

The Energy Efficiency Law of 20 May 2016: white certificates scheme

**Workshops Concerted Action for the Energy
Efficiency Directive**
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- Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 **on the energy performance of buildings**
- Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 **on energy efficiency**, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC Text with EEA relevance

Polish national law:

- The Energy Efficiency Law of 20 May 2016
- The Energy Performance of a Building Law of 29 August 2014
- National Action Plan on energy efficiency for Poland

Energy Efficiency Law and White Certificates scheme: basic assumption

- indicative energy savings target of **20%** of the annual average amount of end-use energy consumption **by 2020**
- total savings of **158 168 GWh** equal to **13,6 Mtoe** to be achieved by 2020 (base period 2001-2005)

Main reasons for redesign

Necessity to implement EED into Polish Law:

- formal procedure of application for WCs is very complicated and confusing; high business risk
- no possibility to correct formal mistakes in the process of application
- short time after the announcement of the tender to the day of submitting complete applications (30 days)
- long procedure of evaluating and granting certificates
- exclusion from the tender projects implemented in installations covered by the ETS
- WCs insufficiently contributed to development of energy services market, e.g. ESCO, energy audits



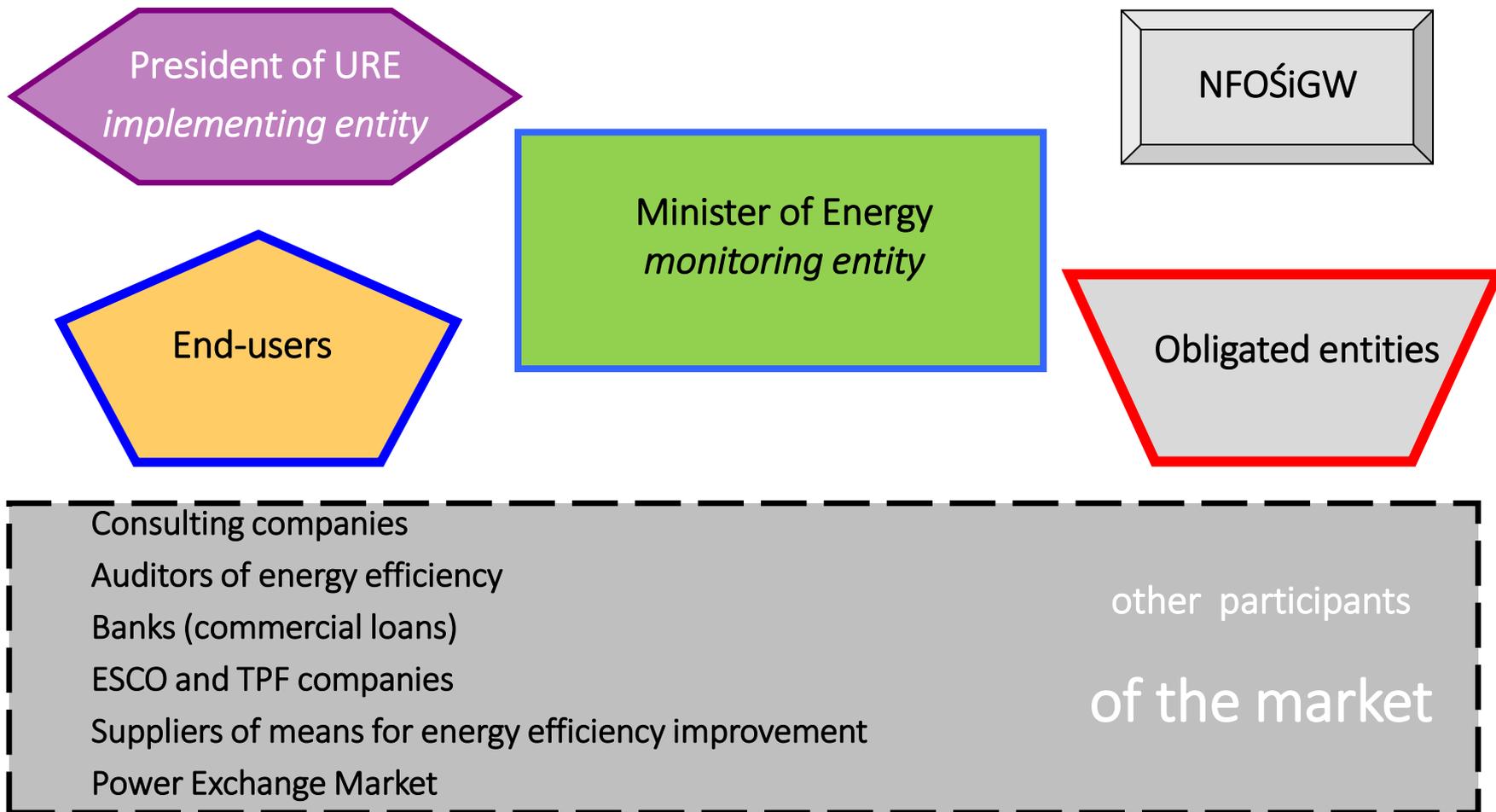
KAPE Energy Efficiency Law: basic assumptions

