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Summit on Sectoral Co-operation

On 27 and 28 November 2008, the Ministry of Economy initiated the summit in Warsaw attended by the Ministries of Economy from 20 countries. The summit was held prior to the 14-COP Conference of UNFCCC. The Association was also invited to the meeting.

Two-day discussion provided an opinion on the impact of the industry on establishing low-emission national economies (mainly CO₂). The standpoint was adopted on sectoral approach to international co-operation in this subject. Private Public Partnership shall be used as a tool supporting the sustainable development in an effective way.

Promotion of Best Available Techniques (BAT) and development of technologies for reduction of greenhouse gas emissions as well as broadening the availability of new technologies within countries at different development stages were regarded as urgent measures. It was agreed that the establishment and analysis of statistical databases (mainly emission intensity) and their exchange among countries shall be immediately implemented.

In March 2009, special workshops (Japan's proposal) will be held in Bonn on sectoral approach in searching for effective, economic and ecologically efficient ways to combat climate change.

Climate Change and Steel

During 14-COP of UNFCCC in Poznan, the following events took place:
- 14th session of 14-COP of UNFCCC,

- 246 Side Events including one organised by HIPH.

In addition, HIPH organised an exhibition stand under the heading: "National steel industry versus climate change". In the assessment by the host of COP 14, the Minister of Environment, the Poznan conference met its objectives!

We wish to express our thanks to all who assisted us in organising the Side Event as well as all its participants and visitors to HIPH's stand.

Climate and Energy Package (PKE) discussing results of the summit at the Ministry of Economy

On 12 December 2008, following 11 months of intensive negotiations, the European Parliament supported the package with legislative drafts to enable achieving general objectives in the scope of preventing climate change. By 2020, EU wants to limit the emission of greenhouse gases by 20%, increase the share of renewable sources in energy balance by 20% and rise energy efficiency by 20%.

The energy and climate package contains six legal drafts. Four of them were presented by the EC in January 2008 while the others two days earlier. However, the works on them at the final stage were performed jointly.

Officially, the government and the Ministry of Economy announced that Poland succeeded in talks conducted by the EC in Brussels. Following the agreements of the Council, Polish producers of electricity (operating in the market according to status as of 31 December 2008) will purchase only part

of the allowances as a result of auctions in the period from 2013 to 2019. From 2013, it will constitute 30% against their average annual emission in 2005-2007. From 2013, the amount of free allowances will be subject to gradual reduction. Polish government will determine pace of the reduction.

Ultimately, energy sector enterprises will be obliged to purchase 100% allowances in the course of auctions by 2020. In 2018, Poland is entitled to lodge a notion to the European Commission which can be the basis for extension of the interim period for our country.

On 16 December 2008, the Ministry of Economy hosted a working meeting attended by the Ministry's Management and the representatives of the industry and energy sector to discuss the results of the Brussels' summit.

HIPH versus an increase of electricity prices

Letter to the Prime Minister of Poland

On 16 December 2008, the Board of the Association addressed a letter to the Prime Minister of Poland expressing a protest of large electricity recipients against a rapid increase of electricity prices in 2009 (a full content of the letter to PM is available on the web-site: www.hiph.org).

In addition to this action, the Board of Association is actively involved in consultations conducted by the Ministry of Economy, Chancellery of Polish Sejm and Forum of Large Electricity Recipients and the works aimed at finding the solutions mitigating effects of the electricity price increase for industrial recipients.

We present a critical standpoint concerning the electricity price increase proposed by the power sector and show its negative impact on the sector and the whole of the economy as well as identify ways of possible energy saving.

Sejm Sub-Commission

The President of HIPH attends the meetings of the Fixed Energy Sub-Commission of the Polish Sejm. On 19 November 2008, 4 December 2008 and 17 December 2008 a forum discussion of the Sub-Commission was held concerning the bill.

"Amendment to the Act Energy Act and Amendment to some other Acts".

Legislator wants to introduce regulations standardising the rules of operation of the energy sector in Poland. In order to shape the free energy market in Poland, the Act is intended to include the following:

- the possibility of competing amongst the energy producers,
- recommendation improving efficiency of energy production in Poland,
- elimination of regulatory barriers,
- obligation of selling emissions on the exchange.

Discussion about the bill has not reached the consensus yet and still rises the questions such as:

- Compliance of the bill with the Constitution,
- Competence of URE and UOKiK as the regulators,
- Reliability of actual competition among electricity producers until a full exchange of trans-border energy is introduced (as an alternative to electricity supplies).

As the time being, the electricity monopoly is still doing fine while energy recipients are unfortunately doing worse!

Debate at IDA

On 22 December 2008, a debate took place on the premises of the Industrial Development Agency in Warsaw. The debate was held under the title: "Structure of the electricity wholesale and retail trade from the point of view of the proposed mandatory sales of electricity through the Commodity Power Exchange". The debate was joined by the representatives of professional energy sector, Electricity and Gas Recipients Forum, Commodity Power Exchange and Energy Regulatory Office. The debate focused on the structure of the currently performed electricity trade and problems of industrial recipients as well as the proposal of selling electricity through the exchange (amendments to the Energy Law, those recommended by Members of Parliament and others recommended by the Ministry of Economy). The current energy market is a market where the largest energy groups established after the 2006 vertical consolidation prevail. This lead to high prices of energy set by them, uneven access to energy and artificial limitation of energy supply on the market. Presently, bilateral contracts prevail while exchange market is downplayed. According to the URE President, the exchange, although it is not an antidote to high energy prices, it make it possible to have bigger access to electricity and allows to mitigate the negative impact of consolidation somehow, and will make the market transparent. URE supports the postulates of industrial recipients to reduce excise tax on energy.