



SUPREME AUDIT OFFICE

Obstacles to the development of renewable energy sources

SAO's audit on the development of the renewable energy sector (2019)

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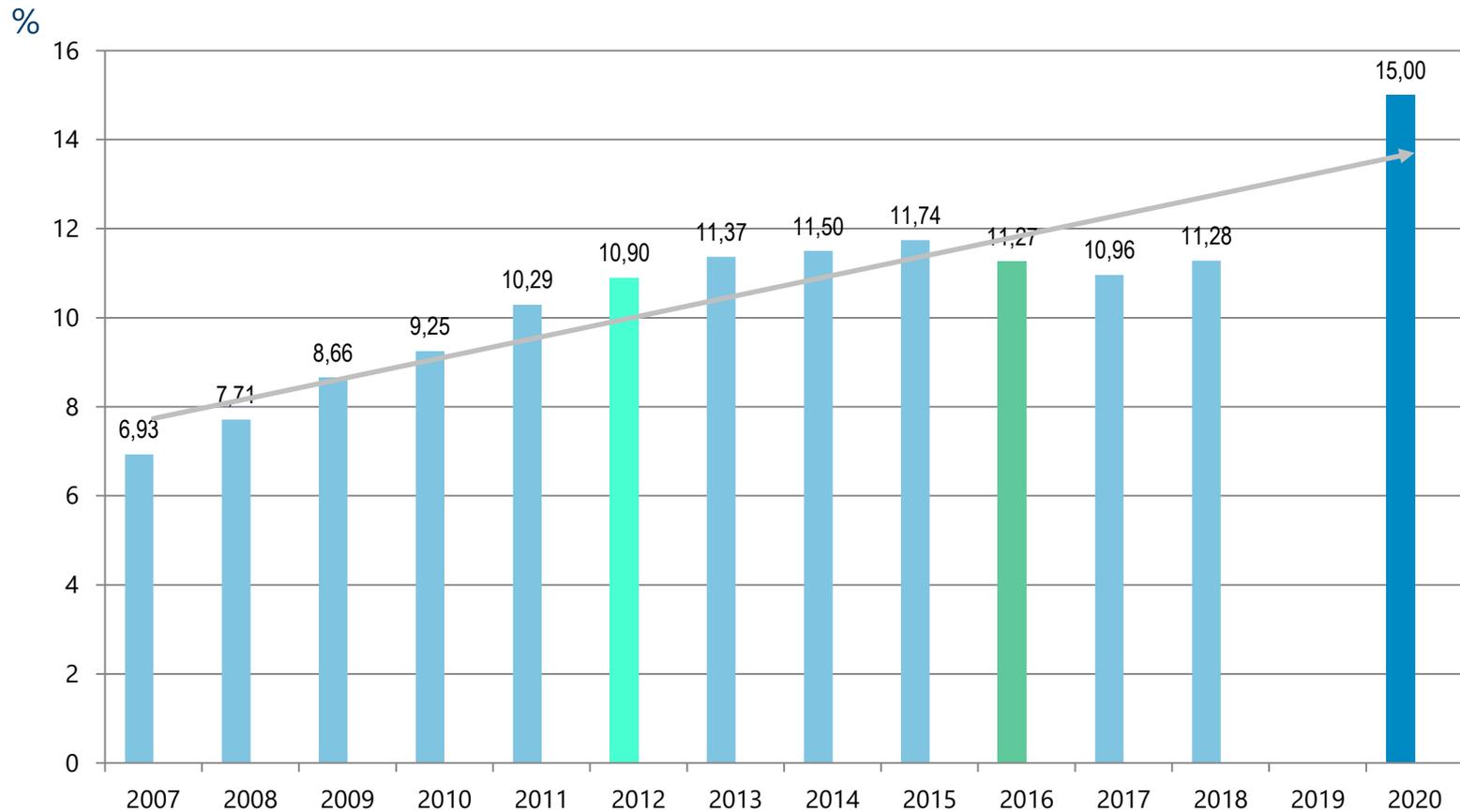
Malta, 6-8 April 2020

Share of energy from renewable sources in the EU Member States

(2018, in % of gross final energy consumption)



Share of energy from renewable sources in final gross energy consumption 2007-2018