- accounting of obligation in final energy use
- continuous call for proposals
- White Certificates scheme will be issued for planned investments
- list on investments dedicated to energy efficiency improvement
- introduction of obligation to conduct an energy audit for large business
- no restrictions regarding to the amount of the issued certificates
- exemplary role of public administration buildings sector
- possibility of supporting EPC investments by certificates
- gradual reduction of the possibility for obliged entities to pay substitution fee

How the obliged entities can meet the obligations

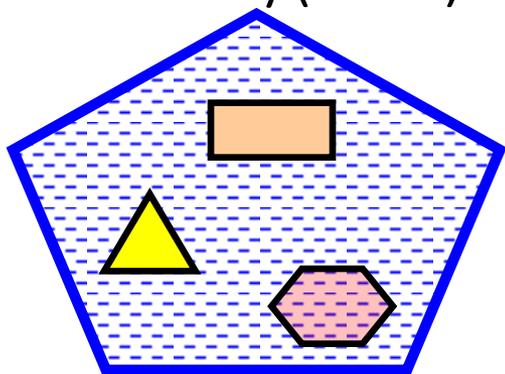
- accomplishment of investment within the entity
- accomplishment of investment at end-user
- purchase of White Certificate on the stock market
- settlement of obligation by a statement of end-user, who in the previous year consumed no less than 100 GWh of electricity
- substitution fee (current rate: 1 500 PLN ~ 350 €)

Participants of energy efficiency market



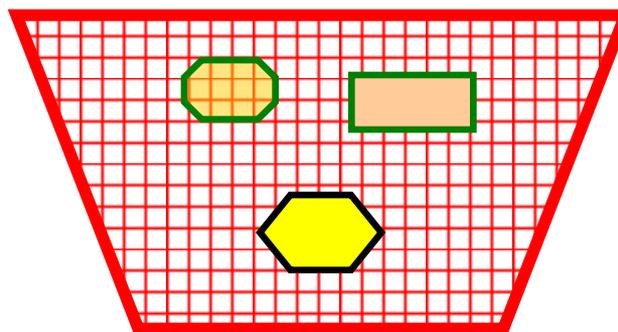
Main actors in White Certificates scheme

Entities conducting Measures For Improving Energy Efficiency (MFIEE)



Register

Entities subject to the obligation to obtain and redeem White Certificates (WCs)



End-users, purchasing electric energy, heat and gas directly from the supplier



Energy companies generating energy (for appliances for their own needs)



Companies transferring and distributing energy or energy carriers (diminishing losses)



