



Brussels, 18.12.2023
C(2023) 9611 final

COMMISSION RECOMMENDATION

of 18.12.2023

**on the draft updated integrated national energy and climate plan of the Netherlands
covering the period 2021-2030**

**and on the consistency of Netherlands' measures with the Union's climate-neutrality
objective**

and with ensuring progress on adaptation

{SWD(2023) 921 final}

(Only the Dutch text is authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Having regard to Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council¹, and in particular Article 9(2) and Article 14(6) thereof,

Having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999², and in particular Article 7(2) thereof,

Whereas:

Recommendations on the Netherlands' draft updated integrated National Energy and Climate Plan (NECP) covering the period 2021-2030

- (1) The Netherlands submitted its draft updated integrated national energy and climate plan on 29 June 2023.
- (2) Article 3 and Annex I to Regulation (EU) 2018/1999 ('the Governance Regulation') lay down the elements that are to be included in the updated integrated national energy and climate plans. In December 2022, the Commission adopted the Guidance to Member States on the process and scope of preparing the draft and final updated national energy and climate plans³. The Guidance identified good practices and

¹ OJ L 328, 21.12.2018, p. 1

² OJ L 243, 9.7.2021, p. 1

³ 2022/C 495/02

outlined the implications of recent policy, legal and geopolitical developments in energy and climate policies.

- (3) In connection with the REPowerEU plan⁴, and as part of the 2022 and 2023 European Semester cycles, the Commission has put a strong focus on Member States' energy and climate related reform and investment needs to strengthen energy security and affordability by accelerating the green and fair transition. This is reflected in the 2022 and 2023 Country Reports for the Netherlands⁵ and the Council Recommendations to the Netherlands⁶. Member States should take into account the latest country-specific recommendations in their final updated integrated national energy and climate plans.
- (4) The Commission's recommendations with regard to the delivery of national targets under the Effort Sharing Regulation⁷ (ESR) are based on the likelihood that the Member States will respect the 2030 targets, taking into account the rules for the use of flexibilities under the ESR.
- (5) The Commission's recommendations regarding Carbon Capture, Utilisation and Storage (CCUS) aim at having an overview of the intended deployment of these technologies at national level, including information about annual volumes of CO₂ planned to be captured by 2030, split by source of CO₂ captured coming from installations covered by Directive 2003/87/EC⁸ or from other sources, such as biogenic sources or direct air capture; about planned CO₂ transport infrastructure; and about potential domestic CO₂ storage capacity and injection volumes of CO₂ planned to be available in 2030.
- (6) Similarly, the Commission's recommendations regarding the performance under the Land Use, Land Use Change and Forestry Regulation ('LULUCF Regulation')⁹ address the delivery by the Member State on the "no debit" rule for the period 2021-2025 (Period 1) and its national target for the period 2026-2030 (Period 2), taking into account the rules governing the use of flexibilities as set out in that Regulation. The Commission's recommendations also take into account that in Period 1 any excess in emissions under the LULUCF Regulation will automatically be transferred to the ESR.
- (7) For climate adaptation to properly support the achievement of energy and climate mitigation objectives, it is essential to identify the potential climate change hazards and analyse climate vulnerabilities and risks that may affect relevant areas, populations and sectors. The Commission's recommendations on adaptation consider the extent to which the Netherlands integrated in its updated NECP adaptation goals that account for climate risks, that could prevent the Netherlands from meeting the objectives and targets of the Energy Union. Without specific adaptation policies and

⁴ COM(2022) 230 final

⁵ SWD (2022) 621 final, SWD (2023) 619 final

⁶ COM (2022) 621 Recommendation for a Council Recommendation; COM(2023) 619 final, Recommendation for a Council Recommendation

⁷ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018, OJ L 156, 19.6.2018, p. 26. as amended by Regulation (EU) 2023/857 of 19 April 2023, OJ L 111, 26.4.2023, p. 1

⁸ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ 275, 25.10.2003, p. 32)

⁹ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework- and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU, OJ L 156, 19.6.2018, p. 1, as amended by Regulation (EU) 2023/839 of the European Parliament and of the Council of 19 April 2023 OJ, L328/1, 21.4.2023, p. 1

measures, planned and implemented, the achievement of objectives in Energy Union dimensions is at risk. Water management in changing climate conditions requires particular attention due to risks of electricity disruption as floods, heat and drought impact the energy production.