Audit completed in 2012

- **Achieving goals requires a continuous maintenance of system of certificates of origin (green certificates):**
 - statutory assurance of its invariability during depreciation period,
 - Introduction of changes to the system
 - cost of installing new capacity,
 - preferred technologies of new RES.
- **The SAO also requested that National Found of Environmental Protection and Water Management should be more effective in supporting the development of renewable energy resources.**

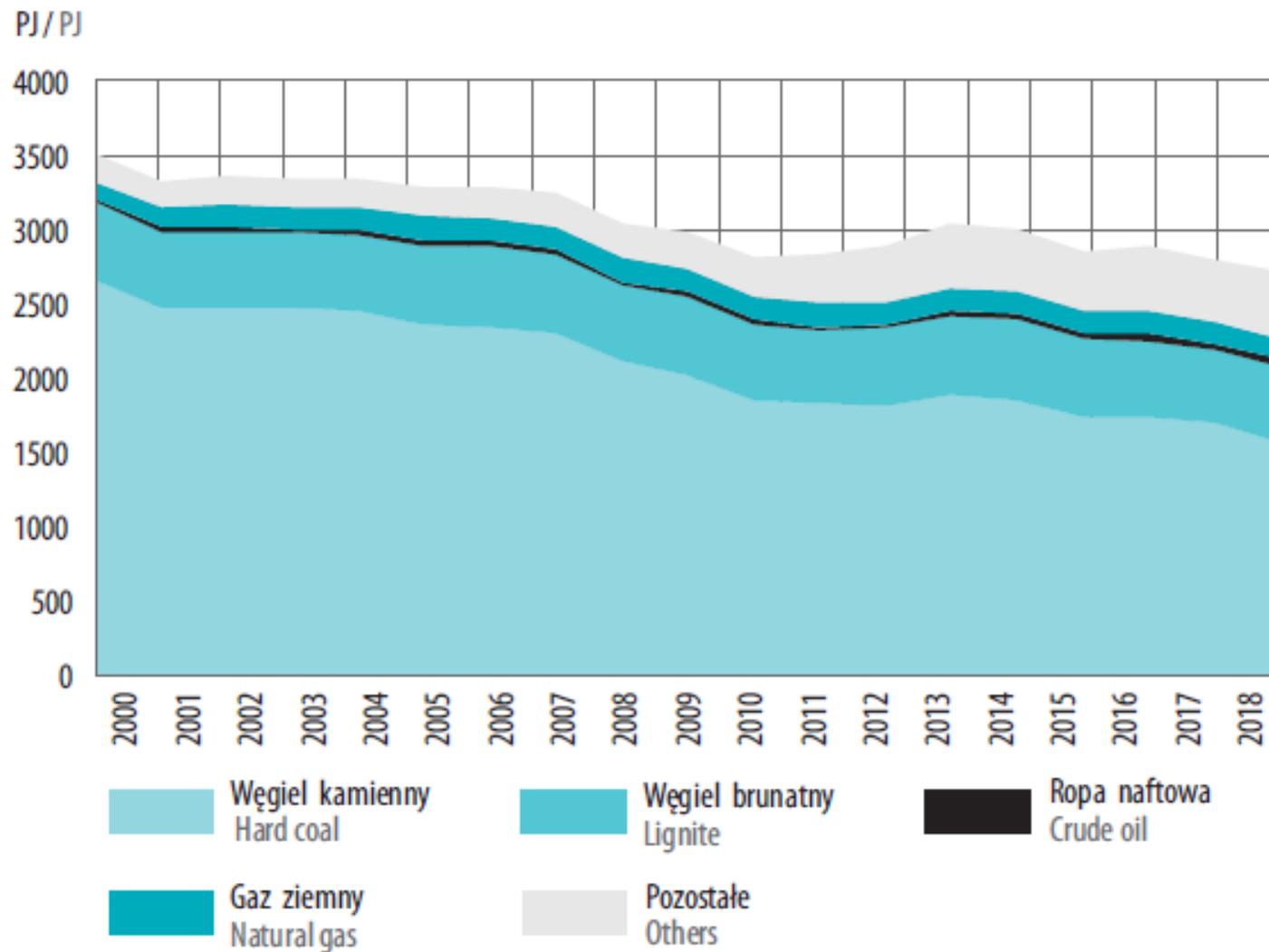


Why did we decide to undertake a new audit?

