Country profile –Netherlands

Country: Netherlands												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El.\heat
1. Direct subsidies												
Direct on-budget subsidies	30, 28, 3	29										
Feed-in tariffs												
Feed-in premiums	1											
Adjustment Aids												
Inherited liabilities												
Induced transfers												
Others												
2. Fiscal measures												
Energy Tax Allowance		20										
Energy Tax Exemptions				5	28, 27, 15, 10	26			23		25, 24	
Other Tax Deductions	6	21								7, 6		
Earmarked refunds of taxes					13, 11	14, 12						
3. Transfer of risk to government												
Adjustment Aids												
Inherited liabilities												
Others	18	19	17, 16									
4. Other financial measures												
Adjustment Aids												
Other Tax Deductions										2		
Others	4				22	22						
5. Non-fiscal measures												
Quota obligations	9											
Priority Grid Access												
Others										8		

No.	Datasource	Description
1	RES-LEGAL	SDE+/SDE. The SDE+ exploitation subsidy (precursors: SDE; MEP) grants a premium on top of the market price to the producers of renewable energy in order to compensate for the difference between the wholesale price of energy from fossil sources and the price of energy from renewable sources. Both renewable electricity and biogas are covered. From 2012 onwards als renewable heat is covered. The recipient sector may either be the electricity generation sector or others that apply for a subsidy such as agriculture or industry. The subsidy guarantees a base price level for a technology relative to the market price which is guaranteed for 15 years. The average electricity price is deducted from the guaranteed base price, which means it is a sliding premium-price feed in tariff. Precursors of the regulation SDE+ were the SDE and MEP. Under the SDE+ also renewable heat can be subsidised, which increasingly take all of the available budget (2011: 66% of budget for heat projects). Between august 2006 and 2008 there was no subsidy scheme for new investments in place. In general, the SDE+ scheme gives an advantage to those applying for lower tariffs and at an early stage of the allocation process and is technology neutral. SDE and MEP had budgets per technology, and renewable heat was not in the regulation. SDE existed since 2008; from 2011 it was followed upon by SDE+. There was a separate MEP regulation for (natural gas-) CHP that stopped in 2008..
2	RES-LEGAL	Regulation Green Projects. A tax benefit exists for consumers who invest or put their savings in a green fund. This enables the banks to offer

		loans at lower interest rates to 'green' projects. For a project to qualify for such a loan it should apply for a declaration on the basis of the Regulation Green Projects 2010. There are 12 categories of projects in the regulation, sustainable energy is only one of these categories. Under the category sustainable energy: All RES-E technologies except biomass and biogas are eligible, including Wind energy, Solar PV, Small scale Hydro. From RES-H, Geothermal, biogas, solar thermal and heat pumps are eligible Note: the fiscal transfer of money is to consumers, a part of the tax benefit is passed on to the green project by the banks supplying the financing. Final beneficiaries include sectors such as agriculture, industry, electricity, transport, construction, water sector, others.
3	RES-LEGAL	Investment subsidy for PV-solar. The investment subsidy are granted to households for PV installations with a capacity > 0.6 kWp to be installed on a real estate or house boat which will not be connected the electricity grid through a connection with a throughput value larger than 3*80A (§3.11, par. 3.11.1, 3.11.2 and 3.11.6 (g), SEI). Applications for subsidy can still handed in until 28 December 2013. The total available budget for 2013 is € 22.063 million
4	RES-LEGAL	Net-metering. Net-metering applies to clients who are at the same time producer of electricity, which are connected to the electricity grid through a connection with a throughput value smaller than or equal to 3*80A. Clients need to apply for an offer from the responsible grid operator for injecting electricity to the grid and are required to pay a grid use charge (art. 95(a) and (c) in conjunction with art. 31(c) Electricity Act). For small scale clients, energy taxes only apply to the net electricity consumption, defined as the difference between electricity obtained from and fed-in to the grid (art. 50 (1) and (2) WBM). Upper of fed-in for which this holds is put at 5000 kWh/y (will perhaps be unlimited in 2013)
5	RES-LEGAL	Energy tax exemption (Act on the Environmental Protection Tax - WBM). In the Netherlands, the consumption of electricity and natural gas is subject to the Act on the Environmental Protection Tax (art. 48 (1) in conjunction with art. 50 (1) WBM). A given consumer is exempt from this tax if the electricity consumed is electricity from renewable energy sources and was generated by the consumer himself (own consumption clause) (art. 64 (1) in conjunction with art. 50 (4), (5) WBM).
6	RES-LEGAL	Energy Investment Allowance, EIA scheme: This tax benefit enables entrepreneurs based in the Netherlands to write off investments in renewable energy plants against tax (art. 3.42 Wet IB 2001). The eligibility criteria are extensively described in the Energy List. The level of funding depends, among other things, on the source of energy and the type of plant used. Investments of less than 450 Euros are ineligible (art. 3.45 Wet IB 2001). Furthermore, a total of at least 2,300 € (and at most 118 M€) must be invested in eligible projects within one year (art. 3.42 Wet IB 2001). Many RES-E technologies are eligible: Wind energy - Solar PV, geothermal energy, biogas, hydro, biomass. Also eligible are energy efficient heating: heat pumps (aerothermal, hydrothermal) eligible, performance criteria and RES-H: biogas, biomass, geothermal, solar thermal, RES-T: Biofuel production installation intended for the production of solid, liquid or gas fuels from ligneous or celluloid