- (8) The Commission's recommendations regarding the Netherlands' renewable energy ambition are based on the formula set out in Annex II to Regulation (EU) 2018/1999, which is based on objective criteria; and on the main policies and measures missing in the Netherlands' draft updated NECP to enable a timely and cost-effective achievement of the Netherlands' national contribution to the Union's binding renewable energy target of at least 42.5% in 2030, with the collective endeavour to increase it to 45% pursuant to Directive (EU) 2018/2001 as regards the promotion of energy from renewable sources as amended by Directive (EU) 2023/2413¹⁰. The Commission's recommendations are also based on the Netherlands' contribution to the specific targets of Articles 15a, 22a, 23, 24 and 25 of that Directive and the related policies and measures to rapidly transpose and implement it. The recommendations reflect the importance of developing comprehensive long-term planning for the deployment of renewable energy, and in particular wind, to increase visibility for the European manufacturing industry and grid operators in line with the European Wind Power Package¹¹.
- (9) The Commission's recommendations regarding the national contribution to energy efficiency are based on Article 4 of the Directive (EU) 2023/1791 on energy efficiency¹²; and the formula in Annex I to that Directive, and the related policies and measures to implement it.
- (10) The Commission's recommendations pay particular attention to the targets, objectives and contributions and related policies and measures to deliver on the REPowerEU plan in order to rapidly phase out dependence from Russian fossil fuels. They take into account lessons learnt from the implementation of the Save gas for a Safe winter Package¹³. The recommendations reflect the imperative to make the energy system more resilient in light of the obligations stemming from Regulation (EU) 2019/941 on risk preparedness in the electricity sector¹⁴ and Regulation (EU) 2017/1938 on the

¹⁰ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82), as amended by Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652, OJ L, 2023/2413, 31.10.2023

¹¹ Communication on European Wind Power Action Plan COM (2023) 669 final, 24.10.2023 and Communication on delivering EU offshore renewable energy ambition, COM (2023) 668 final

¹² Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast), OJ L 231, 20.9.2023, p. 1

¹³ Communication from the Commission to the European Parliament, the Council, the European economic and social committee, "Save gas for a safe winter", COM/2022/360 final

¹⁴ Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk preparedness in the electricity sector and repealing Directive 2005/89/EC OJ L158/1

security of gas supply¹⁵, and in line with the Commission Recommendation on energy storage¹⁶.

- (11) The Commission's recommendations take into account the need to accelerate the integration of the internal energy market to strengthen the role of flexibility and empower and protect consumers. The Commission's recommendations also consider the importance of assessing the number of households in energy poverty in line with the requirements of Article 3 of Regulation (EU) 2018/1999, and the Commission Recommendation (EU) 2023/2407¹⁷.
- (12) The Commission's recommendations reflect the importance of ensuring sufficient investments in clean energy research and innovation to boost their development and manufacturing capacities, including appropriate policies and measures for energy intensive industries and other businesses; and the need to upskill workforce for a net-zero industry in order to consolidate a strong and competitive, clean economy within the Union.
- (13) The Commission's recommendations build on the commitments taken under the Paris Agreement to phase down the use of fossil fuels, as well as on the importance of phasing out fossil fuel subsidies.
- (14) The Commission's recommendations on investment needs follows the Commission assessment of whether the Netherlands' draft updated plan provides a general overview of investment needs to achieve the objectives, targets and contributions for all dimensions of the Energy Union; indicates the sources of financing, distinguishing private and public sources; outlines investments consistent with the Netherlands' Recovery and Resilience Plan, the Netherlands' Territorial Just Transition Plan and the 2022-2023 country-specific recommendations issued under the European Semester; and includes a robust macro-economic assessment of planned policies and measures. The NECP should ensure the transparency and predictability of national policies and measures, to support investment certainty.
- (15) The Commission's recommendations reflect the crucial importance of a wide regional consultation, and of ensuring early and inclusive consultation on the plan, including effective public participation with sufficient information and timeframe, in line with the Aarhus Convention¹⁸.
- (16) The Commission's recommendations on just transition reflect the assessment of whether the Netherlands' plan identifies in sufficient depth the relevant social, employment and skills impacts of the climate and energy transition and outlines adequate accompanying policies and measures to promote a just transition, while contributing to the promotion of both human rights and gender equality.

¹⁵ Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) n°994/2010, OJ L 280

¹⁶ Commission Recommendation of 14 March 2023 on Energy Storage – Underpinning a decarbonised and secure EU Energy system, OJ C 103, 20.3.2023, p. 1.

