

## **THE NETHERLANDS**

### Active Solar Heat Systems Subsidy Order (86) / Financial Resources Framework Act

The Minister of Economic Affairs provides subsidies to individuals and companies who install active solar heat systems.

Funding: HFL 8 million

Effective date: 1998

Contact:

Ministry of Economic Affairs

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More information: [www.ez.nl](http://www.ez.nl)

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### Energy Extraction from Waste and Biomass Programme (Energy programmes Order 52, Programme 3)

The aim of the programme is to stimulate the use of biomass and waste as an energy source by supporting energy and waste processing companies. The programme is focused on projects which cover fuel provision, developing of technology, feasibility, demonstration and market introduction.

Funding: HFL 9 million

Effective date: 1998

Contact:

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### Energy Investment Deduction (EIA)

The tax scheme known as EIA aims to stimulate investment in energy efficient assets and renewable energy technologies. It allows investment in certain technologies (including wind) to be deducted from taxable profit up to a percentage of investment costs. In 2005, this percentage is 44%. With a taxation level of 31.5% for Dutch entrepreneurs, the EIA amounts to a discount of 13% of the investment costs if the entrepreneur can use the full deduction. The maximum deduction is €107 million per year per fiscal entity. The minimum investment (in the year of application) is €2,000.

The Energy List determines which types of equipment qualify for this programme. The programme includes the costs of obtaining energy advice, provided that the advice results in an investment in energy.

Funding: €137 million for 2005

Effective date: January 1997

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More information: [www.senternovem.nl/eia](http://www.senternovem.nl/eia), [www.minfin.nl](http://www.minfin.nl)

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### Energy programmes subsidies decree (204)

NOVEM allocates subsidies to companies and individuals working on projects which contribute to the lowering of energy use in general and the implementation of energy-efficient techniques. See Energy Programmes Order 14/03/97. In 1996 it was amended to include subsidies for wood gasification installations.

Effective date: April 1994

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More information: [www.senternovem.nl/eia](http://www.senternovem.nl/eia)

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### Green Funds

The Green Funds Scheme is a government tax incentive instrument that has been used by the Dutch government to encourage environmental initiatives. Investing in the Green Funds Scheme means that individual investors lend their own money to banks, at a lower interest rate, which is then compensated by a tax incentive (environmental tax credit). The banks then offer cheaper loans to environmental projects, at rates 1-2% lower than the prevailing rate. Virtually all renewable energy systems can qualify for these loans. The government issues green certificates (maximum duration 10 years) for projects that meet the required criteria, thus ensuring that the investments qualify for green funding.

Effective date: 1995

More information: [www.minez.nl/index.jsp](http://www.minez.nl/index.jsp)

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### Income Tax Act 1964 (512)

Article 10(3) of the Income Tax Act provides for the voluntary depreciation of capital equipment which protects the environment of the Netherlands. Article 26 contains the possibility to lower taxable income from capital by using it for projects which are important for the protection of the environment, and projects which will be indicated by Ministerial Regulations. The list of capital equipment includes: solar cell systems, terrestrial heat

extraction systems, biomass, photovoltaic solar energy systems, heat pumps, wind turbines, and hydroelectric plants.

Effective date: 1965

MEP: Environmental quality of Electricity production (Milieukwaliteit van de Elektriciteitsproductie)

MEP premiums were suspended for new renewable energy projects in August 2006 since the 2009 target of 9% renewable energy will be successfully achieved. The new government to be elected in November 2006 will have the opportunity to reinstate the premiums.

The MEP is a kWh subsidy paid to domestic producers for electricity from renewable sources and CHP who feed in to the national grid. The State guarantees the subsidy for a maximum of ten years (not for CHP). The MEP differentiates the level of producer support for RE technologies as follows:

MEP-tariffs 2003 to July 1,2006 and proposed tariffs from July 1,2006 through 2007 <sup>3</sup>							
MEP-category	2003	2004 to July 1	2004 after July 1	2005	2006 up to July 1	2006 after July 1	2007
REB-exemption (36i)	2,9	2,9	1,5	0	0	0	0
Sludge	0	0	0	0	0	0	0
Land fill gas	0	0	0,6	2,1	2,1	1,3	1,3
Mixed biomass <sup>1</sup>	2,9	2,9	2,9	2,9	2,9	3,6	3,6
Meat and bone meal	-	0	0,6	2,1	2,1	3,0	3,0
Pure biomass	4,8	4,1	5,5	7,0	7,0	6,6	6,6
Wind onshore <sup>2</sup>	4,9	4,9	6,3	7,7	7,7	6,5	6,5
Wind offshore	6,8	6,8	8,2	9,7	9,7	9,7	9,7
Small scale bio-energy	6,8	6,8	8,2	9,7	9,7	9,7	9,7
Hydro power	6,8	6,8	8,2	9,7	9,7	9,7	9,7
Solar-PV, wave- and tidal energy	6,8	6,8	8,2	9,7	9,7	9,7	9,7
Levy per connection	€ 34	€ 39		€ 52	[€ 57] foreseen		€ ?
<sup>1</sup> To the rate of the fraction of bio-material							
<sup>2</sup> For a duration of maximum 10 years up to a maximum of 18.000 full load hours to July 1, 2006. Recommendation up to a maximum of 20.000 full load hours after July1, 2006							
<sup>3</sup> =>Onrendabele toppen< of renewable electricity options. ECN and KEMA. Recommendation for the determination of MEP-subsidies for the period juli-december 2006 and 2007.November 2004, ECN and KEMA, ECN-C--04-075 (in Dutch).							

The subsidy is financed by a levy on all connections to the electricity grid in the Netherlands. The MEP producer support exists next to an energy tax exemption for specific technologies. The MEP Scheme is open to all renewable energy, CHP and CNFE plants that are hooked up either to the Dutch grid or to a factory.

Effective date: July 2003

More information: [www.mep.ez.nl](http://www.mep.ez.nl), [www.enerq.nl/english/](http://www.enerq.nl/english/) , <http://www.iea.org/textbase/pamsdb/mep.pdf>