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PWEA Conference 2008 „Wind energy market in Poland”



Over **200** registered attendees!
Only **60** free seats left on Gala Dinner!

Conference, which will take place on 11th -12th March 2008 in Mazurkas Conference Centre (Ozarow Mazowiecki near Warsaw), will be dedicated to the subject of summary in wind energy market development in 2007 and to outline the perspectives of sector development in long and short term perspective. During a two-day meeting a **plenary session “Politics and Market”** and **6 topic-dedicated panels: Environment, Technology & IT, Infrastructure, Services for Sector, Economy and Finances, Planning** will take place, where different aspects of development of wind energy in Poland will be discussed.

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Among others, following attendees confirmed their participation in the conference:

- dr. Maciej Trzeciak, Undersecretary of State, Chief Nature Conservator, Ministry of Environment;
- Stanisław Gawłowski, Secretary of State, Ministry of Economy;
- Eugeniusz Postolski, Undersecretary of State, Ministry of Economy;
- Zbigniew Kamieński, Deputy Director of Energy Department, Ministry of Economy;
- professor Krzysztof Żmijewski, President of Social Energy Consultancy Council;
- Christian Kjaer, CEO, EWEA;
- Andrew Garrad, CEO, Garrad Hassan and Partners Limited.

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WE KINDLY INVITE!

PWEA CURRENT ACTIVITY

PWEA press release on introduction of RES directive project on 23rd of January 2008

On 23rd of January 2008, European Commission introduced project of directive on the promotion of the use of energy from renewable sources. This document will be base for all activities in the field of green energy production and renewable energy technologies in forthcoming years. It's introduction paves the way for the whole Europe for changing it's energy supplies structure, aimed on increasing of renewable sources usage, diversification and limitation of unstable oil prices addiction. Directive introduces also crossborder transfer of guarantees of origin mechanism, which is under control of Member States, and which could take place only when Member States have met or exceeded their interim targets. This mechanism, accompanied by other instruments, such as priority in grid access for the green energy producers, should strongly support reaching of 2020 targets.

In PWEA opinion, concerning directive regulations, Poland should continue its efforts on creation of RES friendly legislative framework, what should be also notified in program documents dedicated for the whole national power engineering industry and energetics. All the work done so far both by governmental administration and sector representatives made renewable sources market development possible and stimulated substantial investments in the industry. We believe that wind energy will play important role in fulfilling of national targets for CO₂ emission limits and green energy generation, what is absolutely possible for today. Directive, which is the beginning of legislative way aimed on more efficient RES usage, provides the proper instruments.

source: PSEW (24.01.2008)

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Polemic to the article published in no. 1(75) "Czysta Energia" magazine "How to determine level of capacity usage for wind turbine"?

Publication in subject of methodology for determining level of capacity usage for wind turbines, by professor Stanisław Gomuła and Agnieszka Woźniak, has been published in January issue of "Czysta Energia". In accordance to the few basic factual errors and wrong conclusions included in the article, PWEA issued the official correction.

Dear Mr. Professor,

"Czysta Energia" published the article of Yours and Mrs. Woźniak authorship, concerning wind turbines, which wouldn't be worth of any comment, if not the person of co-author – Mr. Professor. I regret to have to say that article content is consistent with real and actual state of polish wind sector in a very low level, and conclusions are totally false.

Particularly:

1. The whole efficiency of production analysis is based on "wind turbine" 160kW produced by Nowomag, as a pattern for further analysis. This assumption generally disqualifies the whole content. Nowadays turbines are much more efficient (several times) that the mentioned one;
2. Average wind speeds indicated in the article do not match the real wind conditions of present installed turbines:
 - a) lack of information on wind data source – if this data comes from Institute of Meteorology and Water Management, it's inapplicability for wind energy industry was documented and described for a numerous times;
 - b) lack of information on height for wind data was assumed – modern turbines are operating on levels 50-100 meters higher than Nowomag turbine, and there's no use in proving that average wind speeds are drastically different form those mentioned in the article.

