

Broad support for Energy Agreement for Sustainable Growth

6 September 2013

The Netherlands has today taken an important step on the way to an environmentally-friendly future. More than forty organisations – including central, regional and local government, employers and unions, nature conservation and environmental organisations, and other civil-society organisations and financial institutions – have endorsed the Energy Agreement for Sustainable Growth.¹ The core feature of the Agreement is a set of broadly supported provisions regarding energy saving, clean technology, and climate policy. Implementing these provisions is intended to result in an affordable and clean energy supply, jobs, and opportunities for the Netherlands in the market for clean technologies.

“This is a special day,” says Wiebe Draijer, President of the Social and Economic Council of the Netherlands, “if only because there’s never before been an energy agreement involving so many parties. But above all because this is a remarkable moment for the country. More than forty parties will get to work protecting the environment in which we live, including for future generations. We are giving a powerful boost to the economy. We will become less dependent on energy imported from abroad, and we will recoup investments. Citizens can become fully involved. The Netherlands will benefit from the Energy Agreement. It is our contribution to tackling the problem of climate change.”

Aims

The parties to the Energy Agreement will strive to achieve the following four quantitative objectives:

- a saving in final energy consumption averaging 1.5% annually, meaning a 100-petajoule (PJ) saving in energy by 2020;
- an increase in the proportion of energy generated from renewable sources from 4% currently to 14% in 2020; and
- a further increase in that proportion to 16% in 2023;
- 15,000 jobs, a large share of which will be created in the next few years.

The Energy Agreement focuses on energy efficiency as a basis for strengthening competitiveness and achieving these four objectives. It uses the innovative deployment of renewable energy, reducing the burden on households and businesses compared to the Government’s Coalition Agreement. By freeing up a substantial volume of investment in the years ahead, the Energy Agreement will provide a powerful boost for the Dutch economy and consequently for employment.

Ten basic components

The Energy Agreement comprises ten basic components. Combined, they are mutually reinforcing and therefore constitute a comprehensive package of arrangements. They are:

1. energy savings within the built environment and improved energy efficiency in the commercial sector;
2. scaling up of renewable energy generation;
3. encouragement for local sustainable energy;
4. preparations for the energy transmission network;
5. a properly functioning EU Emissions Trading System (ETS);
6. coal-fired power stations and CCS (Carbon Capture and Storage);
7. mobility and transport;

¹ For list of organisations see <http://www.energieakkoordser.nl/doen/nieuws/energieakkoord-voor-duurzame-groei.aspx>.

8. employment and training;
9. encouragement of commercialisation for growth and export;
10. financing of investments in sustainable energy.

A green road out of the crisis

Through a clever approach with a strong emphasis on innovation, the Energy Agreement also offers new opportunities for the commercial sector to profit from the growing global market for clean technologies. The Netherlands has a great deal of knowledge and know-how, but it does not capitalise on it sufficiently. A strong domestic market that drives demand can act as a springboard for global sales. This will allow us to strengthen the country's comparative advantages, something that is important for future economic development and employment, including in small and medium-sized enterprises.

The Energy Agreement will also produce significant effects on employment, for example in the construction and installation sector. In this way, the Agreement will help find a "green road" out of the crisis.

Energetic society

The Energy Agreement provides scope for action by both businesses and households. It clears the way for citizens' initiatives, for example. There are already many cooperatives made up of individuals who invest jointly in solar energy or wind energy. That "energetic society" will receive a major boost from the Energy Agreement. The Agreement ensures that the burden people bear is reduced in practical terms and that investing in energy-saving measures or energy generation is financially attractive.

Analysis of Agreement

The Energy Agreement was submitted for analysis to the Energy Research Centre of the Netherlands (ECN), the Netherlands Environmental Assessment Agency (PBL), and the Economic Institute for Housing and Construction (EIB). Based on the analysis by those organisations, the parties to the Agreement conclude that it will require major efforts to achieve the goal for energy saving. They have agreed that if it is not possible to achieve the target of 100 PJ by 2020 they will explore and implement supplementary measures. In this way, the parties have committed themselves to actually achieving the objectives.

Although the calculations for specific energy-saving measures do not add up to the target, the parties agree that it can be achieved by using the supplementary potential for savings. The calculations also show that the targets for renewable energy and employment are feasible if serious efforts are made. The Energy Agreement will lead to a major cut in our CO₂ emissions. Finally, the Agreement means reduced energy charges for households and businesses compared to those envisaged in the Government's Coalition Agreement.

The way forward

The parties to the Agreement have laid down the objectives, the appropriate measures, and the associated anchoring mechanisms. Ultimately, the Energy Agreement marks the start of the way forward for the coming years. The parties have expressed their commitment, in no uncertain terms, to pursuing that way forward, in the full knowledge that they will need to tackle additional challenges in the next few years. That is therefore also the essence of the Energy Agreement for Sustainable Growth: a package of arrangements for getting down to work as efficiently as possible, with each party accepting its own responsibility, combined with an agreement to work together on the additions and adjustments necessary to actually achieve those objectives. To that end, an independent committee will be set up as an anchoring mechanism, comprising representatives of the parties to the Agreement, which will monitor progress.

Political and public demand

The reason for introducing nationally agreed arrangements for sustainable growth was political demand and the need for fresh momentum expressed by the commercial sector and civil-society organisations. The Social and Economic Council of the Netherlands provided the platform and facilitated the process.