



Rijksdienst voor Ondernemend
Nederland

CO2 & energy taxation in the Netherlands

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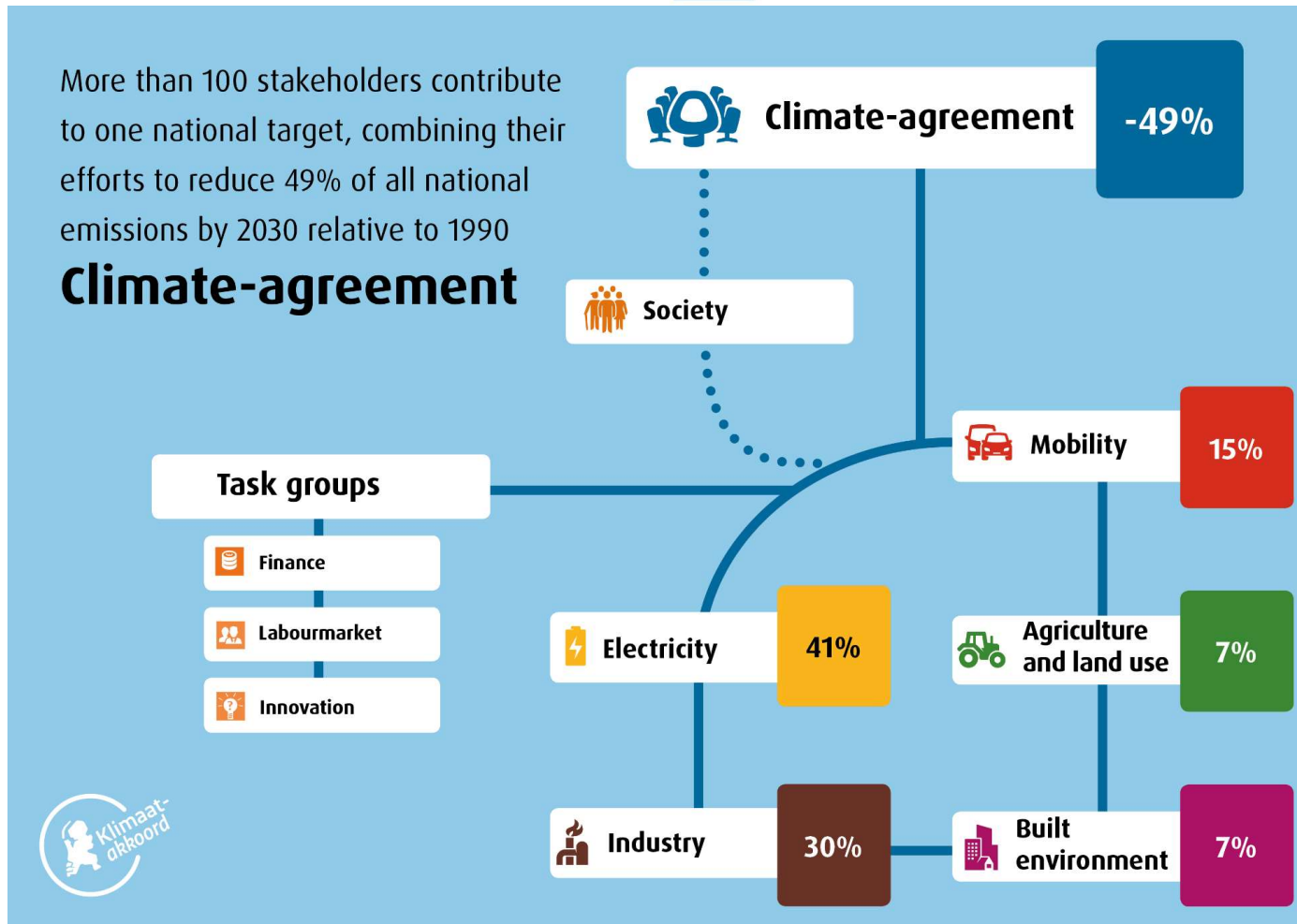
Outline

- › Policy context
- › Energy taxation
- › Minimum CO₂-price electricity producers
- › CO₂-emission surcharge industry
- › Monitoring & calculation of energy savings



More than 100 stakeholders contribute to one national target, combining their efforts to reduce 49% of all national emissions by 2030 relative to 1990