In summary – article with such a content had a right to be published 7-10 years ago, when knowledge on wind energy sector was not so wide-spreaded. Today, when a few professional wind projects works in Poland, and on the other side of west border over 20.000 turbines is located, using a historical knowledge (10 minutes of verification through the internet would allow to avoid such a basic mistakes) ridicules authors of the article. Having a still high respect for the professor status in Poland in mind, it undermines reliability and confidence in academic and scientific environment.

According to the above, we kindly ask for a more critical and perspicacious verification of articles which are created under supervision of Mr. Professor.

With kind regards

Krzysztof Prasalek
Vicepresident of Polish Wind Energy Association

source: PSEW

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Meeting with Zbigniew Kamieński, deputy director of Energy Department in Ministry of Economy

Meeting was held on 28th of January in Ministry of Economy. PWEA was represented by President Jarosław Mfroczek and Vicepresident, Krzysztof Prasafek. Main subject of the meeting was a matter of energy law changes proposed by the Ministry of Economy. President J. Mroczek introduced PWEA position on the field of advance payment for issuing of technical connection conditions, pointing on the lack of basis for claims that it's introduction will facilitate the procedure (payment would be made at the moment of conditions issuing, what wouldn't limitate a number of applications). Such instrument makes also another artificial barrier without any justification in energy projects preparation process.

Instead of this, PWEA proposes:

- establishment of procedures preventing postponing of connection condition issuing procedures, together with the delay penalty proposed in the project;
- transparency of the whole process, including conditions and decisions already issued;
- introduction of strict, in the investor's point of view, requirement of possessing one document authenticating investor's will for project realization – changed spatial plan.

In PWEA opinion, those three conditions will allow issuing connection conditions for projects with the high advancement level, and the same with high probability of finalizing.

Unfortunately, PWEA is not the only institution which strives for energy law changes, what is the reason for entries contradictory with PWEA position. There's still a probability, that some kind of advanced payment will be included in the energy law changes project.

source: PSEW (28.01.2008)

New PWEA members

We gladly inform that new members have joined PWEA:

- Atel Polska Sp. z o.o. as ordinary supporting member;
- Wind Energy Polska Sp. z. o o as ordinary supporting member;
- Mr. Edward Gajerski as representative of Atel Polska Sp. z o.o.

LAW and POLITICS

Government is working on the energy efficiency regulations

Ministry of Economy is preparing a bill on the energy efficiency. Project is supposed to be under parliamentary discussion in April 2008. This act will be a realization i.a. European Parliament directive on the final energy usage efficiency. Regulation should create conditions for saving 9% of energy in the scale of Poland – both

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electrical and thermal. Target is on the level of 53 TWh, what is a little more than the whole production Polish Energy Group power plants production in 2007.

source: [Gazeta Prawna \(01.02.2008\)](#)

Government will support investments in renewables sources

Project of regulations which will allow contracting of low-interest loans is under construction in the Ministry of Economy. Regulation will be addressed i.a. to individual energy consumers, which would like to equip their household in the renewable energy source. Government wants to stimulate usage and investments in renewable sources in the society, and for the moment aims on promotion of cheapest methods of gaining energy

source: [Dziennik Polska \(27.01.2008\)](#)

Energy Regulatory Office takes another attempt of full energy market liberation

Since July 2007, when energy consumers in Poland may take their choice on energy supplier, this step has been taken only by the few thousands of 13 millions households. Energy Regulatory Office is willing to change the situation and intends to push on the energy companies to facilitate the choice for their clients – promising full energy market liberation in return.

In the market regulator opinion, energy suppliers are obstructing consumer's choice by delaying transfer process without any particular reasons, what makes the procedure burdensome. Energy Regulatory Proposals are included in the "road map", which has been presented to the Minister of Economy.,

source: [The Wall Street Journal Polska \(26.01.2008\)](#)

Poland notifies reservations to the EU energy and climate proposals

Ministry of Economy published position of Poland on European Commission energy and climate package. Remarks are concerning the following matters:

- increase of renewable sources energy share – shouldn't be based in the biomass import, including transport biofuels from the EU outside, but on the usage of resources available within the EU territory;
- certificates of origin trade - should be allowed only after reaching the 2020 green energy production target in specified country;
- proposals of changes in financing of energy plants, which are a mainstream method of supplying for demand on bioenergy resources. In the meantime, European Commission considers termination of specific co-financing for such plants cultivation;
- In Poland's opinion, auctioning of emission limits for energy producers will cause negative effects with the growth of energy prices. Wide system implementation will also effect in competition disturbances on the energy market, as the system prefers large companies which will be privileged due to it's potential;

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- Assumption of reference year for determining of greenhouse gases emission levels limits. In Poland's opinion, year 1988 should be a reference date (first year of Kyoto protocol period). Commission proposal doesn't include a precise notations in that matter.

source: Ministry of Economy, www.cire.pl (25.01.2008)

Operational Program Infrastructure and Environment attachments are available

On 25th of January, Regional Development Minister Elżbieta Bieńkowska approved detailed priorities of Operational Program Infrastructure and Environment, within the reference to the National Strategic Reference Framework 2007-2013. Detailed priorities and attachments are available on the website:

www.funduszspojnosci.gov.pl/20072013/Dokumenty/Program+i+uszczeGolowanie

and on the website of Institute of Fuels and Renewable Energy which is the Intermediary Institution www.ipieo.pl/pois/.

Wind sector can apply for the financing in the framework of Priority IX Energetical Infrastructure and Priority X Energetical security and diversification of energy sources.

source: IPIEO, PSEW (25.01.2008)

Agreement on 14th Climate Conference signed in Poznań

On 17th of January 2008, Minister of Environment, professor Maciej Nowicki and Executive Secretary of UN Framework Convention on Climate Changes, Yvo de Boer signed in Bonn agreement concerning organisation of 14th Climate Conference in Poland. Conference will take place in 1-12 of December 2008. During the celebration Minister of Environment stressed that the Poznań conference will be the key stage in the process of consent in the field of international regulations describing national duties after 2012, which are supposed to be implemented in Copenhagen in 2009.

source: www.mos.gov.pl (22.01.2008)

Chief of National Environment Protection Fund loses his position

On 17th of January, Supervisory Board of National Environment Protection Fund admitted notification for dismissal of the Fund president, Kazimierz Kujda. One of the reasons for such decision was miscarriages referred to the Lux Veritatis foundation dotation. Board admitted notifications for dismissal of Kazimierz Kujda and appointing on this position Jan Rączka, and for dismissal of vice-president, Jerzy Wolski and appointing on this position Małgorzata Skucha.

source: www.pb.pl (18.01.2008)

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Dismissal of Andrzej Markowiak, Undersecretary of State in Ministry of Environment

On 17th of January 2008, Undersecretary of State In Ministry of Environment, Andrzej Markowiak, folded a dismissal from his position to the Prime Minister, Donald Tusk. Dismissal has been accepted.

source: www.mos.gov.pl (18.01.2008)

Energy tariffs accepted by the market regulator

President of the Energy Regulatory Office accepted energy tariffs for 12 companies. Tariffs, accepted on 17th of January, are including a sufficient advance, average for 23%. According the previously accepted tariffs and tariffs for distribution services, households will pay average 12% more for their energy consumption, starting from February. Litigation between Energy Regulatory Office and RWE Stoen is still in progress – RWE Stoen implemented his advance in January, without tariff acceptance by regulator.

source: Rzeczpospolita (18.01.2008)

Government works on program for energetics restructuring

The draft proposal in under construction in four ministries: economy, treasure, environment and regional development, however the key role is played by the Ministry of Economy. Also a new version of program document "Poland Energy Policy till 2030" will accompany the framework.

source: www.cire.pl, Parkiet (8.01.2008)

Minister of Economy will correct the CO₂ emission scheme

Waldemar Pawlak, Minister of Economy and Vice-prime Minister returned for the correction national emission scheme, which was discriminating power plants and thermal plants. Scheme, prepared by the Minister of Environment, Maciej Nowicki, encountered a hostile admission of fossil fuels energy producers, which was forced to buy their emission limits on the free market. Waldemar Pawlak questioned the whole document – in his opinion criteria on emission limits split are not totally clear.

source: Gazeta Wyborcza (12.01.2008)