- **New support system for RES producers (electricity)- auctions.**
- **Increased subsidies and loans from national and EU funds for RES.**
- **Termination of the green certificates system.**
- **Decrease in share of renewable energy as total gross energy consumption in 2016.**
- **Warning of the European Commission (2015).**



Primary energy production.



Obstacles to the development of renewable energy sources (2019 audit)

- Lack of a consistent state policy towards renewable energy sources.
- Delay in issuing executive regulations.
- Lack of a stable and beneficial legal environment ensuring security and predictability of investment outcomes in renewable energy:
 - Distance Act,
 - Delayed auctions,
 - Low prices of green certificates,
 - Restrictions related to the transmission and distribution network.
- Insufficient use of RES development aid.

Lack of a consistent state policy towards renewable energy sources

- National Energy and Climate Plan for the years 2021-2030 (project).
- Poland's energy policy till 2040.
- And four other strategic plans concerning energy sector.



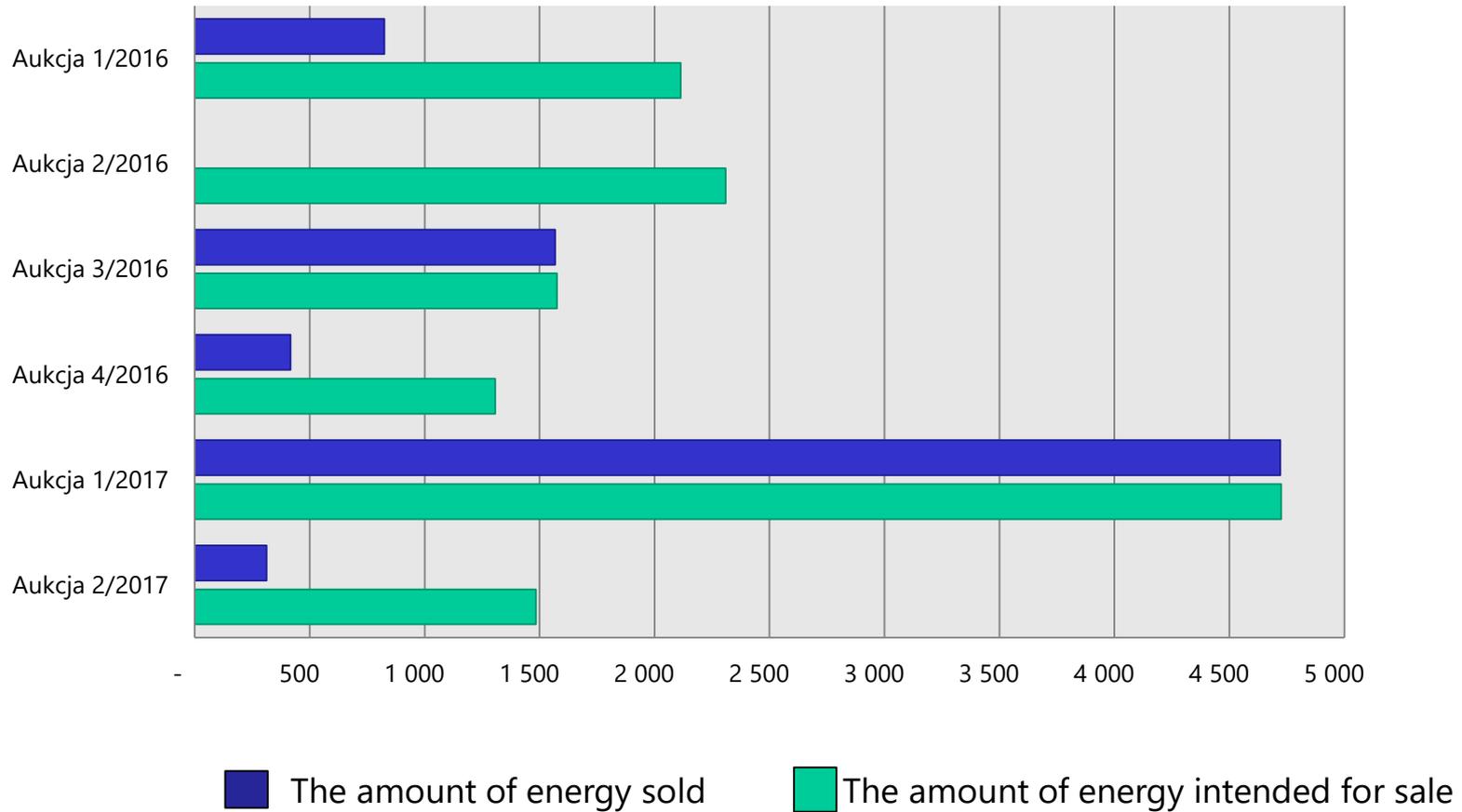
Delays in issuing executive regulations

- Delayed implementation of EU directive: Promotion of the use of energy from renewable sources.
- Delayed transposition of EU – directive 2015/1513/WE (3 months).
- Prolonging works on legal act on RES (nearly 5 years).
- Auction system of support requiring notification of the European Commission (2 years delay).

Lack of a stable and beneficial legal environment ensuring security and predictability of investment outcomes in renewable energy

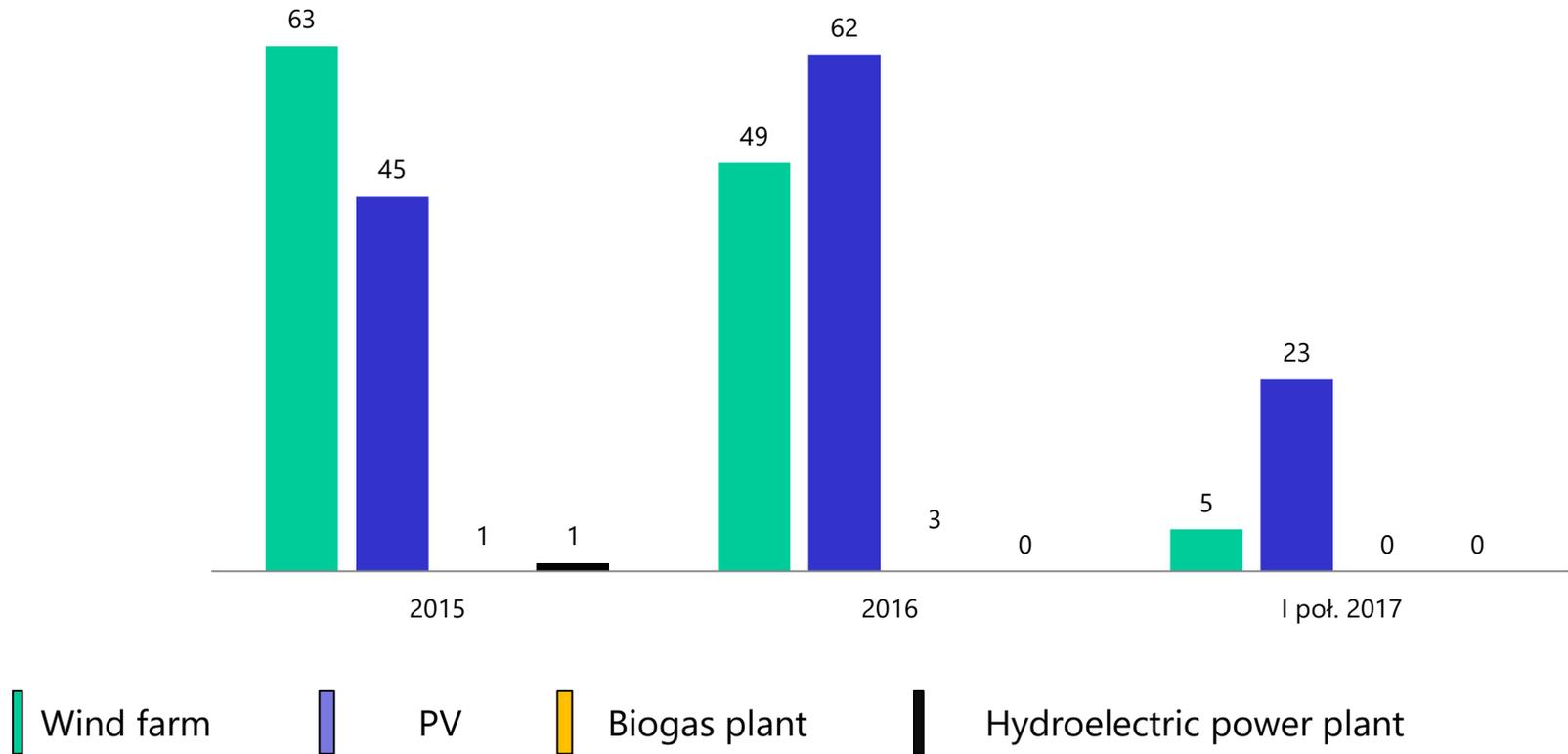
- Distance Act.
- Delays in starting auctions.
- Low prices of green certificates.
- Restrictions on the capacity of transmission and distribution networks.