		compounds in biomass whereby the energy carrier is used to generate heat or cold or as a transport fuel by means of pyrolysis, gasification, torrefaction, thermal degradation, chemical degradation or enzymatic degradation; and consisting of reactor in which one of the aforementioned processes is carried out, fermenter for the fermentation of C5 and C6 sugars (when installed). amount: The amount of tax credit may be up to 41.5% of the total investments made in renewable energy or energy-efficiency technologies within one year (art. 3.42 (3) Wet IB 2001). The eligible technologies are published in the Energy List, which is updated on an annual basis. The maximum project costs per company are € 118 million per calendar year (art. 3.42 (4) Wet IB 2001). Investments of less than € 450 are not eligible for the tax credit (art. 3.45 (1) (a) Wet IB 2001). The total sum of investments in eligible projects shall reach € 2,300 within one year (art. 3.42 (3) Wet IB 2001). The Minister of Finance may reduce the amount of tax credit or reject applications if the expenses threaten to exceed the budget provided. His decisions are published and do not affect tax credits already granted.
7	RES-LEGAL	MIA/VAMIL scheme. The Environmental Investment Allowance (MIA) provides the opportunity for private companies to deduct an extra amount of the investment cost from the taxable profit for investments which are included in the Environmental List. The exact share of the investment that applies for the deduction varies between 0% and 36% depending on the nature of the investment. Random depreciation of environmental investments scheme (VAMIL) provides the opportunity to depreciate 75% of an investment which is included in the Environmental List in a single year, thereby reducing the taxable profit in that year. The depreciation of remaining 25% of the investment should be spread over the economic lifetime of the obtained goods. Each business can be granted the MIA for environment-related investments of a minimum of € 2,300. The budget for MIA in 2012 amounts to € 101 million, and the budget for VAMIL in 2012 is € 24 million. The following category of delivery station for high-blend bio-fuels is eligible for MIA tax deduction: Delivery station for the high-blend bio-fuels B30, B100, E85, E95, biomethanol, or PPO as motor fuels for vehicles, consisting of a delivery point and buffer stock for bio-fuel (No. B 2045). Hydrogen: The following category of (hydrogen-based) fuel cell systems for transport is eligible for MIA tax deduction: Fuel cell system for mobile equipment and means of transport.
8	RES-LEGAL	Topsector Energie: Top-class Consortia for Science and Innovation - "Top sector Energy". This is an R&D programme based on public-private partnerships involving private companies, university, R&D institutes, with a focus on seven energy sectors, among which the RES technologies offshore wind, solar energy (PV), and bio-based economy. Funding is from the parties involved – at least 60%, in cash or in-kind, from private companies etc. - and the government – maximum 40%. Benefits both fossil energy innovation as well as RES.
9	RES-LEGAL	Biofuel quota. The Netherlands implemented a biofuels quota scheme. This scheme obliges companies importing or producing petrol, gas or diesel fuels to ensure that biofuels make up a defined percentage of the

