

My Electricity – new PV programme introduced



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- 🔍 Introduction
- 🔍 New programme
- 🔍 Comment

Introduction

On 23 July 2019 Prime Minister Mateusz Morawicki and Minister of the Environment Henryk Kowalczyk presented a new programme called My Electricity, which aims to promote the use of photovoltaics (PVs).

The programme has been created for household consumers of electricity, especially those living in less urbanised areas. The total budget for the programme is Zł1 billion (approximately \$260.5 million). Each PV system between 2kW and 10kW can receive a grant of up to 50% of the total cost of a PV system, but no more than Zł5,000 (approximately \$1,300); thus, 200,000 household consumers should be eligible for funding. The total cost of a PV system is approximately Zł15,000 to Zł20,000 (approximately \$3,900 to \$5,200), hence the beneficiaries should receive between 25% to 30% of the total cost of the PV system. The programme will be offered by the National Fund for Environmental Protection and Water Management, which contributes to the improvement of air quality in Poland and the development of renewable energy sources.

According to the prime minister, the Polish government wants PV-based energy to develop at a rapid pace. At present, there are approximately 65,000 so-called 'prosumer' PV systems in Poland; more than 800 of whom live in Warsaw.

(1)

New programme

The new programme appears to be in line with the government's policy to promote and invest more in PV systems. The first major changes regarding PV systems were made in 2016, when the new regulations regarding PVs were adopted in the Act of 20 February 2015 on Renewable Energy Sources.

Under the regulations, producing and supplying electricity to the electrical network is not considered an economic activity. (2) Moreover, the new regulations simplified some other requirements for prosumers who want to install a PV system, including the following:

- A building permit is not required to perform the installation of PV devices with an installed electrical capacity not exceeding 50kW; the only obligation is to consult on compliance with fire prevention requirements for PV devices used as part of building projects.
- Clarification that the amount of electricity that a prosumer will add to the electricity network compared with the amount of electricity that will be taken therefrom will be made at a ratio of 1:0.7, except for micro-installations with total installed electrical power not greater than 10kW, for which this ratio is 1:0.8.

Further, as of 1 January 2019, a taxable person who owns or co-owns a single-family residential building can deduct expenses borne in a given tax year for construction materials, equipment and services used for the installation of a PV system from the taxable base in accordance with Act of 26 July 1991 on Personal Income Tax.

Comment

The My Electricity programme is needed, especially since Poland has set a target of 15% of energy from renewable sources by 2020 under the EU Renewable Energy Directive (2009/28/EC). However, as indicated in the Supreme Audit Office's report of 15 November 2018, the share of renewables in 2016 was as little as 11%, which poses the risk that the target committed to may be out of reach.

If Poland does not reach the above target, it will most likely need to make a transfer of renewable energy sources from other EU member states that have a surplus of renewables. The Supreme Audit Office has estimated that the costs of the abovementioned transfer could reach up to Zł8 billion (approximately \$2 billion).

Poland needs to invest in renewable energy sources, as almost all of its energy comes from fossil fuels. The My Electricity programme is one way to achieve the government's renewable energy target; however, additional programmes that support renewable energy production are needed (eg, programmes that support water-based renewable energy).

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Endnotes

(1) According to the Act of 10 April 1997 – The Energy Law, a 'prosumer' is a final consumer that, based on the complex agreement of the sale and distribution of electrical energy, produces electricity only from renewable energy sources in micro-installations for its own consumption; the consumption must not be related to the prosumer's economic activity.

(2) Economic activity is defined in the Act of 6 March 2018 – the Entrepreneurs' Law.

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