Auctions



Transmission and distribution network

RES refusal to connect to the distribution network



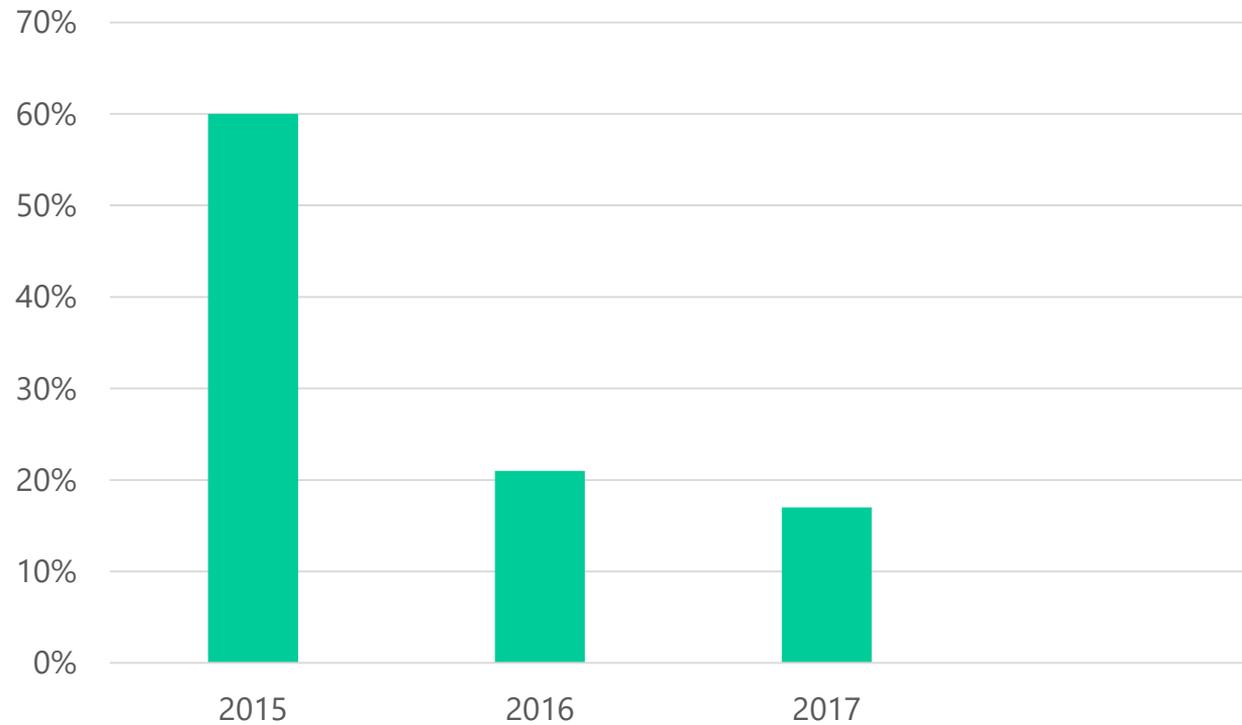
Transmission and distribution network

- Allowed wind farm capacity 8-9 GW.
- 5.7 GW of connected wind farms.
- Wind farm capacity for which connection conditions were issued about 15 GW.



