

## Assessment of country performance and opportunities from the Energy Union

**Poland shows good performance** along the following dimensions of the Energy Union. In relation to Energy Security, due to investments in gas infrastructure and offering capacities to the market in line with the 3rd Package, Poland has significantly improved its energy security situation in recent years. However, Poland still imports a high share of its gas consumption from Russia. As regards Energy efficiency, Poland is on track to meet its EU 2020 target and has made some progress in moderating energy demand, with the exception of transport. Regarding Decarbonisation, Poland is on track to meet its renewables 2020 target. Poland engaged into a long-term process of reforming its support system for renewables and reducing administrative barriers to market entry for renewables. According to its projections, Poland is also on track to meet its EU 2020 greenhouse gas emission reduction target although some additional measures might be needed.

As regards the remaining dimensions of the Energy Union, however, **Poland faces several challenges**. Regarding the Internal Energy Market, the Polish electricity wholesale market has become increasingly competitive with low market concentration. The gas wholesale market, however, remains relatively closed. Competition in the retail electricity and gas markets remains limited with very low switching rates. Poland's electricity market is not sufficiently linked with its neighbouring markets. As regards Research and Innovation, despite being above the EU average and the US in terms of public support share allocated to research and innovation in the field of sustainable energy, low-carbon and environment, Poland is in terms of intensity of low-carbon technologies patents much below the EU average and main worldwide partners.

Against this background, the Energy Union Strategy can provide potential benefits for Poland:

- *Energy Security*: The Energy Union will further reduce Poland's energy dependence by increasing the diversification of European gas sources and its security of supply by coordinating the emergency response mechanisms among Member States.
- *Internal energy market*: further opening of the electricity and gas markets and de-regulation of prices in the gas market will enable more choice for consumers and may lower Poland's energy prices. A completed internal energy market will attract investments in power generation and energy efficiency whereas speeding up of infrastructure investments will increase the security of electricity and gas supply for Poland.
- *Energy Efficiency*: The Energy Union will strengthen the targeted use of financial instruments for increased investments.
- *Research and innovation*: The Energy Union's new strategy for Research and Innovation can support Poland's progress on low-carbon technology development. The Energy Union objective to make the EU number one in renewable energy can benefit Poland by opening opportunities to market the technological innovation which is on-going in Poland.