

Warsaw, 28<sup>th</sup> February 2018

**Remarks by HE Ole Egberg Mikkelsen, Ambassador of Denmark to Poland**

**Opening of the conference "Baltic Energy Industry Forum"**

First of all, let me thank the Foundation for Sustainable Energy for inviting me to address you this morning.

As Denmark's Ambassador to Poland, I feel deeply honoured to be given this opportunity. I am also very pleased that the Embassy is among the honorary patrons of this conference. We are proud to be your partner and to support the excellent work that you are doing.

I see the special partnership between the Embassy and the Foundation for Sustainable Energy as a recognition of the pioneering role that Denmark plays in the field of offshore wind energy, renewables and energy efficiency.

It also reflects that - right now - a unique window of opportunity is opening for a broad and comprehensive Polish-Danish energy partnership in the Baltic Sea.

A major component in such a partnership will of course be the Baltic Pipe Project.

The Baltic Pipe Project will allow transmission of gas from Norway to the Danish and Polish markets, as well as to end-users in neighbouring countries. It will consist of approximately 800 kilometres of new pipelines, including the expansion of the Polish gas infrastructure. It is projected to be on stream by the end of 2022.

The new pipeline will increase Europe's gas transmission capacity by up to 10 billion cubic metres of gas per year. In comparison, the total Danish gas consumption for 2016 was 2.5 billion cubic metres. Thus, it is a massive infrastructure project.

A feasibility study has shown that the Baltic Pipe Project can bring significant socioeconomic benefits to Poland, Denmark and the Baltic and Central & Eastern European regions. It will thus be a win-win for both Denmark and Poland.

It is also an important European project. EU has included Baltic Pipe on its list of key infrastructure projects that are of common interest to Europe. This is due to the essential role that Baltic Pipe could play in contributing to the development of Europe's internal market for gas, and the strengthening of EU's security of supply.

The investment decision on Baltic Pipe is expected later this year.

If realized the Baltic Pipe will open up a totally new era in the Polish-Danish energy partnership. For the first time, there will be a physical connection between our countries, and our gas transmission networks will be integrated.

But why should we limit the Danish-Polish energy partnership to gas transmission pipelines?

The answer is that there are no good reasons to limit ourselves to gas transmission.

And this is my basic message this morning: We should use this window of opportunity to develop a much broader Danish-Polish energy partnership.

Such a partnership should also involve wind power, other renewables and energy efficiency. That would be a clear win-win. It would also reduce Poland's dependency on imported energy, just as much as the Baltic Pipe. Poland is not only importing natural gas. Poland is also a major importer of coal.

The good news is that we don't have to start from scratch if we want to build such a partnership.

Danish companies are in front globally when it comes to offshore wind farms. The leading Danish company Ørsted has built more offshore wind farms than any other company worldwide.

Vestas is another Danish pioneer in the wind power industry. Vestas is a global leader in the wind power plant solutions market, and it has supplied a major part of the capacity installed onshore in Poland.

The success of Danish companies in the field of wind power is however also a success for Poland.

Many of the giant steel foundations for offshore wind turbines that are being installed by Danish companies globally are actually manufactured in Poland, more precisely in the city of Szczecin. Many of the turbine towers are made in Gdansk, and many of the underwater transmission cables are made at a facility close to Katowice.

This is the untold story: Poland is already a part of the Denmark's global success in the wind power industry. So we have a partnership already.

There is however a huge untapped potential for taking this partnership to the next level. This potential is just waiting to be unleashed if political and regulatory decisions in Poland are made.

Development of onshore wind in Poland has come to almost a standstill for reasons that are well known to everybody in the industry. Denmark is ready to share our experience in addressing the regulatory issues that have made life for land-based wind power in Poland extremely difficult.

You might ask yourselves: "What can Denmark offer in more specific terms?"

We are for instance ready to share our experience on how to stimulate local acceptance by involving local communities and their citizens in land-based wind energy projects.

We are also ready to be Poland's partner in developing offshore wind in Polish waters.

Denmark's largest wind farm is under construction on a reef in the Baltic Sea called Kriegers Flak.

It will not only be our biggest wind farm. It will have one of the world's lowest prices of produced energy. The winning bid in the tender was only 49,90 EUR per Megawatt. This is among the lowest costs for offshore wind power globally. It reflects the dramatic fall in costs for sea-based wind power - almost a reduction of 60 percent in just three years. This has made wind power at sea very competitive. The good news is that costs are expected to drop even further.

This new massive wind farm will have a capacity to supply almost a fourth of all Danish households. It is actually located very close to the maritime border between Denmark and Poland.

There is no reason to believe that the wind is blowing any less on the Polish side of the maritime border. Conditions are just as good in Polish waters, and this immense source of energy is just waiting to be utilized. Danish companies are ready to work with you on this as part of a new energy partnership.

The potential for a new partnership is however not limited to wind energy.

In the field of energy efficiency there is a strong legacy of Danish-Polish cooperation. Poland is a major manufacturer of thermal insulation. This is not least due to the pioneering technologies that the Danish company Rockwool has brought here through major investments.

The Danish manufacturer of windows, Velux has played a crucial role in making Poland a European superpower, when it comes to energy efficient windows.

The Danfoss Group, a global Danish provider of technologies and automation used in areas such as heating, cooling, controlling electric motors and compressors has built a strong manufacturing presence in Poland in the last 25 years.

Both Poland and Denmark are strong in urban district heating systems and we work together in this field already.

The existing partnerships did not emerge because some politicians or diplomats said so.

They emerged because of free markets, foreign direct investments and because of the comparative advantages of Polish and Danish market actors in the energy-sector. When these comparative advantages are combined in partnerships, it makes for a very strong combination.

Thus, there are strong and robust partnerships already. We can build on this if we want to develop a broad-based and comprehensive Danish-Polish energy partnership that goes beyond gas transmission.

The embassy is ready, Danish companies are ready, and I hope that this conference can also make a contribution in this direction.

Thank you for your attention. I wish you a successful conference.