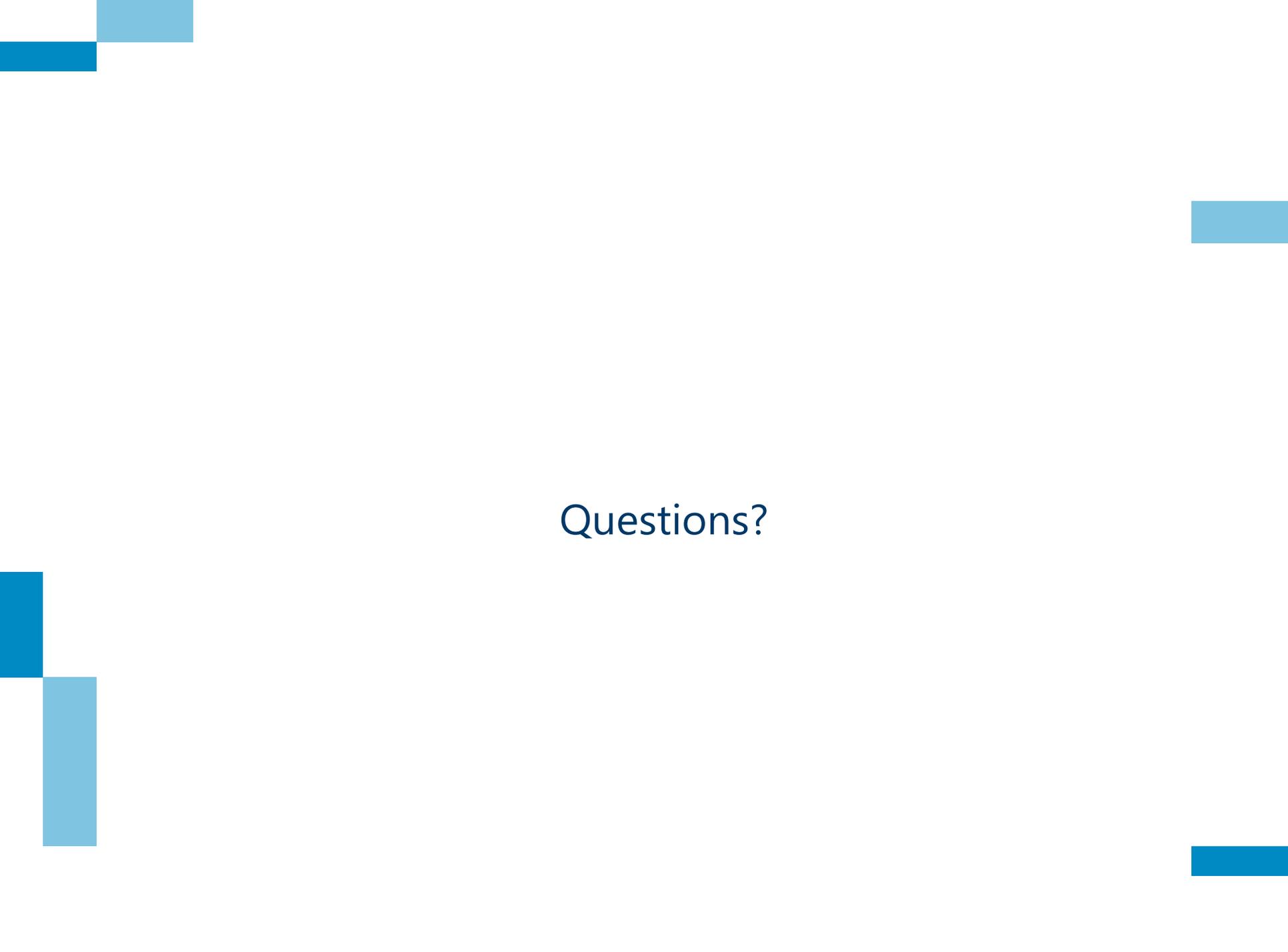
Insufficient use of RES development aid

% of available funds used



Conclusions

- Updating Poland's energy policy, which will include a comprehensive renewable energy policy, enabling the achievement of the 15% target for renewable energy in 2020, taking into account the established national targets for the following years in line with the European Union policy.
- The use of legal and organizational solutions that increase the safety and predictability of investments among renewable energy investors, giving the chance to consciously prepare new projects in the areas of:
 - issuing of regulations on reference prices in advance;
 - establishing the auction schedule for at least annual periods and their consistent implementation.

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Questions?