Energy companies selling electric energy, gas and heat

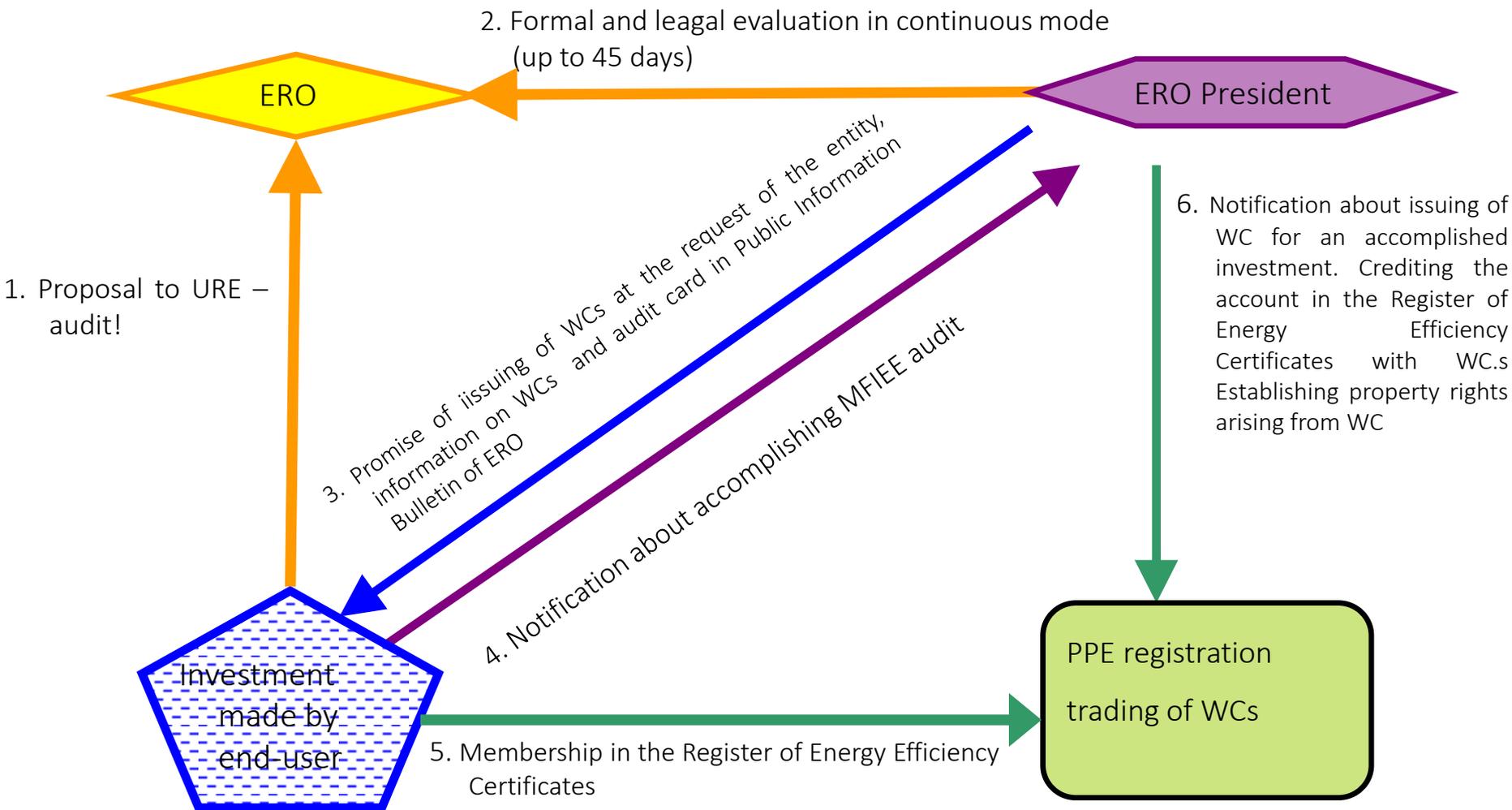


End-users, transactions on the commodity exchange on their own behalf

