

# D9: EED implementation in The Netherlands

Implementation of the Directive on Energy Efficiency (2012/27/EU) is the responsibility of the Ministry of Economic Affairs. All EED requirements are effectively in place, however the legal basis for certain elements are in the adoption process. An amendment to the law 'Rules regarding Energy Efficiency' (Law on the implementation of EC-directives energy efficiency), which is currently being processed, serves only to codify the Dutch practice into legislation.

## Legal context

At this moment the amendment for the law on the implementation of EC directives energy efficiency has been sent to the Council of State. Shortly after its counselling, expected to be finished in spring, the draft law will be submitted to the parliament and is expected to be adopted by the 4<sup>th</sup> of June 2014.

## Status of the implementation

In practical terms the Netherlands has reached full implementation of the EED requirements. Formal transposition remains outstanding. Full transposition will occur on the passing of the proposed draft legislation: Law on the implementation of EC-directive energy efficiency. For some articles, the Netherlands opt for an alternative approach and notifications have been sent to the European Commission in line with EED requirements.

## Article 7: Energy Efficiency Obligation Schemes

The obligation to save 1.5% energy efficiency (end users) will be met by The Energy Agreement for Sustainable Growth which was published on the 6<sup>th</sup> September 2013. In this agreement The Rutte/Asscher Government is accordingly aiming within an international context, to achieve a completely sustainable energy supply system by 2050. This agreement unites divergent interest and brings together more than forty organisations and financial institutions. It is based on the awareness that a long-term perspective means placing the common good far above the separate interests of either individuals or organisations and that it also means a growth path defined by energy and climate objectives as well as by feasible and necessary gains in competitiveness, employment, and exports.

The Energy Agreement comprises 10 basic components. The following basic components relate to the EED.

### - Saving energy

Saving energy is a key point and is the first basic component for achieving a sustainable energy supply. Saving energy contributes to environmental objectives, reduces the energy bill, improves the competitiveness of Dutch businesses, and boosts employment. The parties' aim in the Energy Agreement is to achieve an annual saving of 1.5% in final energy consumption. This is expected to exceed the requirements of the Energy Efficiency Directive. The parties have agreed on a package of measures that is expected to save some 100 PJ by 2020. The arrangements for saving energy focus both on the built environment and on increasing energy efficiency in industry, agriculture, and the rest of the commercial sector.

This objective is linked to two evaluation points: by the end of 2016 at least 35% will have been achieved and by the end of 2018 at least 65%. Should it appear that we are not likely to achieve the agreed objectives, then additional measures will be put in place. These may have a more binding nature and/or tax-related measures, or other measures – voluntary or non-voluntary – to make the aim of saving 100 PJ more likely. Like the measures specified in the Agreement, the package of measures will focus on the end-user and therefore not on the supplier.

#### - **Built environment**

There are numerous opportunities for achieving significant energy savings in the built environment. The basic principle is that individuals and businesses have an interest themselves in saving energy and will shoulder responsibility for doing so. A combination has therefore been chosen for information provision, awareness-raising, reducing the burden, and funding support. A revolving fund will be established for energy saving in the built environment amounting to some EUR 600m. This national energy-saving fund has been operational since late 2013 with a component focusing on owner occupiers – meaning that owners of listed buildings will also be eligible for financing from the fund – making it possible for this large group of individuals to take profitable measures to save energy. Energy companies will be given the opportunity to offer customers more financing options and any future policy measures can make use of the energy performance certificate, to which favourable financing can be linked. All homeowners, landlords, and tenants who do not yet have an energy label will be assigned an indicative label for their home in 2014 and 2015, based on a uniform method applying to the whole country. This label indicates the home's energy performance and serves to raise awareness.

#### - **Industry, agriculture, and the commercial sector as a whole**

The energy-intensive sector of industry aims to become an international leader in energy efficiency. An independent centre of expertise will be set up to assist businesses and funding bodies in identifying the most effective measures in the area of energy efficiency in industry and agriculture.

Cost-effective utilisation of industrial waste heat deserves to be prioritised, and the parties will produce a coherent action plan for utilising the potential of this technology in the Netherlands. The possibilities of a regional heat infrastructure will be investigated for various parts of the country, based on and comparable with the proposals already made by the Rotterdam region.

