Renewable energy in Poland and pro-eco subsidies available in 2022

Klaudia Jastrzębska
AMRON III Development Senior Specialist, GIS Analyst

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The ‘green energy’ gains popularity in Poland, as it is related to considerable environmental benefits and at the same time – significant savings in energy costs compared to costs of traditionally produced energy. As the prices of electricity and coal has been constantly increasing, renewable energy appears to be more and more attractive.

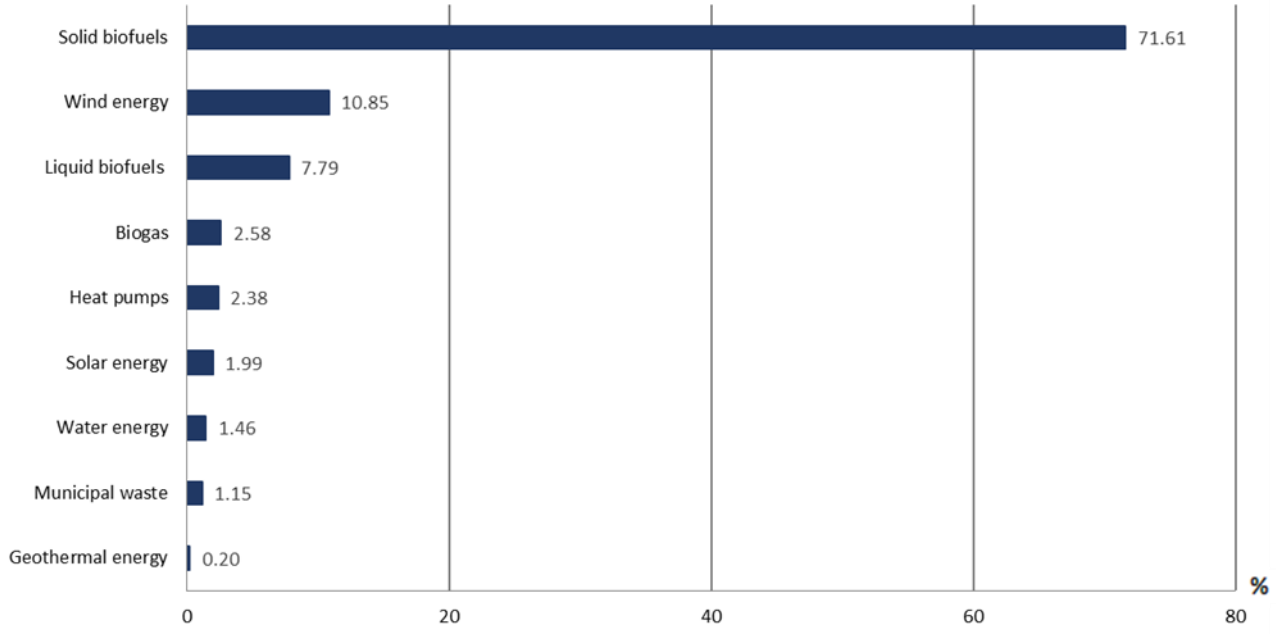
Renewable energy sources are all the sources used for production of electric and heat energy, the long-term use of which does not result in significant deficit or which may be renewed in a short-time. The available renewable energy sources include:

- hydro plants that use the gravitational energy of water,
- photovoltaic power plants that use a solar radiation,
- geothermal plants that use geothermal energy from the earth,
- wind power installations that use a wind energy,
- biofuels and biomass eg. of plant origin.

RENEWABLE ENERGY IN POLAND

Coal is still the dominant source of energy in Polish electric industry, however the share of renewable sources increased from 19.74% in 2019 to 21.60% in 2020. The renewable energy sources in 2020 in Poland were mostly solid biofuels (71.61%), wind energy (10.85%) and liquid biofuels (7.79%). The total energy value of the primary energy from renewable sources in 2020 in Poland was equal to 524 113 TJ.

CHART 1. STRUCTURE OF THE ENERGY FROM RENEWABLE SOURCES IN 2020 IN POLAND IN TERMS OF SOURCES



source: stat.gov.pl

One of the objectives of the Polish Energy Policy until 2040 is the development of renewable energy sources. Until 2030, the share of renewable sources in gross final energy consumption is planned to account for at least 23%. From the other side, also more and more conscious attitude towards renewable energy of Polish society is presently observable. According to the public opinion survey 'Poles' attitude towards energy and energy saving' carried out by CBOS, 22% of respondents consider installation of technology or devices using renewable energy sources. So far, the most popular solution is the installation of photovoltaic panels. According to data published by the Polish Energy Regulatory Office, number of new such installations at the end of 2020 amounted to approx. 460 thousand. The power of micro-installations increases on an annual basis – from 2019 to 2020 its value tripled.