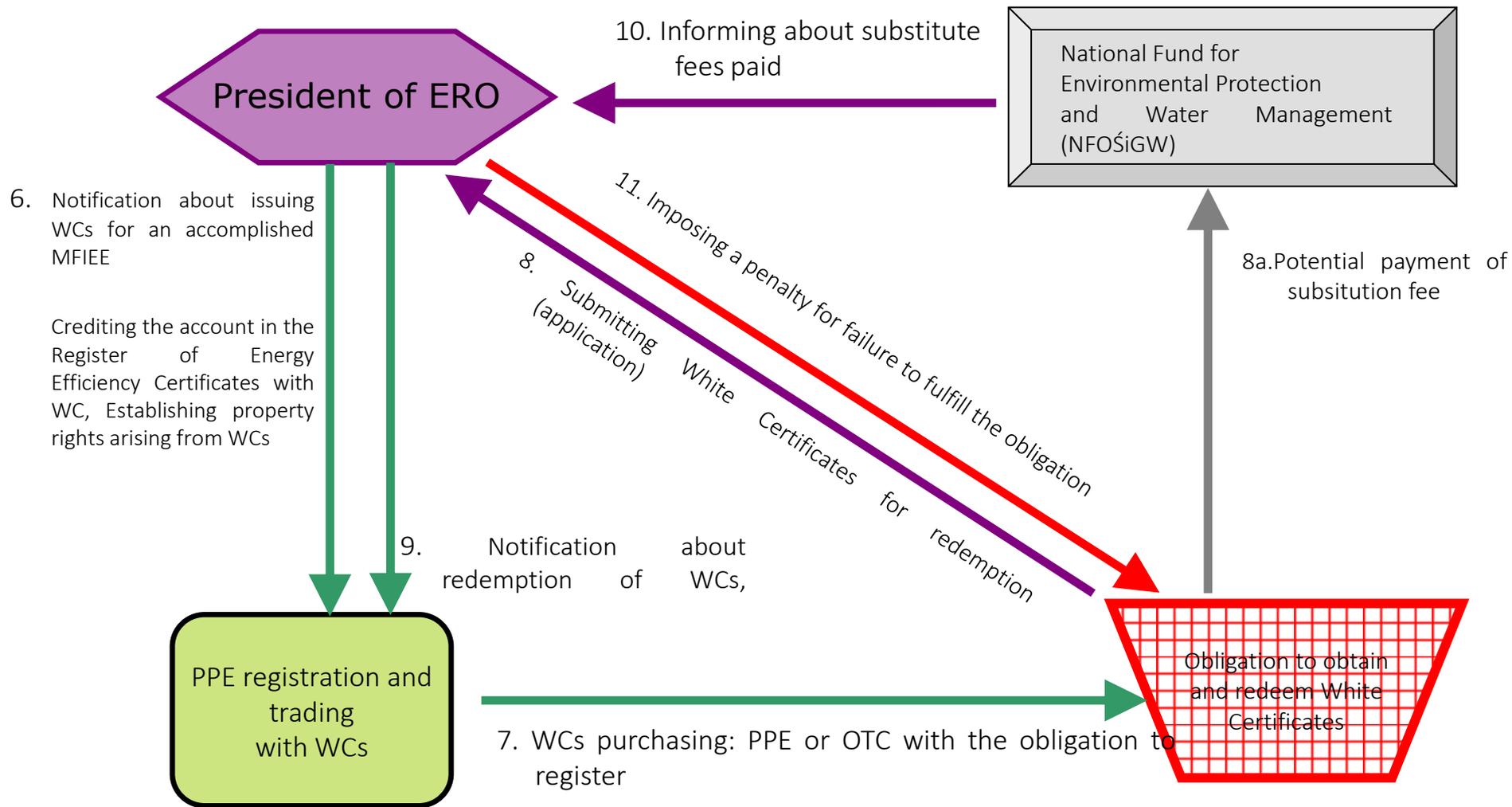


Brokerage houses or commodity brokerage houses, transactions on the commodity exchange at the request of end users.