MARKETS

Poland can develop without increasing of energy usage

According to the Polish National Energy Conservation Agency, by saving 3% annually, Polish economy can develop without its usage increase. Potential for annual energy saving in Polish economy is estimated at the level of 20-30%. Poland is under binding regulation of 2006/32/WE directive, which indicates the target for saving 9% of energy till 2016, and 2% till 2010, in accordance to previous years. This target must be achieved in consequence of purposeful actions taken by the government administration, so excluding natural trend of energy saving which is present in the developing economies, estimated for 1% per year.

source: www.wnp.pl (28.01.2008)

Oil prices are going down on the world markets

Light oil barrel WTI, with delivery on March grew cheaper in NYMEX New York stock in electronic trade for 91 cents (1%), reaching 98,90\$. On Friday, 25th of January, contract increased up to 90,71\$ per barrel (1,5%). Reason for oil prices fall is a speculation that forthcoming economy slowdown in USA and Japan will cause lowest fuels demand.

source: **PAP** (28.01.2008)

Gamesa Corporación Tecnológica closed year 2007 with a few longterm contracts

At the end of 2007, Gamesa signed few contracts with major European clients for turbines delivery with total capacity of 777 MW and value of 700 mln €. Among the contractors are Molinos del Ebro (87 turbines with capacity of 179 MW should be delivered till the end of 2010), Generación Eólica Internacional, Eólica Bulgaria, ENHOL Group (90 units with capacity of 180 MW and value of 201 mln € for projects in Poland and Bulgaria), Neo Energia (46 turbines for project in Spain and France).

source: www.windtech-international.com

Milliard \$ contract for GE turbines

Invenergy LLC signed a contract with GE Energy for delivery of wind turbines with a value of 1 mld \$. Invenergy will buy units with a single capacity of 1,5 MW and total of 600 MW for projects under development in the USA, 2,5 MW turbines with a total capacity of 200 MW will be delivered for the European projects. All turbines will be delivered till the end of 2009.

source: **PAP**, www.cire.pl, 23.01.2007

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BBI Zeneris fund intends to invest in the wind sector

BBI Zeneris NFI, company investing in the renewable technologies, intends to sell some of its projects to gain finances for the new (and first) investments in the wind sector in 2008. Company considers selling some of the hydro power plants which are under construction or in the projecting phase to spread its activity on the all renewables.

source: Parkiet (18.01.2008)

United States wind potential powered up by 45%

In 2007, 5.244 MW of wind power capacity has been installed in the United States, what means growth by 45%, and in the final figure is in the level of 16,818 MW. Wind sector is present at 34 states, and according to the American Wind Energy Association, will produce ~48 mld KWh in 2008.

source: AWEA (18.01.2008)

China develops wind sector rapidly

According to the Global Wind Energy Council assessments, China will be the biggest wind turbines consumer in 2009. Additionally, in the next year Chinese factories will produce turbines with the total capacity of 10 GW. Most of the units will be installed in the country of origin. For the moment, total capacity installed in China exceeded 5,6 GW, however paradoxically, more than quarter of this power is still not connected to the grid as a effect of wrong planning.

source: www.windfair.net, www.wnp.pl (09.01.2008/18.01.2008)

Airtricity Holdings Limited sold

The Board of Airtricity Holdings Limited, announced that a definitive agreement has been reached to sell Airtricity to Scottish and Southern Energy Plc for an equity value of approximately 1.1 mld €. As part of the transaction Scottish and Southern Energy will assume liabilities of 375 mln €. The purchase price will include payment for the proceeds from the recent North American business unit divestiture of approximately €0.8 billion.

source: Airtricity (07.01.2008)

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TECHNOLOGIES

Emerson Process Management implements Ovation SCADA for wind potential management

The Ovation SCADA system features monitoring, control and diagnostic functionality that optimises wind farm operations. The SCADA system for wind energy management is part of Emerson's portfolio of SCADA solutions for renewable energy, which also includes hydro power and solar power, among others. The Ovation SCADA system supports wind turbine generators from all major OEMs, as well as multiple communication network types, such as dial-up, leased lines and wireless.

source: www.windtech-international.com (08.01.2008)