



# The Value of Energy Saving

MARZENA MRÓZ talks to JERZY CHLEBOWSKI, the CEO of CertyNergia Poland.

### What services does CertyNergia provide?

We are engaged in all activities related to corporate energy efficiency, focusing on the implementation of energy saving projects in all its forms: electricity, heat, compressed air. We also specialize in raising funds for the implementation of such projects, by obtaining energy efficiency certificates. We provide a comprehensive array of services - from project commencement, through the energy efficiency audit, submitting the project to the Energy Regulatory Office, and upon project completion we guide the company through the entire process of application verification, acquisition of energy efficiency certificates, and their sale on the energy commodity exchange. In addition, we assist companies in project supervision and implementation. We also conduct carbon footprint calculations.

### Could you define what energy efficiency is?

Energy efficiency is often understood as reduction in energy consumption within a company. But for the purposes of im-

plementing energy efficiency projects, it's understood somewhat differently - as a reduction in energy consumption per product unit. This is mainly due to the fact that often new equipment, machinery or technology implemented in a company, may result in increased energy consumption, but at the same time an increase in production efficiency is observed. This translates into lower specific energy consumption per kilogram or square metre of product, for example in ceramic tile production. Achieved energy savings can be reported to the Energy Regulatory Office in order to obtain energy efficiency certificates or the "white certificates", as they are popularly called.

### How does electric efficiency combine with CO2 reduction?

Every action reducing energy consumption, either directly or as outlined in the Energy Efficiency Act (i.e. reduced energy consumption per unit product), also means reduction in CO<sub>2</sub> emissions into the atmosphere. Any energy we use whether from the grid, or from own

We are also undertaking steps connected with calculating the carbon footprint.

energy generation, entails the combustion of fuels and therefore a certain amount of CO<sub>2</sub> emissions. For grid electricity, for example, these are appropriate coefficients that are determined centrally, and the electricity consumed in this way can be recalculated into CO<sub>2</sub> emissions. Each energy efficiency measure that seeks white certificates also requires preparation of relevant documents.

One of them is the so-called energy efficiency audit report. Such an audit is required when applying for energy efficiency certificates, so the energy efficiency report, as one of the documents submitted to the Energy Regulatory Office, potentially shows the annual reduction in CO<sub>2</sub> emissions to the atmosphere resulting from the implemented measures. This also relates to the fact that reducing energy consumption per unit product has a direct impact on the carbon footprint.



The UE aspires to expand the amount of industries obligated to reporting their carbon footprint.

a certain amount of certificates, as they are obliged to do so by the Energy Efficiency Law. Therefore, these companies purchase certificates on the commodity energy exchange, while companies that have achieved energy savings can benefit from additional funds. Such support is substantial, because depending on the type of project, its nature, time of facility operation or energy expenses related to the use of the equipment - it may vary from 5 to 25 percent of the investment outlay for a given project.

Some say that energy efficiency certificates can only be obtained if the company has never benefited from any other public financial support. This is not entirely true. A company can benefit from both forms of support: energy efficiency certificates and other public aid, but the total sum of these subsidies cannot exceed the maximum allowed percentage defined for a given region.

CertyNergia has many clients who, despite using public aid (e.g. in the form of investing in an economic zone), are still able to obtain energy efficiency certificates, also in full extent for a given project.

Thank you for the interview.

### What is a carbon footprint?

The term carbon footprint can be organization or product related. It's an inherent attribute of either a company or a product. This means, for example, that for each manufactured product a certain amount of CO<sub>2</sub> is emitted during the so-called product life cycle. This refers not only to the manufacturing process, but also to obtaining raw materials that make up the product, and to all other processes including the product's disposal and emissions it entails. For instance, in confectionery industry, CO<sub>2</sub> emissions come from growing cocoa beans, but also from their harvesting, transportation and the entire production process - all the way to the final product, its distribution, storage and disposal. The carbon footprint of an organization, in turn, refers to all the CO<sub>2</sub> emissions that are related to the company's operation. For example, those are all emissions related to purchased electricity from the grid, running computer equipment, company vehicles, or business trips involving various means of transport.

### Will businesses have any obligations related to carbon footprint?

The European Union is increasingly committed to expanding the number of industries that are required to report their carbon footprint. This is related to so-called non-financial reporting and these regulations already apply to financial markets as well as to certain sectors in heavy industry. There are two primary standards by which the carbon footprint is reported: the ISO and GHG. Since this has been a voluntary measure for most companies so far, not all of them apply these standards, or report their carbon footprint according to their own guidelines. However, the European Union's ultimate goal is that every product manufactured or service offered in the EU should have information on its carbon footprint, and based on this, in our opinion, the EU will introduce a system of so-called carbon duty. In this way, goods or services imported from outside the EU, if they have a significant carbon footprint - will have to carry an additional carbon tax. Goods produced in the EU, as they will have to bear costs associated with, for

example, the purchase of CO<sub>2</sub> allowances for the use of energy in the EU-ETS system, must be competitive with products from countries that don't bear such costs. So this is related to levelling the playing field and competitiveness of EU products. It seems that this type of obligation will be extended to more and more industries and companies. At the beginning of 2021, regulations for the financial sector regarding non-financial reporting were introduced, and out of 300 Polish companies obliged to report in 2020, by March 2021 their number increased to 3000.

### Is there any financial support available from the government for these activities?

The energy efficiency measure is supported by the government in the form of energy efficiency certificates. These are material rights calculated on the average annual savings from the taken measures. They must be reported to the Energy Regulatory Authority along with a document confirming the appropriate audit - both before and after the implementation. The company then receives the "white certificates" that can be traded on a commodity energy exchange. Companies that must obtain energy efficiency certificates are all those that supply energy in any form, that is electricity, gas, fuels. They redeem each year