



RENEWABLE ENERGY POLICY REVIEW

THE NETHERLANDS

The Netherlands is a significant producer (and exporter) of natural gas and depends on energy imports for oil and hard coal. Electricity is generated mainly from gas and hard coal. The use of renewable energy sources for power generation has been increasing. The Netherlands have a significant installed wind power capacity.

KEY FIGURES

- The **share of RES in total primary energy consumption** was of 2.9% in 2007¹.
- The **share of RES in the gross final energy consumption** was 2.4% in 2005.
- The **share of RES in the gross electricity consumption** was 7,5% in 2008²
- The **share of all biofuels** in the transport sector in 2007 was 2.8% (calculated on the basis of the energy content of the total amount of petrol and diesel placed on the Dutch market in 2007)¹
- Dependence on external energy supplies is in 2005 about 38.9%.

¹ CBS (2008): Duurzame energie in Nederland 2007. Central Bureau of Statistics, The Hague.

² Preliminary data from the Central Bureau of Statistics

RES POLICY

RES TARGETS

Mandatory targets set by the Directive on the Promotion of the use of energy from renewable sources

- 14% share of RES on the final consumption of energy in 2020.
- At least 10% share of renewable energy in final consumption of energy in transport by 2020.

Indicative Target set by the RES- electricity European Directive from 2001³

- 9 % share of RES on gross electricity consumption by 2010.

Indicative Target set by the European Biofuels Directive from 2003⁴

- Biofuels consumption of 5.75% of petrol and diesel use for transport in 2010.

National commitments

In September 2007, Dutch environment minister Cramer presented the working programme 'New energy for the climate'. Energy efficiency should increase to a yearly improvement of 2 to 2.3 % after 2011, while the share of renewable energy in 2020 should grow to 20% in 2020.

Support for electricity

Feed-in tariffs: Subsidies Duurzame Energie (SDE)

In July 2003, a feed in premium has been introduced –the so called MEP premium- (premium on top of the market price for power- fixed for ten years). Under the MEP scheme, Dutch producers of renewable electricity feeding into the public grid receive a fixed fee per kWh for a guaranteed period of ten years.

The 'MEP-premium' was abolished in August 2006 when the previous Minister for Economic Affairs judged that the EU-approved target for the Netherlands of 9% renewable power consumed by 2010 would be met. Since then, investments in new RE installations have fallen down to practically zero.

In October 2007, the Dutch government published a new regulation for a feed-in premium for renewable energy. The new support mechanism, called SDE ('Stimuleringsregeling duurzame energieproductie') resembles the old MEP premium system. Producers will get a premium covering extra costs on top of the wholesale energy price for a number of years. The premium will be provided to the generator of green power for maximum ten years. The level of the premium and the duration

³ Directive 2007/71/EC on the promotion of electricity produced from renewable energy sources in the internal electricity market. Currently in force, sets targets up to 2010.

⁴ Directive 2003/30/EC on the promotion of the use of biofuels or other renewable fuels for transport. Currently in force, sets targets up to 2010, with indicative targets by 2005.

of support will vary with each technology. However, the premiums will also vary with the wholesale price of electricity.

For the new SDE regulation (Subsidies Duurzame Energie), a fund of €300 to €350 million per year will be available by 2011. In contrast to the old scheme, the new one comprises an upper limit. In the first year, the premiums will be distributed on a 'first come, first go' basis.

Biomass and wind energy, that were already eligible for the old MEP regulation, will be eligible for SDE too, except for large co-firing of biomass in power plants. A new entry in the SDE is photovoltaics. Offshore wind has not yet been included, because no new permits have been issued. Because of sustainability concerns, liquid biomass fuels are excluded in the first year. Bio-energy producers will possibly be required to report on the sustainability of their biomass. The SDE will be evaluated in 2010.

In January 2008, the Dutch government published the premiums for different kinds of renewable power and gas:

Category	Base	Expected correction (base down power and gas price)	Expected premium	Capacity 2008 (MW)	Indicative: capacity 2008-2011 (MW)	Expected structural expenses per year for 2008 dispositions (x € 1 mln.)
1 Wind onshore	€ 0.088 per kWh	€0.060 per kWh	€0.028 per kWh	500	2070	31.2
2 Power from sewage sludge, landfill gas	€ 0.058 per kWh	€0.067 per kWh	€0 per kWh	8	30	0
3 Green gas from sewage sludge, landfill gas	€ 0.277 per Nm ³ gas	€0.21 per Nm ³ gas	€0.07 per Nm ³ gas	5	10	0.6
4 High efficient waste incineration (>22%)	Basisbedrag loopt per procentpunt op naar rato van het energetisch rendement	€0.067 per kWh	€0 per kWh	70	160	0
5 Solid biomass burning; digester of organic waste, (co) digesters of manure and	€ 0.12 per kWh	€0.067 per kWh	€0.053 per kWh	40	160	17.0
6 Small scale PV (0.6 kWp – 3.0 kWp)	€ 0.564 per kWh	€ 0.234 per kWh	€ 0.33 per kWh	10	80	2.8

