

## Energy for cooperation

### Green electrification of the Polish economy - a priority for Polish and foreign investors

Online, 21 June, 14:00-15:30

#### Background

The slow development of zero-emission electricity sources in Poland not only increases the problems of the energy sector, but also hinders the transformation in other sectors.

Without access to clean, competitively priced electricity, it will not be possible to decarbonise sectors such as heating and transport or industrial processes. Despite these correlations, the discussion on accelerating the energy transition in Poland takes place mainly at the level of individual sectors and focuses on fragmentary solutions.

There is a lack of cross-sectoral cooperation focused on developing a consensus regarding key reforms and the pace of change expected from the country's energy policy. This is reflected in slow efforts to remove common barriers to transformation, such as administrative constraints, infrastructure gaps or lack of systemic support for innovative technologies.

Systemic change is in the interest of both Polish and international investors. Restrictions on access to clean energy are already becoming one of the barriers preventing foreign investors from seeking to develop projects in Poland, even despite the many other competitive advantages of our economy. Thus, the lack of discussion on electrification and decarbonisation, will result in further opportunities missed for Poland's development.

Over the next several months, Poland will have to comprehensively update its sectoral (National Energy and Climate Plan) and horizontal (Recovery and Resilience Facility) reform plans. This is a particular opportunity for a profound revision of energy policy in response to the energy crisis, the requirements of the Fit for 55 package and the REPowerEU plan.

The Reform Institute is working on building a cross-sectoral common perspective on tangible reforms and investments that should be reflected in the revised government plans (PEP2040, NECP, RRF) for the next years.

The event welcomed representatives of chambers of commerce and their associated businesses.

#### Agenda

- 14:00 – 14:05 Welcome and introduction  
*Reform Institute and International Group of Chambers of Commerce*
- 14:05 – 14:25 Green electrification in Poland: from sectoral challenges to a systemic perspective  
*Aleksander Śniegocki, Reform Institute*

- 14:25 – 14:40 Foreign investors' perspective  
*Michał Sobczyk, EDPR*
- 14:45 – 15:20 Discussion with all participants of the meeting  
*Moderation - Reform Institute*
- 15:20 – 15:30 Summary of the discussion

## Summary

### Green electrification in Poland: from sectoral challenges to a systemic perspective

- Green electrification is important from the perspective of **switching from fossil fuels to electricity** in various sectors (e.g. transport, buildings) and **renewable energy sources (RES) development**.
- The global energy system today and in a net zero world were compared in order to illustrate the transition ahead of us: even accounting for other decarbonisation technologies, electrification based to a significant extent on wind and solar expansion remains the core challenge.
- Major challenges to Polish green electrification identified with key stakeholders:
  - **Electricity grid management**
    - Broader systemic change is needed, going beyond incremental reforms.
    - Different strategies could be considered beyond a simple evolution vs revolution dilemma, e.g. step-by-step or hybrid approaches.
  - **Permitting process**
    - There are various barriers of varying importance for particular types of RES.
    - Scope for mutual learning within the EU.
  - Both challenges are complex not only technically, but also due to different stakeholder interests. These issues escalate rapidly if not resolved.
  - Specific **recommendations** for addressing the grid and permits problems were provided.
- The key strategic documents that need to be updated in the near future:
  - Energy Policy of Poland until 2040 (PEP2040)
  - National Energy and Climate Plan (NECP)
  - National Recovery and Resilience Plan (NRRP) – new REPowerEU chapter

### Foreign investors' perspective

- [Report 2022 – “Poland in the opinion of foreign investors”](#) prepared by the IGCC.
  - Poland is a very good place to invest at the moment.
  - Nearly  $\frac{3}{4}$  of respondents perceive energy and raw material prices as the biggest threat to their companies in the next year.
- Schuman Foundation and Adenauer Foundation report [“Europe against climate catastrophe”](#) ranked Poland as the least green among the EU member states.

- The local governments already indicated the lack of possibility of providing access to clean energy.
  - RES development
    - Sustaining Poland as an attractive investment destination is crucial as the EU reduces its dependence on China and wants to become a leader in RES manufacturing.
    - PEP2040 builds Poland's green transition on investments in nuclear power. This technology, along with offshore energy, holds the risk of delayed investments. Therefore, it is important to simultaneously work for the development of RES.
    - The RES investments are mostly delivered on time. The delays are usually caused by bureaucratic barriers, which could be resolved soon.
      - One of the most important changes - **cable pooling** could be adopted before the parliamentary elections.
      - Additionally, the **go-to areas** will be an important solution.
- There is a need of public investors support of such changes.

## Key points

- Similar challenges to green electrification occur in many European countries. Thus, it is especially important to share **good practices**, which are already available.
- Important actions in this regard are not only being taken by the European Commission. The **chambers of commerce** and **foreign investors** play a significant role in the process. The international investors hold an important position as they significantly contribute to the Polish GDP.
- The **energy committees** within the chambers of commerce could contribute to the process by sharing the collected information and opinions.
- It could also be useful to connect Polish **sectoral organisations** with foreign companies.
- The **cross-sectoral consensus** can enable the adequate pressure on lawmakers to undertake tangible reforms that will accelerate access to green energy.
- The EU regulations and frameworks created **a momentum for reaching an agreement** on the needed reforms. Draft NCEPs have to be submitted by the end of June 2023 and the final versions by June 2024.
- This is particularly crucial from Poland's perspective given the upcoming **elections**.
- The lack of green energy will affect all investors.

## Next steps

- **Call to action** related to the NECP preconsultation (deadline – 30.06.2023).
- Continuing **stakeholder engagement** in order to raise awareness and promote solutions.
- In the light of the upcoming elections it is important to jointly indicate **green energy as a priority**.