Climate-agreement





Article 7 energy savings obligation

- > Cumulative energy savings 2021-2030: 924 PJ
- > Using **alternative** measures:

| Title of instrument | Target sector |
|---|----------------------|
| CO2 price electricity sector | Energy |
| BOSA Promoting the construction and maintenance of sports accommodations (amended as of 2019 with energy measures). | Built-up environment |
| VAT Value Added Tax: reduced rate for insulation | Built-up environment |
| Digital platform | Built-up environment |
| Energy Performance Requirement for Offices (Label C) | Built-up environment |
| Climate campaign: Iedereen doet wat (Everyone does something) | Built-up environment |
| MMIP 3. Acceleration of energy renovation in the built-up environment | Built-up environment |
| MMIP 4. Renewable heat (and cooling) in the built-up environment (including greenhouse horticulture) | Built-up environment |
| MMIP 5. The new energy system in the built-up environment in balance | Built-up environment |
| NEF National Energy Savings Fund | Built-up environment |
| Standardisation of Non-residential Buildings and Road Maps | Built-up environment |
| Natural gas-free Districts and Large-Scale Testing Grounds Programme | Built-up environment |
| PRE Programme for small-scale energy-saving measures | Built-up environment |
| RVV Landlord Levy Sustainability Reduction Scheme | Built-up environment |
| Housing standards and target values | Built-up environment |



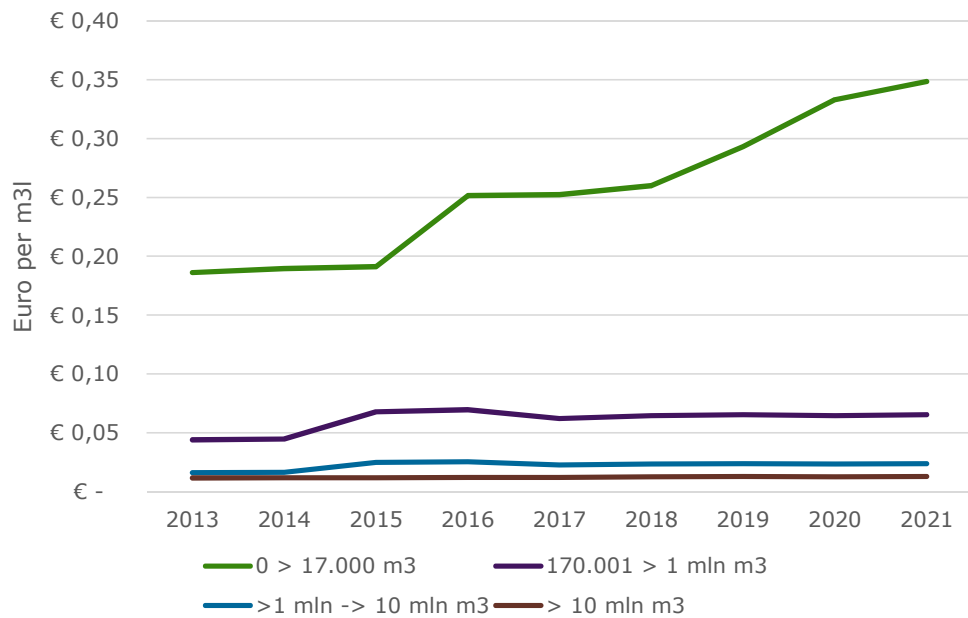
Energy taxation

- › Taxation on energy consumption
 - Consumption of Coal (flat rate: 15.29 euro per tonne in 2021)
 - Tariffs for consumption levels of power & natural gas
 - Differentiated to consumption levels (~households, SME, non-SME)
 - Exemptions: selfproduced power from RES ('net metering') & power consumed from local energy corporation;
 - lower tariffs for CHP and EV-chargers
 - Tax refund: 462,61 euro per grid connection (2021)
- › Surcharge renewable energy production (ODE) on power & natural gas
 - Differentiated tariffs for consumption levels (same as energy taxation)
 - Lower tariff for natural gas in horticulture; exemption for EV-chargers
- › Value Added Tax (21%)

