The rest of the market is moving away from coal

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Fitch Ratings, October 2018

Even major utility PGE, which has typically favoured coal, wants to generate 2.5 GW from wind power by 2030 by installing turbines in the Baltic Sea

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Monika Morawiecka, PGE Strategy Director

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Why ENEA and Energa should be pursuing more profitable, less risky investment in renewables.

1 **Cheaper power**

Power from Ostrołęka C will be up to twice the price of onshore wind and more expensive than offshore wind and, by 2030, solar.

Replacing coal with renewable energy would help reduce Poland's rising power prices.

(Source: WysokieNapiecie.pl / Polish Wind Energy Association)

2 **Sustainable job creation**

An alternative investment in renewable energy would create more jobs than Ostrołęka C.

(Estimates by Silesian University of Technology Professor Jan Popczyk)

ENEAs own trade union Synergia publicly opposes Ostrołęka C. It has launched legal action over the planned construction, citing financial and environmental risks, and threats to workers' job security and pay.

3 **Increased energy security**

Poland is increasing coal imports sharply as national hard coal production declines.

It imports most of this coal from Russia (almost two-thirds in 2017).

(Source: Dziennik Gazeta Prawna)

Locally produced renewable energy would increase energy security and independence.

4 **Cleaner air and better health**

In 2016, Enea’s two existing coal plants are calculated to have caused:

- 6,000 Asthma symptom days in children
- 110,000 Work days lost
- €1.2 Total health cost (high case / € billion)

- 330 Hospital admissions due to respiratory or cardiovascular symptoms
- 410 Premature deaths
- 160 Chronic bronchitis cases in adults

(Figures from Europe Beyond Coal's 2018 Last Gasp report)

Investment in renewable energy instead of Ostrołęka C would mean cleaner air, avoided major health issues and lower carbon emissions.

5 **Increased chance Poland meets its climate and energy goals**

Ostrołęka C would directly undermine Poland’s stated aim of reducing the share of coal power in the energy mix from 80% to 60% by 2030.

It also doesn’t tally with the parallel goal of doubling renewables' share to 27%.

(Source: Draft Polish Energy Policy to 2040)

6 **Firmer footing for companies**

Criticism of the planned plant from market commentators:

- “...destined to be a financial and economic disaster”
  - Carbon Tracker

- “...doesn’t make financial sense”
  - €1tn global asset manager Legal & General Investment Management

- “…economically unprofitable, and from the point of view of the [power generation] system unjustified”
  - Former Energa Group company director Dr Wojciech Myślecki

(Figures from Reproduced from WysokieNapiecie.pl)
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