White Certificate scheme: obtaining a certificate



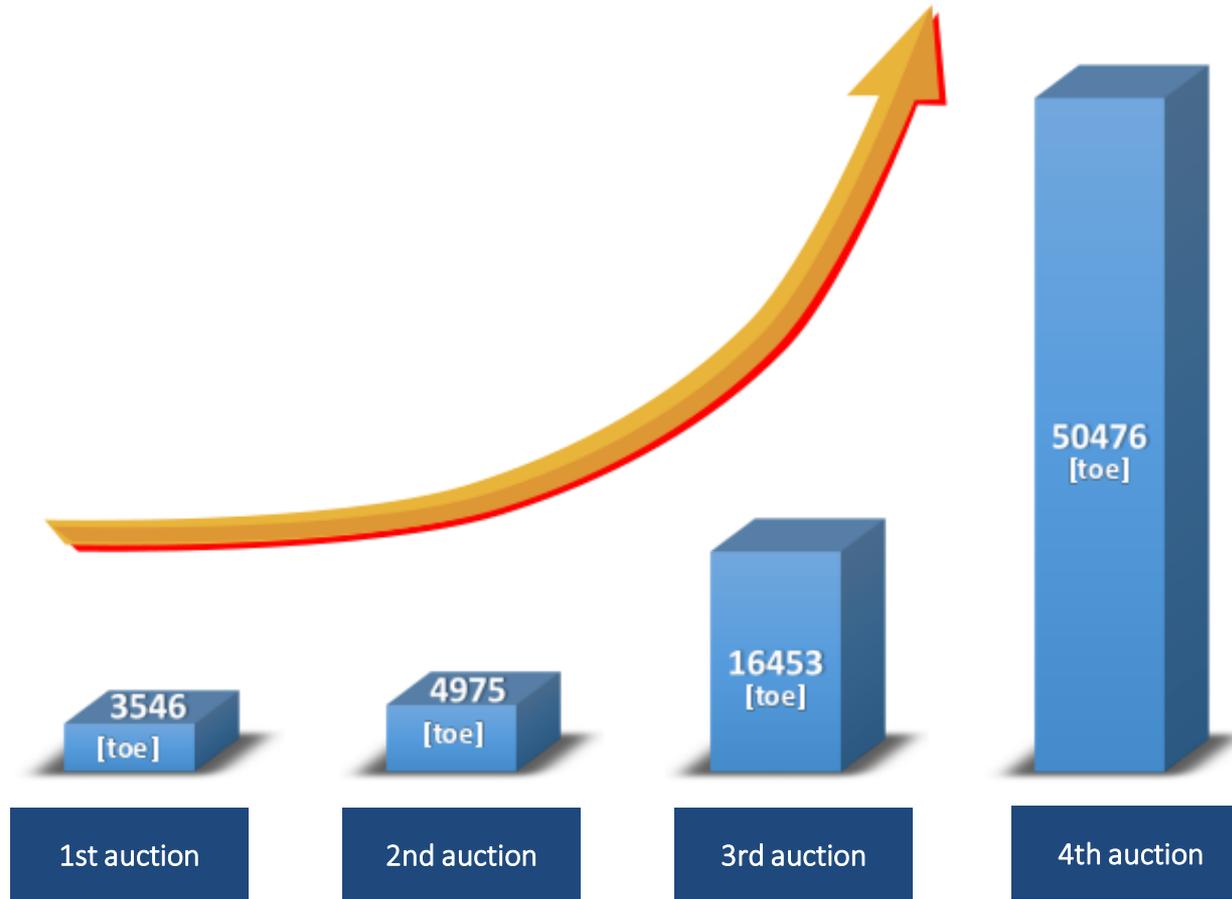
White Certificate scheme: redemption of WCs





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Results of 4 auctions on White Certificates



WCs market value

Year	Substitution fee [PLN/toe]	Annual target of WC savings [toe/a]	WC market value [PLN millions]
2016	1 000	529 057	529
2017	1 500	529 057	794
2018	1 575	529 057	833
2019	1 654	529 057	875
2020	1 736	529 057	919
Total	-	2 645 373	3 950

1 € ≈ 4.3 PLN

Source: Parczewski Z. : Efektywność energetyczna nowej ustawy..., Prace IEn, 2016

Impact of WCs on energy prices

Year	Increase of price [%]		
	Gas	Heat	Electricity
2016	1.8	1.33	0.73
2017	2.7	1.99	1.09
2018	2.9	2.09	1.14
2019	3.0	2.20	1.20
2020	3.2	2.31	1.26

Source: Parczewski Z. : Efektywność energetyczna nowej ustawy..., Prace IEn, 2016

Conclusions

- White Certificates scheme covers only new investments which result in savings of final energy
- evaluation of new projects will require skills regarding to financial organization
- risk of temporary oversupply of White Certificates due to possibility of settlement of obligation by electricity suppliers in 3 years cycle



Thank you for your attention!



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