There is broad support for an ambitious programme to save energy in the greenhouse horticulture sector. Agreement has been reached with the sector that – in addition to the current policy – an energy saving of 11 PJ will be achieved by 2020.

#### - **Funding programme**

An other component will be an extensive funding programme focusing on freeing up the enormous amount of investment needed for the transition envisaged in the Energy Agreement. Agreement has been reached with financial parties and various umbrella organisations (the Dutch Banking Association/NVB, the Dutch Association of Insurers, and the Federation of the Dutch Pension funds) on an approach that will make it attractive to invest in energy saving. The NVB, the Dutch Government have agreed to keep an open mind in the coming months while developing plans for transforming bank financing of large-scale projects into capital-market financing by Dutch and foreign institutional investors. The Minister of Economic Affairs will assign a coordinator to design the method for implementing the transformation. The NVB and central government will jointly set up a Centre of Expertise of Funding.

### **Effects of the Energy Agreement**

#### **Energy efficiency**

The combined energy saving effect will amount to between 50 and 107 PJ. The calculations concern both the present estimated effects of specific measures (between 22 and 60 PJ) as non-specified undertakings and possible additional measures. It will become clear in the period ahead whether supplementary measures are in fact necessary.

#### **EU Energy Efficiency Directive**

Based on the ECN/PBL calculations, the parties may assume that the overall package of measures will produce effects that come within the EU Directive's bandwidth of a 1.5% saving in final energy consumption. The parties believe that the efficiency measures (as calculated) and the supplementary package of non-specified measures offer sufficient potential to achieve the EU's target.

### **Article 5 Exemplary role of public bodies buildings**

The Netherlands is aiming to achieve the required savings in the framework of the obligation to renovate 3% of the national building stock, in accordance with Article 5 of the EED, through an alternative approach. The Government Buildings Agency continues the realization of 2% energy savings per year through sustainable procurement, optimizing and tuning of energy installations or the deployment of Energy Service Companies and energy performance contracting, this will be sufficient. The Ministry of Defence can continue to the realization of the recommended energy saving measures from the Energy Performance approach in the existing office buildings and single living quarters. In the implementation of the Directive there are also options to differentiate and choose between the real estate portfolio of the Government Buildings Agency and of the Ministry of Defence.

### **Article 6 Public procurement**

Since 2010 the Central Government adopts a 100% sustainable procurement policy. Municipalities adopt a 75 % sustainable procurement policy and by 2015 they will move to 100% sustainable. Also other public bodies (provinces, universities, educational institutions) have set goals for sustainable procurement. Implementation of the requirements from the Directive will occur by an expansion of tools for sustainable procurement. A framework will be developed for the application of the directive for public procurement. This framework will be applied in the procurement process of the Central Government and can also be used by local authorities and businesses. When this framework is ready it will be made available through PIANOo the Dutch Public Procurement Expertise Centre, which was set up to professionalise procurement and tendering in all government departments, with a view to improving efficiency and compliance with the rules. The Chief Procurement Officer Government (Ministry of Internal Affairs) is responsible for the implementation and application of legislation in the Netherlands.

## **Additional efforts**

### **Green Deals**

Since its start in 2011, the central government concluded about 150 Green Deals with companies, civil society organizations and other governments (such as provinces and municipalities). These Green Deals relate to energy, climate, water, raw materials, mobility, biodiversity, bio-based economy, construction and food and aim at removing barriers in sustainable initiatives. In the coming years the government aims to conclude more Green Deals.

### **Energy Efficiency in buildings**

The Dutch government aims to enhance energy efficiency by lowering the VAT on energy efficient measures (isolation, renovation) and the availability for cheap loans for house owners.

## **Future planning**

A major evaluation of the Energy Agreement will take place in 2016, with progress being assessed and a decision being taken in the follow-up – with a view to achieving the agreed targets for 2020 and 2030 – including exploring supplementary measures. The government will take the lead in this, with account being taken of the importance of long-term consistency in order to maintain a good investment climate.

## **Relevant information**

The summary of the Energy Agreement for Sustainable Growth can be found here:

<http://www.ser.nl/en/publications/publications/2013/energy-agreement-sustainable-growth.aspx>