

Warsaw, 28 June 2018

PWEA Board Appeal to Wind Farm Operators on Real Property Tax

Ladies and Gentlemen,

The amendment to the RES Act adopted by the Sejm on 7 June, proceeded today in the Senate of the Republic of Poland, gives rise to hopes that a new era in the RES development history in Poland, in particular wind energy, will be opened.

We kindly request you to endeavour to develop solutions taking account of the situation of both parties in your negotiations with representatives of local governments in communities where your investments are located. Knowing how severe impact for the economic grounds of your business projects the so-called Distance Act had, we stress that regulatory inconsistencies created by this Act may result in certain financial consequences in some communes that decided to levy the tax before the cases were settled by the Supreme Administrative Court.

The current amendment to the RES Act, which is to restore real property taxation principles applicable before 1 January 2017, effective from 1 January 2018, is an opportunity to restore business as usual, a situation where both sides – communes and investors – benefit from wind energy investments.

Bearing in mind the sustainable development of Poland, also with respect to RES development, including wind energy, we recommend you to take actions to find a compromise solutions for both parties causing no harm to an of the parties.

For example, in our opinion a good solution would be to lead mutual relations to a point where unduly paid amounts are regarded as a tax credit for subsequent years.

Please bear in mind that energy infrastructure investments are long-term projects. Therefore, when deciding to implement a wind energy project, each of the parties decides to commence long-term cooperation; hence, the cooperation between investors and local governments should follow the path of dialogue and mutual confidence, to the benefit of both parties. An attitude concerning the real property tax open to compromise will constitute a clear message both for representatives of local governments and the government of the Republic of Poland that the Polish wind energy industry exhibits social responsibility and is ready to contribute to sustainable economic development of the country.

PWEA Board



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