

POLAND: National Fund for Environmental Protection and Water Management activities in climate protection



National Fund for Environmental Protection and Water Management, Poland

**Green Investment Scheme Unit
Climate Protection Department**

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Presentation outlay

- **NFEPWM and climate protection – the state of play**
- **EU Grants**
- **Green Investment Scheme priority programmes**
 - Energy efficiency programme
 - Renewable Energy Sources programmes
- **EEA Grants**



NFEPWM and climate protection

- Established based on the Environmental Protection Law
- More than 20 years of operational experience
- Average disbursement of EUR 1-2 billion per year
- Activities focused on improvement of the energy efficiency and air protection (including renewable energy)
- Reduction of CO₂ emissions of ca. 5 000 Gg





NFEPWM – the state of play

- NFEPWM revenues are fees and fines for the use of the environment, service and concession fees, fees following from the Energy Law, the Act on recycling of end-of-life vehicles, proceeds obtained through the sales of Assigned Amount Units and other sources



EU Grants – Action 9.3 (1/2)

- **Program:** The Operational Programme Infrastructure and Environment (OPI&E)
Priority IX: Environment-friendly energy infrastructure and energy efficiency
Action 9.3: Termorehabilitation of public buildings
- **Allocation:** 123.65 million EUR (~105 million EUR from Cohesion Fund)
- **Beneficiaries:** public sector entities, non-governmental organizations, churches, church legal persons and their associations and religious organizations
- **Co-financing:**
 - » state budget units – up to 100%
 - » other – up to 85%

EU Grants – Action 9.3 (2/2)

By the end of 2012, NFEPWM concluded 38 grant agreements amounting to PLN 387 788 888 (total costs PLN 557 453 582).

- Thermorehabilitation of 559 objects
- Energy savings 267 698 MWh/a
- Avoided CO₂ emissions associated with energy savings as a result of the implementation of thermorehabilitation projects (estimated by 2015)
– 275 thousand Mg



Priorities of the GIS in Poland

Project financing channelled through the following priority programmes:

- energy management in public buildings
- biomass fired power plants
- agricultural biogas plants
- upgrading electricity grid for connecting renewable wind energy sources
- improvement of street lighting energy efficiency
- reduction of public transportation fuel consumption



Energy management in public buildings

Beneficiaries

1. Local government units and associations thereof
2. Entities that provide public services as a part of the discharge of own tasks of the territorial self-government units and that are not enterprises
3. Volunteer Fire Fighter Brigades
4. Universities within the meaning of the Act on higher education and scientific and research institutes;
5. Independent public and non-public health care institutions
6. Non-governmental organisations, churches, other religious associations, religious legal entities conducting activity in the field health care, preventive medicine, rehabilitation and social assistance
7. Entity or unit referred to in points 1-6 as party to the loan agreement in the group project



Conditions of co-financing

- Minimum total project cost: PLN 2 million and PLN 5 million for group project
 - ➔ Grant based co-financing up to **30%** of eligible costs
 - ➔ Loan based co-financing up to a certain share of the eligible costs
 - » variable interest rate WIBOR 3M +50 base points (annually)
 - » period of financing: loan may be granted for a period not longer than 15 years after the date of the first planned payment of loan tranche
 - » grace period: grace period for the payment of principal instalments may apply when granting a loan, calculated from the date of the disbursement of the last loan tranche, yet no longer than 18 months from the completion date of the project implementation
 - » loan cannot be depreciated



Types of projects

Thermorehabilitation of public buildings, including replacement of the equipment of buildings into the highest economically justified standards of energy effectiveness related directly to the conducted thermorehabilitation of the buildings, in particular:

- heat insulation
- replacement of windows
- replacement of external doors
- conversion of heating systems in addition to the replacement of heat source
- replacement of ventilation and air-conditioning systems
- drawing up technical documentation for the project
- energy management systems in buildings
- use of technology of renewable energy sources,
- replacement of internal lighting for energy-efficient one

Costs eligible for NFEPWM co-financing

- 1. Project development activities**
- 2. Construction plans and detailed designs**
- 3. Purchase or production cost of new fixed assets, including:**
 - structures and buildings
 - machines and devices
 - tools, instruments and equipment
 - technical infrastructure related to new investment project
- 4. cost of fixed assets installing and activating**
- 5. costs of purchasing materials or construction works, on the condition that they are directly related to objectives of the supported project**
- 6. purchase of intangible and legal assets**
- 7. costs of supervision**



Requirements related to the implementation of projects

- Energy audit development
- It is required that as a result of conducted thermorehabilitation works, the designed heat demand (i.e. the annual designed energy consumption for building heating) reduces gradually by 30% for the entire project
- The U value of particular walls must not exceed the maximum value defined by the Law
- Contractors selection following the public procurement law
- Birds and bats protection rules are to be observed



