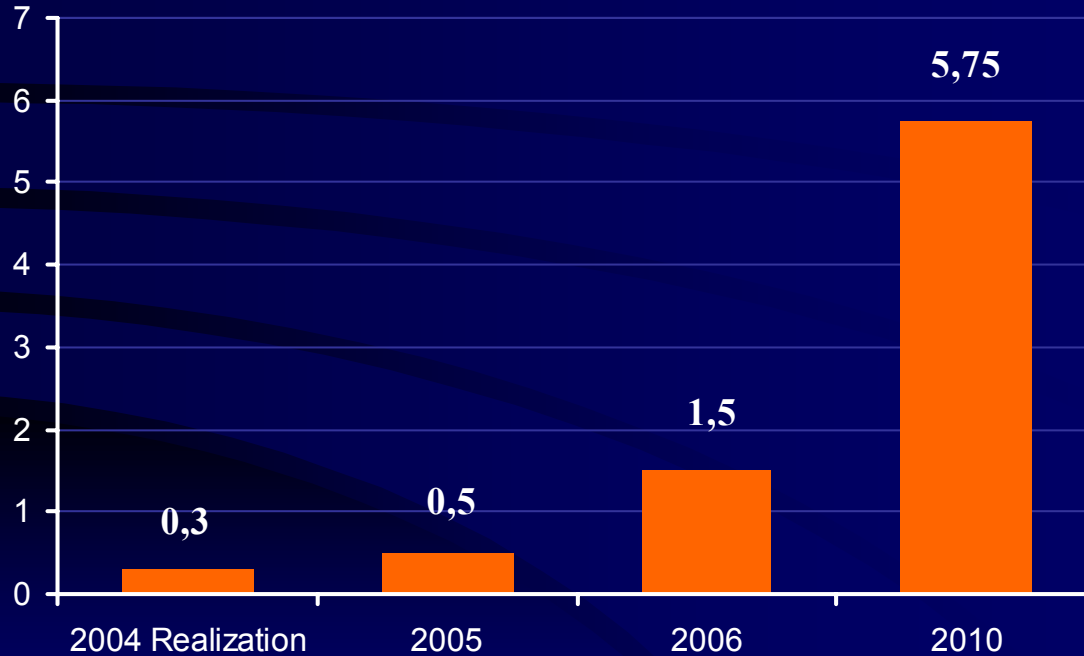


BIOFUEL STRATEGY IN POLAND

Zbigniew Kamieński
Ministry of Economy
Energy Department

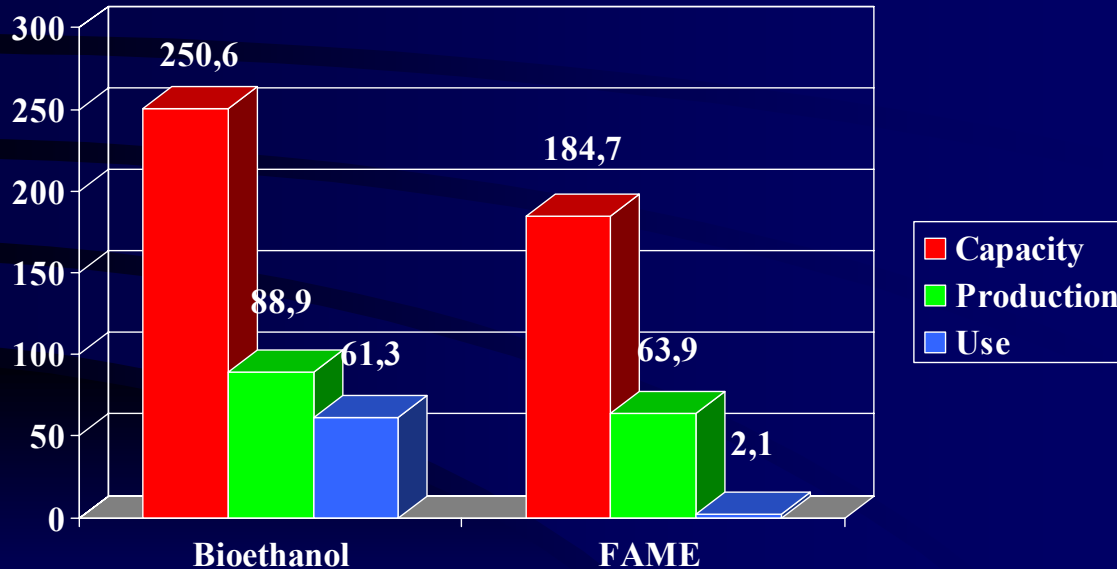
Brussels, 8 June 2006

National indicative target in Poland (in %)



Biocomponents in Poland in 2005

(in thousands of tons)



Regulations on biofuels in Poland

According to the existing legislation it is possible to:

- add up to 5% of bioethanol to gasoline
- add up to 5% of Fatty Acid Methyl Esters (FAME) to diesel oil

Regulations on biofuels in Poland

Draft ordinance of Minister of Economy has been prepared and undergoes the process of notification to the European Commission. When it comes into force it will make possible to use as a fuel :

- pure FAME
- diesel oil containing 20% of FAME

„Energy Policy of Poland until 2025”

- „Green light” for biofuels (biofuels contribute to improvement of energy security, environmental protection and development of rural areas)
- „...successive increase in biocomponents share in the overall volume of liquid fuels brought into the Polish market is assumed.”
- Meeting the indicative target at the level of 5,75% in 2010

New regulations concerning biofuels

- Draft new regulations are in the final stage of governmental works. This new legislation aims at improving the conditions of development of biofuels market (making it more stable and favourable).
- Four pillars

Introduction of „designated fleets”

- The possibility of use of biofuels other than commonly permitted
- Group of at least 10 vehicles or machines
- Biofuels used meet at least environmental quality standards
- Engines made suitable for combustion of those biofuels
- No right to market those biofuels

Farmers' production of biofuels for own purposes

- Only biofuels constituting a fuel
- Biofuels meet at least environmental quality standards
- Farmers have no right to market the biofuels
- Permitted volume of production dependant on acreage cultivated by farmer

Obligation

- Obligation imposed on producers and importers of fuels forcing them to place a certain proportion of biofuels on the market
- Connection between value of this proportion and the national indicative target
- No obligation to add biocomponents to each litre of fuel

Supporting mechanisms

- Modification of the system of excise tax reductions and exemptions
- Investment support

Investment support

- EU Funds
- Support from the National Fund for Environmental Protection and Water Management and provincial, district and local funds
- ECOFUND supporting environmental projects
- All funds resulting from penalties related to breaking the biofuels regulations will be designated only for investment support in biofuels sector

Stability is the key

Stable regulations and long-term planning is essential to ensure development of biofuels market and to attract necessary investments. Poland is in process of preparation of long-term plan concerning development of the biofuel sector.

Consumer protection

- Consumers should know that use of biofuels does not constitute a danger for their cars' engines.
- Without such certainty there will be no significant growth of biofuels market.

Harmonisation is a necessity

- Quality standards for biofuels other than pure FAME need to be elaborated and harmonised at the EU level.
- Till then using national quality standards should not be limited and blocked by existing EU regulations - these standards are essential to develop the market.



Why only transport?

Thank you for your attention

Contact:

Zbigniew Kamieński

MINISTRY OF ECONOMY

Energy Department

e-mail: zbigniew.kamienski@mg.gov.pl

phone: +48 22 693 53 79