

# District heating in PGE Group as a cornerstone for decarbonisation and energy security

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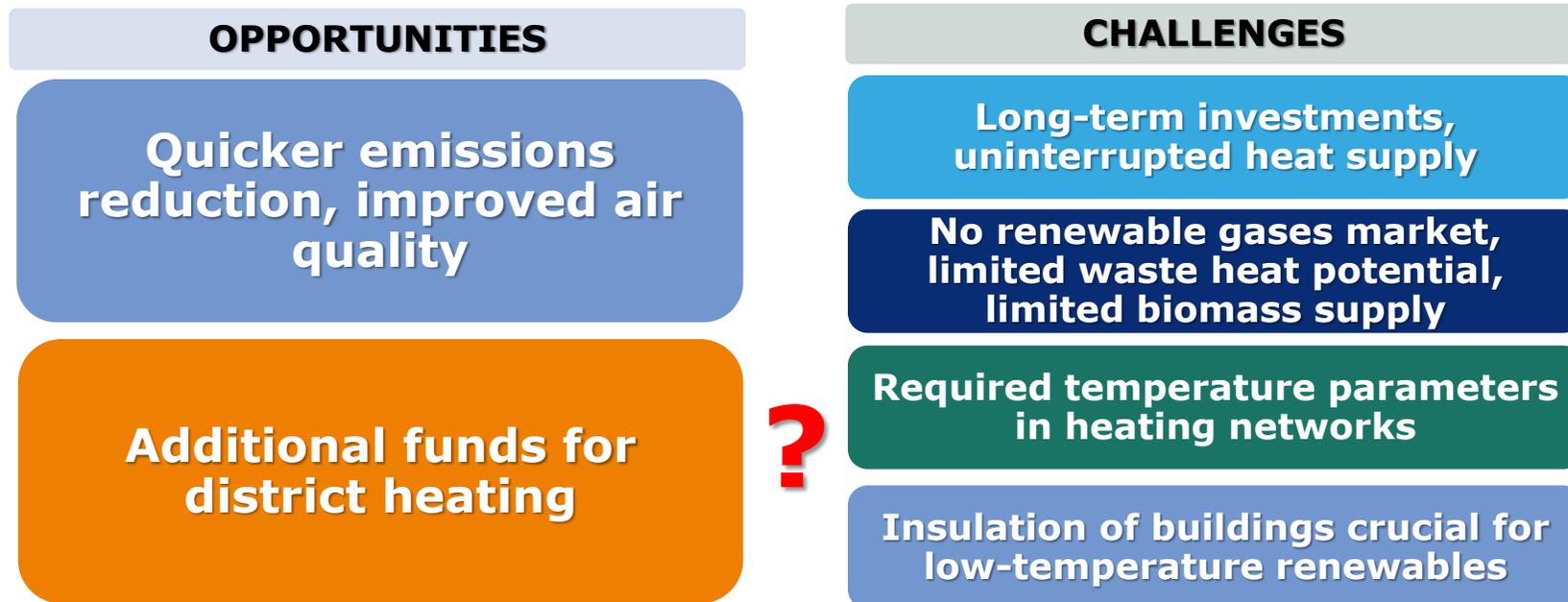
*Decarbonizing heat: the key to Europe's energy independence*  
*European Energy Forum MEPs Working dinner*  
*Strasbourg, February 14, 2023*



*Leading in the green transition*

# Decarbonisation of buildings through district heating: natural gas, power-to-heat, biomass or what else?

More than 6 million households in Poland are connected to district heating. High-efficiency cogeneration is the only technically and economically feasible solution for district heating in Poland. It will allow to largely deploy renewable gases, such as biomethane and hydrogen in the future.