RES priority programmes – Call for Proposals

- scope of projects: plants with agricultural biogas fired plants, HPs or CHPs fired with biomass (with no fuel mix)
- construction/upgrade of the electricity grids to connect new wind farms
- beneficiaries – public and private entities
- forms of co-financing
 - grant (up to 30%), soft loan (up to 45%) with respect to the state aid rules
- electricity grids – premium of 200 PLN/kW of connected power
- results of the Call for Proposals (after projects appraisal):
 - 11 agricultural biogas fired plants (PLN 49.2 million)
 - 2 biomass CHPs (PLN 11.4 million)





Biomass fired power plants

Beneficiaries:

- entities carrying projects for construction of facilities fired by biomass
 - mainly private companies
 - but can be also public entities

Types of projects:

- construction of facilities fired by biomass for generation of heat or heat and power (dispersed sources of nominal thermal capacity below 20 MW_t)
- minimum total cost of the project PLN 2 million (ca. EUR 500 000)



Agricultural biogas plants

Beneficiaries:

- entities carrying project for generation of biogas for production of power (and heat) or for introduction of the cleaned biogas in the gas distribution network
 - only private companies

Types of projects:

- construction of power or power and heat production facilities using agricultural biogas
- building and/or modernization of installations producing agricultural biogas with the purpose for introduction to the gas distribution network
- minimum total cost of the project PLN 10 million (around EUR 2.5 M)



Upgrading electricity grid for connecting renewable wind energy sources

Beneficiaries:

- entities carrying out projects within the scope of efficient transmission and distribution of electric energy
 - only private companies

Types of projects:

- projects concerning the construction, expansion and/or upgrade of electricity networks to enable facilities producing renewable energy from wind to be connected to the National Electricity Grid including, among others, the following tasks:

Priority programmes announced recently by NFEPWM

- „**The Owl**” for improvement of street lighting energy efficiency
- Beneficiaries: local governments
- Grant based financing up to 45% of eligible costs, maximum grant amount of PLN 15 million, the budget of PLN 160 million
- Loan based financing up to 55% of total project cost, maximum loan amount of PLN 18.3 million, the budget of PLN 196 million
- Minimum emission reduction by project: 40% and 250 Mg/a
- Estimated carbon dioxide emission reduction by 50 000 Mg/a
- Implementation period: 2013 – 2015

Priority programmes announced recently by NFEPWM

- „ **The Gazelle**” for reduction of public transportation fuel consumption
- Beneficiaries: municipalities, municipal companies, companies providing local transport services based on agreement with a municipality
- Grant based financing up to 100% of project eligible costs; the budget of PLN 80 million
- Minimum project cost: PLN 8 million
- Estimated carbon dioxide emission reduction by 828 Mg/a
- Implementation period: 2013 – 2015

*for priority programmes details please visit the webpage
<http://www.nfosigw.gov.pl/en/priority-programmes/>*



EEA Grants

On 10 June 2011 Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism 2009-2014 (Norway Grants) and on 17 June 2011 Memorandum of Understanding on the implementation of the EEA Financial Mechanism 2009-2014 (EEA Grants) was signed between Iceland, The Principality of Liechtenstein, the Kingdom of Norway and the Republic of Poland.

The Operator of the EEA Grants programme is the Ministry of the Environment of Poland in cooperation with the National Fund for Environmental Protection and Water Management.

EEA Grants – main assumptions (1/3)



- **Objectives**

- The overall objectives of the EEA Grants – similarly to the 2004-2009 financial perspective – to contribute to the reduction of economic and social disparities in the European Economic Area and to the strengthening of bilateral relations between the Donor States and the Beneficiary States

- **Allocation**

- Total allocation for Poland amounts to EUR 578 million

- **Grant intensity**

- Depends on the environmental effect and shall not be higher than 80% of the total eligible costs of the project. The amount of funding varies from EUR 170 thousand to 3 million (paid as a grant for the removal of 1 ton of CO₂ per annum)

EEA Grants – main assumptions (2/3)



- **Eligible applicants**
- Private and public entities as well as non-governmental organizations established legally in Poland, as well intergovernmental organizations operating in Poland are eligible for receiving financial support
- **Duration**
- Eligibility period for expenses incurred within individual projects approved for implementation ends on 30 April 2016

EEA Grants – main assumptions (3/3)

- **Type of eligible projects**

a) projects aimed at improving the energy efficiency of buildings, covering the thermo (with built-in lighting replacement) of public buildings intended for the public administration, education, health, social, education and higher education, science, tourism and sport activities

b) projects to upgrade or replace existing heat sources that supply public buildings referred to in point a) modern, energy-saving and environmental sources of heat or electricity with a total nominal power up to 5 MW, including: derived from renewable sources or sources of heat and power co-generation (cogeneration / trigeneration);

c) projects to install, upgrade or replacement with a total nominal power up to 3 MW, supplying public buildings referred to in point a).

Thank you for your attention

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