

Pushing coal at all costs is a bad deal for Polish consumers

Response to the Polish government energy roadmap for 2050

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(Monday, 21.09.2015) The Polish government's heavy subsidies for coal is a bad deal for Polish consumers, says environmental policy think-tank Sandbag. In a consultation response [published today](#), Sandbag warns that the government's new energy strategy to 2050 continues to prop up an unbalanced energy system, instead of reducing costs and risks by allowing for a mixture of energy sources.

The new Polish strategy continues to predominantly rely on unabated coal for its energy supply. Although the Ministry of Economy models included scenarios with a more balanced energy mix, the chosen scenario for 2050 sees renewables, gas, and nuclear with less than 10-15% share of the national energy mix, respectively. From 2015 – 2018 Poland intends to create a new capacity mechanism favouring coal power generation, and to plough more taxpayer cash into a lossmaking mining industry. Only in Q1 2015 Polish hard coal production recorded a [\\$389 million net loss](#). In face of declining global coal prices it is highly unlikely Polish coal will become a competitive industry.

Aleksandra Mirowicz, European Climate Policy Campaigner at Sandbag, commented:

“Overall the new Polish energy plan doesn't seem like a great deal for Polish consumers. The costs of building new coal power stations and keeping existing coal mines running will be immense. It is unlikely that proposed energy efficiency measures in households and networks will save enough to compensate for rising costs of energy production. Polish consumers should prepare for rising electricity bills.”

Sandbag proposes the following ways to improve the energy strategy:

- Minimise subsidies for coal generation, and ensure all costs of the proposed energy strategy are transparently reflected in electricity prices (mining restructuring costs and capacity mechanism payments).
- keep costs of restoring adequate energy supply low for consumers by encouraging all forms of capacity in the system.
- avoid coal capacity oversupply by including an action for closures of 6.4 GW of coal capacity and placing caps on new coal capacity built.

Sandbag also urges the Polish government to include concrete actions focused on early investment in Carbon Capture and Storage & Utilisation (CCS&U). With current climate change regulation the coal-based economy will need to find ways to abate large combustion emissions. The reality of the global coal market, plus Europe's target for 80% - 95% emission cuts by 2050, will inevitably make coal even more expensive to run in the longterm.

Sandbag is a UK-based not-for-profit think tank conducting research and campaigning for environmentally effective climate policies.

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