

Thermal Modernization and Refurbishment Fund [Poland]

Context

Thermal Modernisation is usually highly profitable, however, it initially requires incurring significant costs, which is why many building owners may not implement thermomodernization actions without financial assistance. The State aid for owners of buildings was created by the Act on supporting thermo-modernization investments of the 18th of December 1998 (OJ 162/98, pos.1121) as amended at a later time. The system is intended to facilitate the financing of thermal modernizations in order to decrease energy consumption and the costs of heating in buildings, as well as provide domestic hot water (hot tap water).

Description and Main Objectives

The Thermal Modernization and Refurbishment Fund was created by the National Economy Bank. The Fund is a nationwide initiative targeting housing cooperatives, housing communities, private individuals and local governments. Its main goal is providing financial aid for investors engaged in thermomodernization and renovation initiatives as well as providing financial indemnifications for residential building owners. The Fund offers three types of assistance, namely the thermomodernization incentive, the renovation incentive, and the indemnification incentive. The amount of the funding received is equivalent to 20% of the loan used for the realization of the thermomodernization initiative from personal funds. Originally, the program was to be implemented in 50 thousand buildings within 10 years and deliver significant energy savings.

Implementation Strategy and Outcomes

The program was implemented by the National Economy Bank (BGK) with the aid of housing cooperatives and housing communities. A special division in the National Economy Bank was created, which has signed contracts with several Commercial Banks. These banks forwarded numerous applications for the thermo-modernization incentive from investors to the National Economy Bank, facilitating the cooperation between local and national members of the programme. The application process started on the local level. In order to apply for the project approval the beneficiary with a commercial bank had to appeal to the system operator (National Economy Bank) for a thermo-modernization incentive through submitting an energy audit. The audit had to be verified by an independent institution selected by the



This project has received funding from European Union's Horizon 2020 research and innovation programme under grant agreement No 695923.



BGK in the competition. If the application was assessed positively the National Economy Bank provided the agreed upon funding aimed at aiding the beneficiary's project.

In the years of 1999-2015, approximately 38,000 thermo-modernization incentives were awarded, which at the end of 2015 produced annual savings in energy costs in the amount of approximately 900 million PLN. The significance of financial savings attained through the thermomodernization initiatives supported by the Fund influenced the decisions of numerous investors who have not benefited from the financial support within the framework of good practice. It has largely contributed to the increase in public awareness on this matter and the willingness to engage in similar projects. The activity of the Fund continues to this date and is a crucial element of Poland's environmental initiatives.

Time Frame and Financing

The Thermal Modernization and Refurbishment Fund was started on January 1999 and continues its activities to this day. The costs of the project amounted to 500 mln EUR. The funding was provided to entitled investors engaged in thermo-modernization projects and should be considered as a partial repayment of the loan taken by the investor. The amount of the thermo-modernization incentive is 20% of the loan used for the undertaken thermo-modernization, however, it cannot be more than: 16% of the costs incurred in the project, and thermo-modernization or twice the expected annual savings in energy costs, determined on the basis of the energy audit.

Contacts & Links

Website:

<https://www.bgk.pl/samorzady/fundusze-i-programy/fundusz-termomodernizacji-i-remontow/>

Disclaimer: This project has been funded with support from the European Commission. The sole responsibility for the content of this factsheet lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EASME nor the European Commission are responsible for any use that may be made of the information contained therein.



This project has received funding from European Union's Horizon 2020 research and innovation programme under grant agreement No 695923.

