NETHERLANDS

Summary of the Commission assessment of the draft National Energy and Climate Plan 2021-2030

The EU has committed itself to a clean energy transition, which will contribute to fulfilling the goals of the Paris Agreement on climate change and provide clean energy to all. To deliver on this commitment, the EU has set binding climate and energy targets for 2030: reducing greenhouse gas emissions by at least 40%, increasing energy efficiency by at least 32.5%, increasing the share of renewable energy to at least 32% of EU energy use and guaranteeing at least 15% electricity inter-connection levels between neighbouring Member States. To ensure that the EU targets are met, EU legislation requires that each Member State drafts a 10-year National Energy and Climate Plan (NECP), setting out how to reach its national targets, including the binding national target for reducing greenhouse gas emissions that are not covered by the EU Emissions Trading System (ETS). The European Commission has analysed each draft NECP. The summary of this assessment for the Netherlands is outlined below. The final NECPs for the period 2021-2030 are due to be submitted by Member States by the end of 2019.

NETHERLANDS - National targets and contributions foreseen in the draft National Energy and Climate Plan

The draft integrated National Energy and Climate Plan (NECP) is based mainly on existing policy of the Netherlands, notably the 2017 Coalition Agreement and the 2013 Energy Agreement (Energieakkoord). The Climate Agreement will form the basis for the final NECP. As this was not yet finalised during the preparation of the draft NECP, the extensive work done there was not yet reflected in the draft NECP. Depending on the finally adopted National Climate Agreement, the national contributions might still vary and the information on planned policies and measures as well as their expected impacts could be reinforced substantially.

The Netherlands’ 2030 target for greenhouse gas (GHG) emissions not covered by the EU Emissions Trading System (non-ETS) is -36% compared to 2005, asset in the Effort Sharing Regulation (ESR)\(^1\). The draft NECP also includes a national total GHG emission target of -49% by 2030 compared to 1990. This high ambition of climate policy is well noted. The draft NECP mainly describes existing policies and measures without setting out additional policies and measures. Based on this, the binding target for 2030 under the ESR could be missed by a short margin of 4.6 Mt CO2eq.

Additional emission reduction measures are foreseen to be included in the final plan, following the outcome of the Climate Agreement. Such additional clarity will be needed for an assessment of whether the national ESR target and the indicative sectoral targets will be met. The extent to which the planned measures will be sufficient to achieve the ‘no-debit’ commitment (i.e. land use, land-use change and forestry (LULUCF) emissions do not exceed removals) in accordance with LULUCF accounting rules also remains to be clarified.

The draft NECP contains a bandwidth of a 27% to 35% share of energy from renewable sources as contribution to the EU renewable energy target for 2030. This potential range is above the share of 26% in 2030 that results from the formula in Annex II of the Governance Regulation\(^2\). A specific national contribution to the EU targets for renewable energy has yet to be provided. The indicative trajectory to reach the Dutch contribution in 2030 – reaching the reference points of 18% by 2022, 43% by 2025 and 65% by 2027 of that contribution – is not yet included in the draft NECP. The final plan would benefit from elaborating further on the policies and measures allowing the achievement of the contribution and on other relevant sectorial measures.

The energy efficiency contribution is set in primary energy consumption of 1950 petajoules (PJ) by 2030, which in primary energy can be considered sufficiently ambitious. However, the potential contribution on final energy consumption seems to be only of rather modest ambition. The final plan would benefit from more details on adequate policies and measures.

Regarding energy security, the draft NECP mentions markets as the main instrument for ensuring a secure supply of gas, electricity, coal and oil. New objectives on increasing diversification of energy sources and supply from third countries or on reducing import dependency from third countries to be achieved by 2030 have not been set out.

The draft NECP includes a detailed overview of the current and projected interconnection level with neighbouring Member States. The inclusion of the required necessary quantitative core parameters in the internal market dimension would allow assessing the functioning of the market and identifying possible remaining obstacles. The final NECP would benefit from a dedicated assessment of energy

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poverty and any related objectives or specific policies or measures, apart from the general statement that energy poverty is treated through social policy in general.

- **The research, innovation and competitiveness** dimension would benefit from more concrete and quantifiable objectives and measures with a view to 2030. Currently, the draft NECP mainly describes the current state of affairs without being forward-looking. Competitiveness objectives have not yet been formulated.

- The draft NECP does not contain an assessment of the **investment needs** (including infrastructure needs in gas and electricity, hydrogen or CO₂ networks) to meet 2030 objectives and targets and thus does not yet fully take advantage of the role NECPs can play in providing clarity to investors and attract additional investments in the clean energy transition. Expenditures, funding sources, market risks and barriers or other relevant information are also not yet addressed.

- The final NECP would be more robust by providing a clear description of the additional measures and policies envisaged, giving due consideration to the interactions between dimensions, accompanied by an **impact assessment**, as well as with additional measures projections.

- The final plan would benefit from complementing the analysis of the interactions with **air quality and air emissions** policy and presenting the impacts of policies and measures on air pollution.

- The final plan would benefit from details in the **just transition** aspects and relevant issues such as the need for structural changes needed for energy transition that can affect jobs and social coherence in particular sectors, such as the petro-chemical industry.

- A list of all **energy subsidies** and actions undertaken and planned to phase them out, in particular for fossil fuels, need to be included in the final plan.

- Some **good practices** are a) the broad stakeholder engagement as part of the preparation of the National Climate Agreement, using round tables/consultation platforms for different sectors, such as electricity, mobility, agriculture and land use, industry, and the built environment; b) the structural area-based approach that is followed for making the housing stock more sustainable and moving away from fossil fuel heating; c) that circular economy policy is implemented as an integral part of addressing the climate challenge, including the recycling of resources, green purchasing and sustainable production and consumption; d) the promising plans to proceed with developing a truly integrated research and innovation strategy; e) the approach set up under the Pentalateral Energy Forum by the Political declaration of 4 March 2019, which is also a good practice that could be followed by other Member States.

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**Related links:**

- [National Energy & Climate Plans](#) – for links to the Commission recommendations and Staff Working Document for the Netherlands and all other Member States, to the Commission Communication assessing all draft NECPs, and to the draft NECPs themselves.

- More information about the [Clean energy for all Europeans package](#)

- More information about the [2030 climate & energy framework](#)