energy production and consumption:

Promoting Energy Efficiency and Renewable Energy

Policy debate

Polish position on the Presidency questions

1. In view of the recently launched Energy Efficiency Action Plan and the forthcoming National Energy Efficiency Action Plans: what are the priority measures for tackling the greatest obstacles to the improvement of energy efficiency? What would constitute concrete and practical measures for integrating energy efficiency with other EU/national policy goals in a coherent and synergetic way?

Our position on this question is as follows:

The European Union and its Member States should boost energy saving both in industry and other sectors of the economy, and in domestic households, thus reducing the rate of increase in demand for energy. This would also prevent excessive price rises and reduce dependency on energy supplies from outside the European Union.

Against this background, Poland welcomes the multi-sectoral approach put forward in the Commission's *Action Plan*. The promotion of energy efficiency should not be confined to areas under energy ministry supervision, but should also extend to other spheres of activity.

If energy efficiency policy is to be implemented properly, then in addition to the *Action Plan* it is essential to have the full commitment of national, regional and local authorities, which should make their contribution and propose their own measures to back up those proposed by the Commission.

Social attitudes stemming from inappropriate models of energy use are a major obstacle to improved energy efficiency. Increasing public awareness of rational energy use, particularly among the younger generation, is highly essential; this will require both education/persuasion and economic incentives, provided via both appliance prices and running costs.

Another factor which is holding back efficient energy use is that households are too slow to replace older, energy-intensive equipment with the new generation of energy-saving appliances. Despite the fact that there are new, highly efficient products on the market, appliances that were produced many years ago are still in use.

Poland feels that market-based mechanisms providing clear-cut economic benefits offer the best way of improving energy efficiency. Action to improve energy efficiency must not create barriers to economic growth. In this connection Poland favours the idea of detailed EU investigation of a "white certificates" scheme, as a good economic/financial instrument that would steer market forces towards more rational use of energy.

2. Taking into account the principles of subsidiarity, flexibility and cost-efficiency, what would be the most effective combination of targets and measures – whereas existing or new – at Member State and/or Community level to ensure a significant contribution from renewable energy to the three objectives of the Energy Policy for Europe over the long term (2020+)?

Our position on this question is as follows:

Measures to promote increased use of renewable energy sources have a great role to play in Community energy policy. The use of renewable energy sources should be dealt with as a priority in terms of improving energy security, including the diversification of supply, environmental conservation and social and economic factors. Poland supports the development of renewable energy based primarily on national potential, which can be used locally. Drawing on local resources, and thereby reducing the need for transport, is particularly relevant where biomass is intended for energy purposes.

It would be useful to set strategic targets for energy generated from renewable sources for the period post 2010. These targets should be indicative. They should not concentrate exclusively on the proportion of electricity from renewable sources, but cover the whole range of uses of renewables – for heating, refrigeration and transport. It is important that the targets should not relate to any specific renewable technologies.

When defining new targets for renewable energy, especially for electricity, Poland's preference is for market-based support mechanisms, such as those based on "green certificates" schemes. This would optimise the achievement of the targets, since market-based support mechanisms enable targets to be achieved at low cost, by the most efficient means. The use of administrative mechanisms based on fixed subsidies can lead to excessive concentration on the development of certain types of renewable energy, such as solar cells, at very high cost. In addition, every support mechanism involves some measure of market distortion, especially given the significant expected increase in the proportion of electricity generated from renewable sources. Market-based support mechanisms definitely offer a more promising approach, causing less distortion of the Community electricity market.

Poland believes that when setting strategic targets for energy from renewable sources there is a need to differentiate, given the lower per capita electricity use and the higher forecasts for economic growth in the new Member States as opposed to the EU-15 countries. Applying uniform percentage indicators when defining new targets for renewable energy would mean requiring the new countries to achieve excessive rates of increase in electricity generated from renewable sources.

The use of biomass contained in various types of waste is essential to increase the proportion of energy from renewable sources. It would be helpful to launch an initiative to remove legal barriers and establish transparent criteria allowing animal waste products to be used for energy purposes. A review of the legislation in this area is needed to enable the biomass contained in waste products to be widely used, while at the same time maintaining a high level of environmental protection.

3. What are the first priorities in enhancing international cooperation in the fields of energy efficiency and renewable energy? What kinds of multilateral and bilateral initiatives should be prepared?

Our position on this question is as follows:

European Union action in the international arena should aim to highlight and promote the advantages of Community policy on energy efficiency and the use of renewable energy sources to increase energy security, and to improve the state of the environment and economic development.

The basic priority as regards enhanced international cooperation in the fields of energy efficiency and renewable energy should be to strengthen the European Union's position as the initiator and promoter of action in these fields. Action in this area would make EU businesses more competitive on the market for energy-saving goods and services. It should also contribute to solving global environmental protection problems, including the reduction of adverse climate change.

The Polish view is that international cooperation in the field of energy efficiency should focus on collaboration on technical standards and energy efficiency labelling for products and appliances which use energy. A good example in this connection would be the *Energy Star* energy-efficiency labelling programme for office equipment, which is based on an agreement with the United States.

The European Union should take the initiative and encourage the world's leading scientific research centres to pool their efforts in order to achieve, as quickly as possible, concrete results and practical applications in the field of modern technologies for renewable energy and energy efficiency, e.g. in the area of high-efficiency energy conversion, electricity storage and new means of vehicle propulsion.