# Impact of amendments to the EPBD in the report adopted in ITRE on district heating and new buildings' owners

- According to the report of ITRE Committee, a new ZEB may be supplied by an efficient district heating and cooling systems complying with a new EED definition, but only to the extent that this energy is renewable.
- ZEB owners will most likely **not connect to existing district heating systems** if they are not 100% renewable.
- That translates to a degradation of existing systems and **significant challenges for customers forced to seek and invest their own resources in another heat source.**

Higher costs of fuel supply  
(biomass, electricity)

Higher local air pollution  
(dispersed emissions)

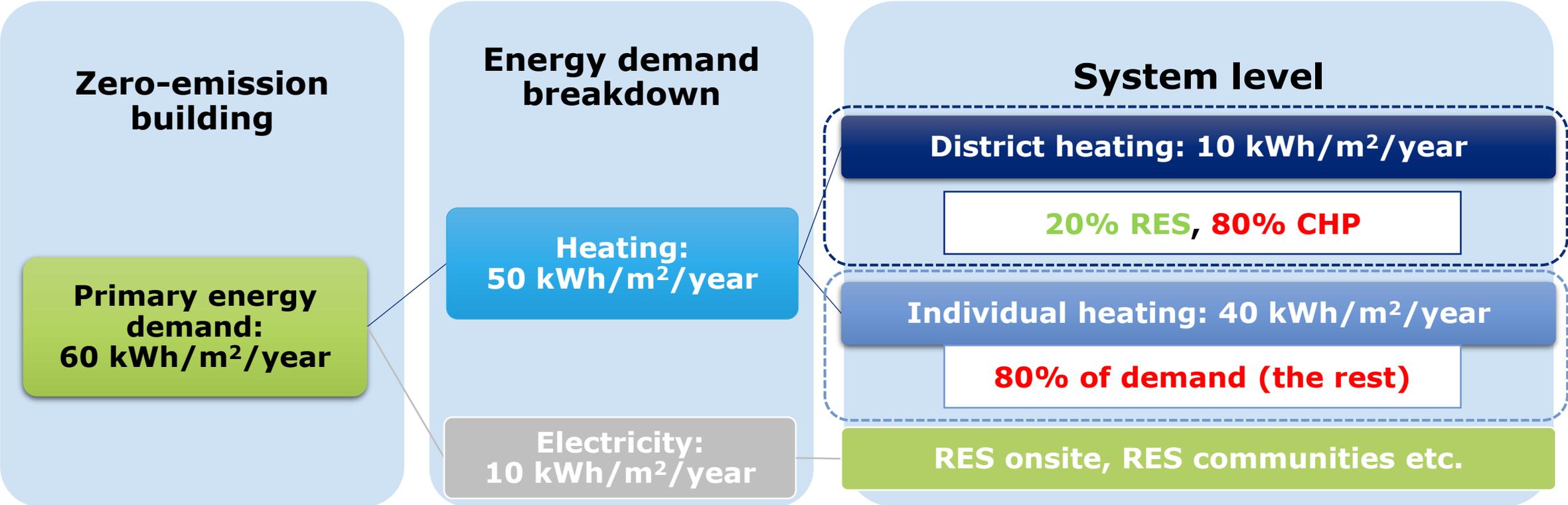
Limited access to funding  
to modernise district  
heating systems

Right for end-users  
to disconnect

No new customers connected to  
district heating systems

Decreasing social welfare and increasing  
energy poverty

# EPBD should enable ZEBs to include energy from high-efficiency cogeneration under certain conditions



# District heating is facing tremendous regulatory changes under the „Fit for 55” package

EC proposal	Council's GA	EP position
<p><b>EED:</b> New definition of an efficient district heating and cooling system <b>excluding non-renewable high-efficiency cogeneration as of 2035</b></p>	<p><b>Keeps non-renewable high-efficiency cogeneration after 2035 to a limited extent</b></p>	<p>Adds <b>2 years to application of a new definition</b></p>
<p><b>EED:</b> New <b>emission criterion for high-efficiency cogeneration</b> as of 2026</p>	<p><b>Criterion only for new and substantially refurbished</b> after the transposition</p>	<p><b>Follows the Commission's proposal</b></p>
<p><b>EPBD:</b> Requirement for new and renovated zero-emission buildings to be <b>supplied only with renewables or waste heat, including in district heating</b></p>	<p><b>Yes, to all efficient</b> district heating systems</p>	<p><b>To be adopted in mid-March</b></p>