		company's total annual sale of fuel. Companies importing or producing petrol, gas or diesel fuels are obliged to ensure that biofuels make up a defined percentage of the company's total annual sale of fuel (Art. 1 in conjunction with Art. 1a (1) Renewable energy in transport order 2011). Companies can also fulfill the quota by presenting biotickets which can be bought from other obligated parties (Art. 4 (1) Renewable energy in transport order 2011). Moreover, double counting is possible if the regulator decides so (Art. 4 (2) Renewable energy in transport order 2011).
10	OECDTADFFSS	Differentiated Tax Rate on Gas Oil. A differentiated tax rate used to be applied to gas oil, depending on its use. A higher rate applies when it is used as transport fuel. A lower rate applied to uses other than as transport fuel, e.g. when used for heating or in off-road machinery. This tax expenditure expires at the end of 2012.
11	OECDTADFFSS	Energy-Tax Rebate for Religious Institutions. Since 2000, users of buildings that are primarily used for public religious services or for philosophical reflection can apply for a 50% energy-tax rebate for natural gas.
12	OECDTADFFSS	Energy-Tax Rebate for Religious Institutions. Since 2000, users of buildings that are primarily used for public religious services or for philosophical reflection can apply for a 50% energy-tax rebate for electricity.
13	OECDTADFFSS	Energy-Tax Rebate for Non Profit Organisations. 50% energy-tax rebate applies to the heating of buildings of non-profit organisations. The sport sector is (partially) compensated by the Ministry of Health, Welfare and Sport. Since 2006, community buildings used by non-profit organisations for over 70% of the time could also apply for the rebate.
14	OECDTADFFSS	Energy-Tax Rebate for Non Profit Organisations. 50% energy-tax rebate applies to the use of electricity in buildings of non-profit organisations. The sport sector is (partially) compensated by the Ministry of Health, Welfare and Sport. Since 2006, community buildings used by non-profit organisations for over 70% of the time could also apply for the rebate.
15	OECDTADFFSS	Reduced Energy-Tax Rate for Horticulture. At the introduction of the energy tax in 1996, the government decided to apply a zero energy-tax rate to fuels used in the horticultural sector, provided that those benefitting from the scheme would participate in voluntary agreements to improve their energy efficiency. The EC approved this exemption until 1999. In 2000, the exemption was replaced by a tax reduction that was to be diminished over time. In particular, the EC stipulated that the reduced energy-tax rate granted to the horticultural sector in the Netherlands had to be raised both in 2002 and 2005 by 10% in comparison with the benchmark, which was the rate of the energy tax that applied to other energy-intensive businesses.
16	Other	Nuclear energy producers benefit from transfer of risk to government. Dutch government reimburses damages of nuclear accidents up to € 2,3 billion.
17	Other	Securing nuclear transport. Government costs amount up to € 5mln in 2010 (De Visser et al. 2011).
18	Other	For geothermal heat production, the government bears the risk in case production is lower than expected (Garantieregeling Aardwarmte). If a project fails, 85% of the costs can be reimbursed.
19	OECDTADFFSS	Small fields policy. This measure was introduced in 1974 to encourage gas producers to exploit small fields. Many such fields have been

		discovered in the Netherlands since the 1970s. The 1998 Gas Act stipulates that the trading and supply company, Gas Terra, must act as a guaranteed buyer of gas from small fields. Although gas companies can sell their output from small fields to other parties, Gas Terra has an obligation to immediately buy their gas at the prevailing market price. Gas Terra thus removes all uncertainties related to demand. Since Gas Terra is half-state-owned, this purchase agreement constitutes a measure encouraging exploration and production of gas. No estimates are available for this item.
20	OECDTADFFSS	Aid for Exploration of Offshore Marginal Gas Fields. This measure provides a deduction from the base for calculating royalty payments to gas companies that explore offshore marginal (i.e. insufficiently profitable) gas fields. This policy was approved by the European Commission in 2010.
21	OECDTADFFSS	Aid for Exploration of Offshore Marginal Gas Fields. Gas producers exploring offshore marginal gas fields can deduct up to 25% of their investment costs from their profit when calculating their amount of taxable income.
22	OECDTADFFSS	A so-called safety net exists for retail electricity and gas prices. The national regulator, the Office of Energy Regulation (Energiekamer) within the Competition Authority, is responsible for approving all tariffs and for ensuring that prices charged to consumers are reasonable; where this is not the case, the regulator can impose a tariff on the supplier, though this has never been necessary in practice.
23	Other	Reduced tax rate LPG
24	Other	Tax exemption gas for electricity generation
25	Other	Tax exemption coal for electricity generation
26	Other	Exemption of energy taxes for the energy intensive industry
27	Other	Differentiated tax rates on gas oil (lower for non transport use, expiring at the end of 2012). A differentiated tax rate used to be applied to gas oil, depending on its use. A higher rate applies when it is used as transport fuel. A lower rate applied to uses other than as transport fuel, e.g. when used for heating or in off-road machinery.
28	Other	Differentiated tax rates gas (lower tax rates for large gas consumers)
29	Other	Subsidies for R&D fossil fuels
30	Other	Subsidies for R&D renewable energy