SUBSIDIES FOR RENEWABLE ENERGY DEVICES

As long as the energy is produced from non-renewable sources, the electricity price will be constantly increasing, as it is mostly affected by growing costs of energy production based on coal and related carbon dioxide emission fees. Use of renewable energy sources brings numerous benefits, such as energy security and independence, lowered electric bills and limited CO2 emission. Use of renewable energy sources is also supported by numerous subsidies – the list of programmes and benefits available for households in 2022 include:

1. Clean Air – one of the most popular programmes aimed at improving the air quality and reducing emission of the greenhouse gas by means of exchanging the heat sources and improving the energy efficiency of buildings. The programme is intended to provide a financial contribution for, among others, exchanging the old heat sources (solid fuel boilers and stoves) with new ones that meet the programme's requirements, as well as thermal insulation of building partitions, replacements of doors and windows, installation of renewable energy sources (solar collectors and photovoltaic devices), instalment of mechanical ventilation with heat recovery systems. The programme is addressed to owners of detached houses already completed or under construction. The maximum amount of the subsidy in 2022 is equal to PLN 69 000 – the actual funding sum depends on monthly incomes per person in the household. From the moment the programme started to operate, the amount of PLN 2 336 818 070 was disbursed as subsidies under the programme.

2. My Electricity – the programme's main objective is to increase an energy production from photovoltaic micro-installations. The financial support is intended to cover max. 50% of costs (not exceeding PLN 3 000) of purchase and installation of photovoltaic devices (PV) of 2-10 kW. During two previous editions, the financial support was granted to over 240 thousand of applicants and it amounted to PLN 1.159 million in total. The programme has contributed to reductions in CO2 emission by over 1 million tonnes.

3. My Heat – the main purpose of the programme is supporting the development of individual heating and prosumer energetics by using heat pumps in single-family houses of higher energy standard.

[1] 'Photovoltaic market in Poland in 2021' – Report by Institute for Renewable Energy

The financial subsidy may be granted in the amount of up to 30% of costs related to purchase and installation of heat pumps, but not exceeding PLN 21 000.

4. My Electric Car – subsidy for purchase or leasing of electric passenger or light commercial vehicles. The maximum value of the subsidized car may not exceed PLN 225 000. In case of natural persons, the amount of the support depends on whether an applicant represents a family with the Large Family Card (financial support is up to PLN 27 000) or not (up to PLN 18 750).

5. Warsaw subvention – financial means obtained under the subvention may be spent on renewable energy installation and modernisation of the boiler room (exchanging a solid fuel boiler into a heat pump, a gas boiler, electric heating devices or connection to the heat network). Value of the subvention amounts to maximum PLN 40 000.

6. Stop Smog – programme aimed at reducing emission of atmospheric pollutants, improving the air quality and increase in energy efficiency of buildings through exchanging or decommissioning of carbon-intensive sources of heat into low greenhouse-gas emitting technologies, thermo-modernisation of single-family houses and connecting to the heating or gas network. It is addressed to less-wealthy beneficiaries. The subsidy may be not higher than 70% of the total modernisation costs and the average cost may not exceed the amount of PLN 53 000.

7. Thermo-modernisation tax exemption – this instrument enables the tax deduction of costs related to the detached house's thermo-modernisation, which has started after January 1, 2019. Right to tax deduction is applicable to every tax-payer separately, which means that in case of a married couple every spouse in entitled to deduct the maximum amount of PLN 53 000 provided that the invoices documenting purchases related with the thermo-modernisation are made in the name of the spouse, who deducts those costs. If the invoice is made out in the name of both spouses, each spouse is entitled to deduction of 50% of documented costs within the limit of PLN 53 000 per person.

8. Thermo-modernisation bonus – a subvention for repayment of a loan taken out for the purpose of thermo-modernisation amounting to 16% of costs of thermo-modernisation works or 21% of costs of thermo-modernisation including installation of micro-renewable energy devices.

9. My Water – a programme aimed at increasing water retention on private properties and in the effect – in water savings. The subvention may be spent on covering of up to 80% (max. PLN 5 000) of costs of purchase and installation of equipment for the rainwater recovery, retention and recycling of grey water in individual houses.

10. Provincial, municipal and city subventions – the amounts and eligibility rules differ depending on a particular programme implemented by particular province, municipality or city/ town.

None of the above programmes excludes beneficiaries of the other programmes. One may profit from eg. the thermo-modernisation tax exemption and subsidy under the Clean Air programme and My Water subvention. The detailed rules on every programme are available at every particular programme's website.

The advantages of using the renewable energy sources are indisputable, so the decision on investing in such devices should not be put off. The sooner your house is equipped with renewable energy sources, the sooner you will experience the positive aspects of that investment (eg. in case of photovoltaic devices, the investment payback period is approx. 8-10 years). In addition, it should be remembered that such an investment reduces the human impact on natural environment.

KLAUDIA JASTRZĘBSKA

AMRON III Development Senior Specialist, GIS Analyst

e-mail: klaudia.jastrzebska@amron.pl

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