

A graphic of several overlapping, semi-transparent globes in shades of blue and white, positioned in the top-left corner of the slide.

Opportunities for biogas in the new polish support scheme

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Implications of state aid rules

- **Final law will require approval by DG Competition Brussels as “state aid.”**
- **Opinion of UOKiK until political decapitation**
- **All support from 2005 to 2017 will have to be levelized by cost of production (correction coefficients)**
- **Auction procedures will have to be transparent and fair**

A graphic of several overlapping globes showing different parts of the world, positioned in the top-left corner of the slide.

Final Law Yet To Be Written

- **Real political doubt about any law until after elections**
- **No Polish law without compliance with EU rules for state aid**
- **Earliest approval probably in 2016.**
- **No auctions likely until 2017, when EU rules call for competitive procedures**

Everything Being Discussed is State Aid

- **Certificates/substitution fees: EC Romanian decision; UK decision; Belgian Decision; ECJ Dutch NOx case +UOKiK**
- **Tax exemptions: long line of ECJ cases; UOKiK**
- **Contract for the difference: ECJ UK case 2014; UOKiK**
- **GBER exemption for neutral transparent auctions – does not cover everything in law and maybe not even the proposed auctions (60 days ref. price notice)**



Changes Required for Approval

- **Small auction may be ruled incompatible with competition.**
- **All certificates until 2017 at minimum must be levelized (correction coefficients as in IEO report)**
- **The rationale for levelized certificates could allow them to continue with no auctions at all**
- **Auctions, if done, have to be transparent and fair**
- **Issues of procedures – unnecessary complexity and barriers**

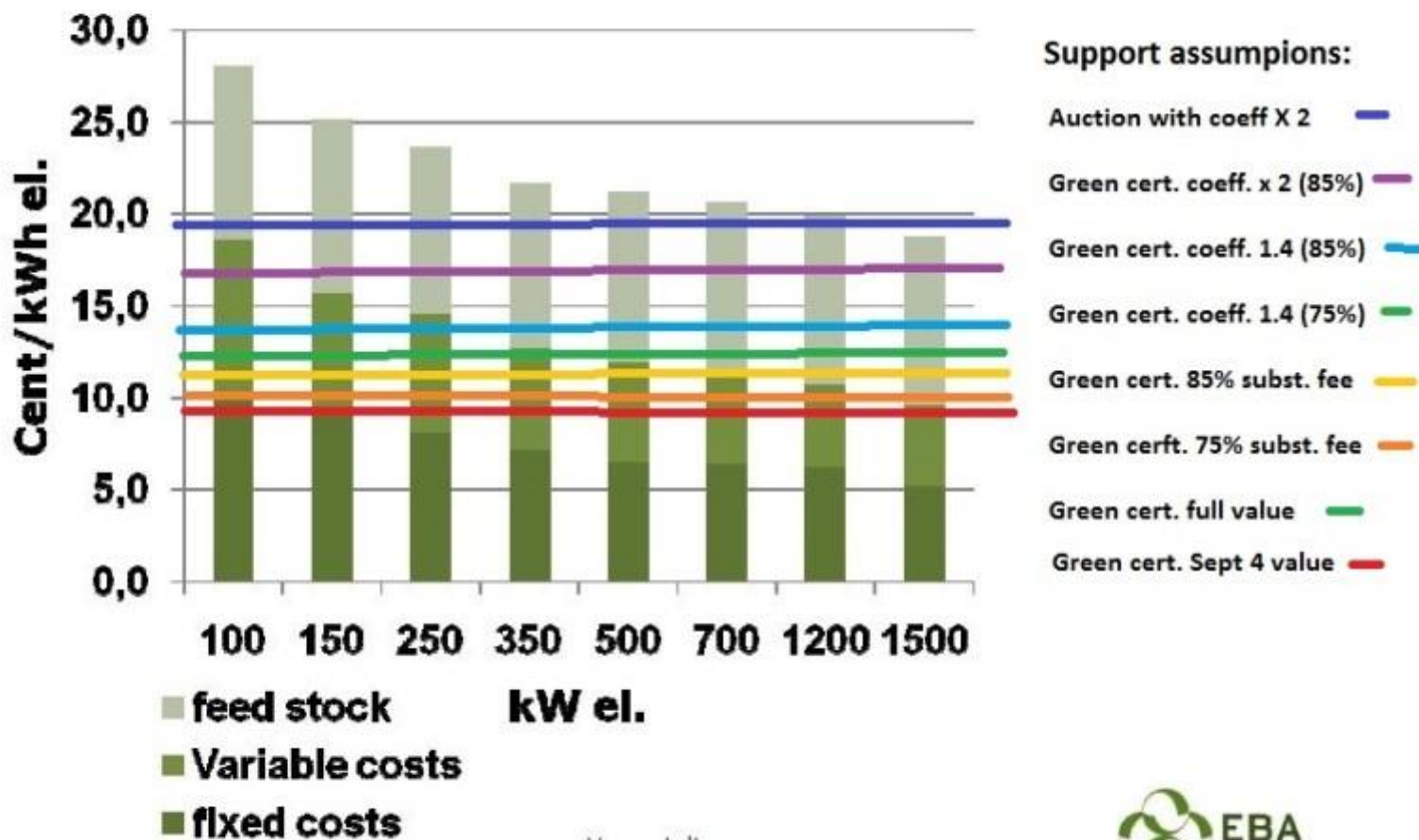


How do you plan????

- 1. Assume two more years of low GC;**
- 2. Assume projects built by January 2017 can stay on GC;**
- 3. Adjust their value after Jan 2016 to coeff.s**
- 4. Assume auction necessary with 12-15 Euro cent in small “under 1 MW” block (2 MW?).**



COMPARISON OF COSTS PER kWhr UNDER VARIOUS SUPPORT ASSUMPTIONS OF NEW RES LAW IN POLAND



Take-aways from Data And Assumptions

- **Very tough case for small projects**
- **Over 1 MW most cost-effective**
- **Paying for substrates must be minimized**
- **Heat utilization is essential (can be cooling)**
- **Auction will hurt small projects/developers**
- **Financing will remain problematic without new GC law**



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**We are still running
uphill!**





But a fundamental shift in the matrix is inevitable!

Thank you for your attention!

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information or**

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