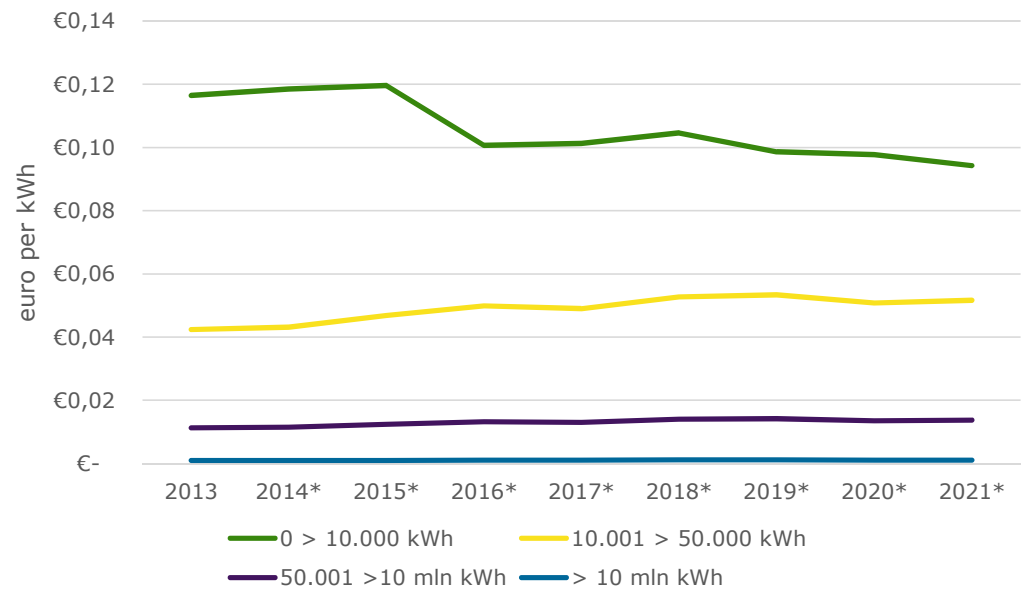


Development tariffs energy taxation

Tax on natural gas consumption (regular tariff)