DURATION OF THE SUPPORT: 10 Years

In February 2009, the Ministry published the new premiums, to be applicable as from April 1, 2009. These are as follows:

Category	Base	Correction	Subsidy period	Full load hours	Subsidy ceiling	Expected capacity
	€/kWh or €/Nm ³		yr	h/yr	Mln €	MW
Wind on-shore	0.118	0.049	15	1,760	1,512	830
Biomass to power (joint ceiling)						
Combustion (10-50 MW)	0.115 - 0.156 (0.123) ¹	0.044	12	8,000	550	43-55
Organic waste digestion	0.129 - 0.149 (0.134) ¹	0.044	12	8,000		
Co-digestion and small-scale combustion	0.152 - 0.177 (0.158) ¹	0.044	12	8,000		
Other digestion	0.158	0.044	12	8,000		
Biomass to bio-methane (joint ceiling)						
Organic waste digestion	0.465	0.147	12	8,000	180	16-22
All other digestion	0.583	0.147	12	8,000		
Solar PV						
0.6 - 15 kWp	0.526	0.202	15	850	62	15
15 kWp - 100 kWp	0.459	0.053	15	850	26	5
Power from wastewater treatment and landfill gas						
Power from wastewater treatment and landfill gas	0.059	0.044	12	8,000	7	5
Bio-methane from waste water treatm. and landfill gas						
Bio-methane from waste water treatm. and landfill gas	0.218	0.147	12	8,000	15	8
Power from waste incinerators						
Power from waste incinerators	0.117 - 0.140 (0.131) ¹	0.092	15	3,840	158	57
Hydro power						
Hight diff. <5 meter	0.125	0.044	15	3,800	60	13
Hight diff. > 5 meter	0.073	0.044	15	3,800	12	7
Wind off-shore²						
Wind off-shore ²	0.186	0.077	15	2,897	2,645	450

¹: Specific level of support depends on the amount of co-generated heat applied usefully. The number within brackets is a weighed average.

Support for heat

With a view to improving the basic economic conditions for the production of electricity and heat from biomass, resources are being deployed within the general body of instruments for sustainable (renewable) energy. These instruments consist of:

- a tax bonus on investment in renewable energy and energy saving (EIA);
- incentive programmes for research and development and the application of renewable energy and energy saving.

Private house owners can receive a subsidy on the purchase of thermal heating systems or heat pumps.

Support for biofuels

Obligation

As from 2007 suppliers of petrol and diesel for road transport purposes are required to ensure that biofuels account for a certain percentage of their sales in the Netherlands. For 2007 the proportion is 2%, calculated on the basis of energy content. In 2008 and 2009, the percentage was to be gradually increased to 3.25% and 4.5% respectively and for 2010 it will have to be 5.75%, as laid down in the European Directive. However, the recent debate about sustainability of biofuels has led to a reduction of the obligations for 2009 and 2010 to 3.75% and 4.0%, respectively.

Tax incentives

In 2006 a start was made on biofuel policy by providing tax incentives, in the form of a reduction in excise duty, to encourage the blending of a 2% biofuel component (bio-ethanol, bio-ETBE or biodiesel). In the case of the displaced quantity of unleaded light oil (petrol) to which at least 2% of ethyl alcohol had been added, the reduction in excise duty amounted to €10.10 per 1000 litres. If less ethyl alcohol was added the reduction would be lowered proportionately. In the case of the displaced quantity of gas oil (diesel) to which at least 2% of biodiesel had been added, the reduction in excise duty amounted to €6.10 per 1000 litres. If less biodiesel was added the reduction would be lowered proportionately.

Project subsidies

At the end of 2006, the Dutch cabinet allocated a total of 60 million euro of subsidies for projects relating to innovative biofuels which can bring about a significant reduction in CO₂ emissions. This scheme will run until the end of 2010.

Companies intending to invest in projects aimed at improving the production of innovative biofuels for transport purposes and which incur additional costs in order to reduce CO₂ emissions may be eligible for a subsidy.

Support to all RES

Tax incentive

The Energy Investment Deduction scheme (EIA) is a scheme providing tax incentives for investment in renewable energy projects.

CO₂ Reduction Plan

Under this scheme, incentives are provided for projects that may reduce CO₂ emission. Renewable energy projects occupy a prominent place under this scheme.

Sources

European Commission Factsheets by Country

http://ec.europa.eu/energy/energy_policy/facts_en.htm

Member States Reports in the framework of the Directive 2001/77/EC on renewable electricity

http://ec.europa.eu/energy/res/legislation/electricity_member_states_en.htm

Member States Reports in the framework of the Directive 2003/30/EC on biofuels

http://ec.europa.eu/energy/res/legislation/biofuels_members_states_en.htm

Ministry of Economic Affairs

www.minez.nl

ECN

www.ecn.nl

EurObserv'er Barometer

<http://www.energies-renouvelables.org/observ-er/sig/eufores/sig.asp>



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