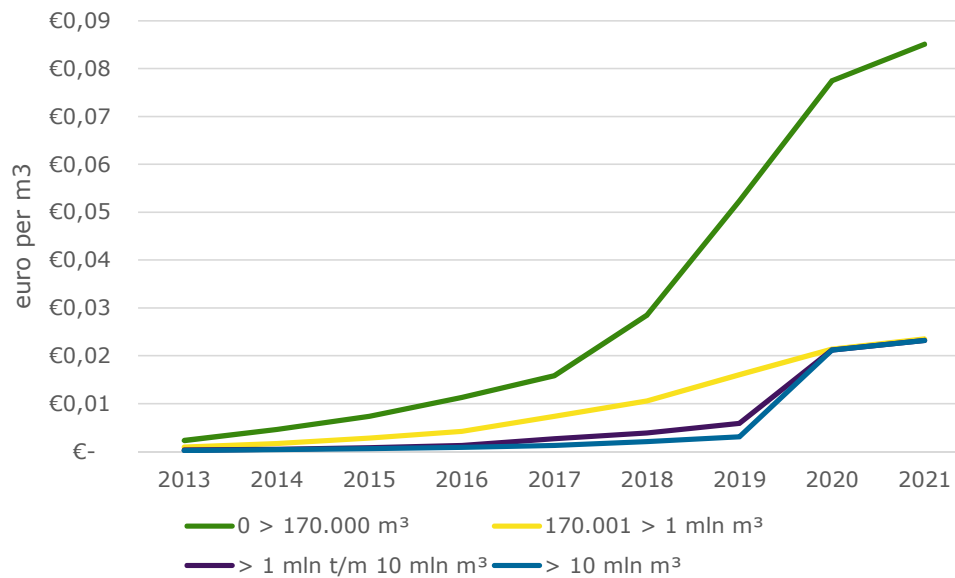
Tax on electricity consumption



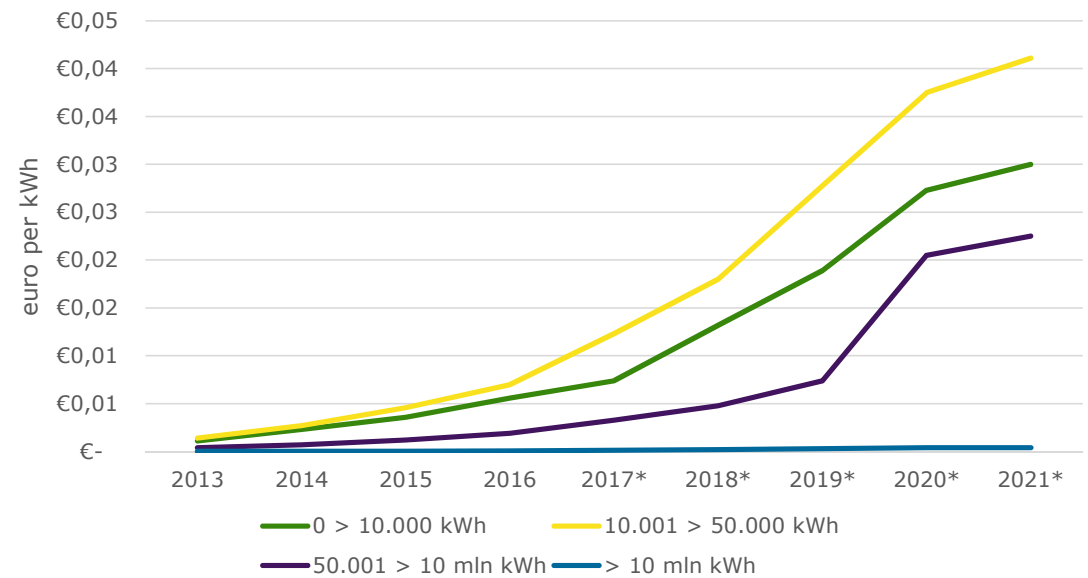


Development of surcharge sustainable energy (ODE)

Surcharge sustainable energy (ODE) on natural gas consumption (regular tariff)



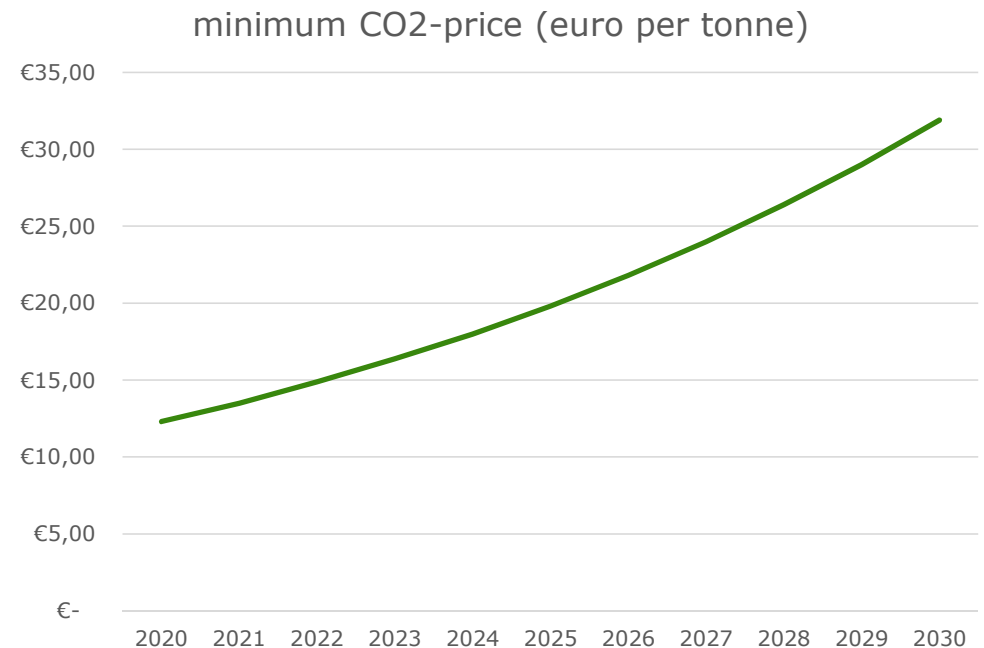
Surcharge sustainable energy (ODE) on electricity consumption





Minimum CO₂-price power producers

- > Legislation proposed in 2019, *not yet implemented*
- > Applies to ETS installations producing electricity
- > When the EUA price is lower than the minimum CO₂-price, the difference is charged





CO₂-emission surcharge for industry

- > Agreed in Climate Agreement (2019) & in force since 2021
- > Applies to industrial ETS installations (excluding power- and/or heat-only installations)
- > Surcharge (per tonne CO₂-eq in year t) = $\text{tariff}_{(\text{in year t})} - \text{EUA price}_{(\text{future december t+1})}$

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------|------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| Tarief | 30 | 40,56 | 51,12 | 61,68 | 72,24 | 82,80 | 93,36 | 103,92 | 114,48 | 125,04 |

- > Calculation basis: reported EU ETS emissions_(t) – dispensation_(t)
- > Dispensation (DPR's) based on ETS-benchmarks_(t) * production level_(t) * national reduction factor(NRF)_(t)

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-----|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| NRF | 1,2 | 1,143 | 1,086 | 1,029 | 0,972 | 0,915 | 0,858 | 0,801 | 0,744 | 0,687 |



Principles calculating energy savings

- › Technical estimates using bottom-up data:
 - Market developments (i.e. sold insulation materials, EV's etc) and/or
 - Investments resulting from policy measures (i.e. subsidies, fiscal benefits etc)
- › Additional compared to EU energy & CO₂ norms (at end-of-lifetime)
- › Using a life-time approach
- › Method for each **(sub)sector** (and *not* per measure)
 - Energy and CO₂ taxation contribute indirectly to energy savings!