¹⁷ Commission Recommendation (EU) 2023/2407 of 20 October 2023 on energy poverty, C:2023/4080, OJL 2023/2407, 23.10.2023

¹⁸ Convention on access to information, Public Participation in Decision-making and Access to Justice in Environmental Matters of 25 June 1998 (the 'Aarhus convention')

- (17) The Commission's recommendations to the Netherlands are underpinned by the assessment of its draft updated NECP¹⁹, which is published alongside this Recommendation.
- (18) The Netherlands should take due account of the present recommendations when developing its final updated integrated NECP to be submitted by 30 June 2024.

Recommendations on the consistency with the Union's climate-neutrality objective and with ensuring progress on adaptation

- (19) Pursuant to Regulation (EU) 2021/1119 (the European Climate Law), the Commission is required to assess the consistency of national measures with the climate-neutrality objective and with ensuring progress on adaptation. The Commission assessed the consistency of the Netherlands' measures with these objectives²⁰. The below recommendations are based on that assessment. The Netherlands should take due account of the present recommendations and follow up on them in accordance with the European Climate Law.
- (20) A key step in strengthening the ambition on adaptation should be the completion of an appropriate legal framework for national climate policy that sets up binding, regularly updated adaptation goals to measure overall progress in building resilience.

HEREBY RECOMMENDS THAT THE NETHERLANDS TAKES ACTION TO:

CONCERNING THE DRAFT UPDATED NATIONAL ENERGY AND CLIMATE PLAN UNDER REGULATION (EU) 2018/1999

1. Set out cost-efficient additional policies and measures, notably in the agricultural sector and for non-CO₂ emissions, including methane, N₂O and F-gases from industrial processes and product use, agriculture and waste management, to bridge the projected gap of 9.3 percentage points to meet the national greenhouse gas target of -48% in 2030 compared to 2005 levels under the ESR. Provide updated projections to show how existing and planned policies will deliver on the target, and if necessary, specify how flexibilities available under the ESR will be used to ensure compliance. Complement the information on the policies and measures, clearly spelling out their scope, timeline and, where possible, expected greenhouse gas reduction impact, in particular for measures in Union funding programmes such as common agricultural policy.
2. Identify the sources of CO₂ emissions that are planned to be captured. Identify the overall CO₂ storage capacity.
3. Provide additional detail about the planned measures, quantifying their expected impacts in terms of removals or emissions from the LULUCF sector. Provide clear information on how public funds (both Union funds, including the common agricultural policy, and State aid) and private financing through carbon farming schemes are consistently and effectively used to achieve the net removal national target. Provide information on the status and progress to be made in ensuring the enhancements to higher tier levels/geographically explicit datasets for monitoring,

¹⁹ SWD(2023) 921

²⁰ EU Climate Action Progress Report 2023, COM(2023) 653 final, and Commission Staff Working Document Assessment of progress on climate adaptation in the individual Member States according to the European Climate Law, SWD(2023) 932.

reporting and verification in line with Part 3 of Annex V to Regulation (EU) 2018/1999.

4. Provide additional analysis on the relevant climate vulnerabilities and risks regarding the achievement of the national objectives, targets, and contributions and the policies and measures in the different dimensions of the Energy Union. Better outline and quantify the link to the specific Energy Union objectives and policies, that adaptation policies and measures should support. Set out additional adaptation policies and measures in sufficient detail to support the Netherlands' achievement of national objectives, targets and contributions under the Energy Union.
5. Significantly raise the ambition to a share of renewable energy sources of at least 39% as a contribution to the EU's binding renewable energy target for 2030 laid down in Article 3(1) of Directive (EU) 2018/2001, as amended in line with the formula in Annex II to Regulation (EU) 2018/1999. Include an indicative trajectory that reaches the reference points for 2025 and 2027 pursuant to Article 4 (a)(2) of Regulation (EU) 2018/1999. Ensure that sufficient measures are taken in order to cover the gap towards its 2021 renewables baseline which shall not be lower than its mandatory national overall target for the share of energy from renewable sources in 2020, as per Article 32(4) of Regulation (EU) 2018/1999.
6. Provide estimated trajectories and a long-term plan for the deployment of renewable energy technologies for the next 10 years, with an outlook to 2040. Include an indicative target for innovative renewable energy technologies by 2030 in line with Directive (EU) 2018/2001 as amended. Include specific targets to contribute to indicative sub-targets in buildings and industry for 2030. Confirm that the projections included in the plan are contributing to the the binding sub-target for renewable fuels of non-biological origins (RFNBOs) in industry for 2030. Confirm the binding targets in heating and cooling for both 2021-2025 and 2026-2030 and include an indicative target to achieve the top-ups of Annex IA to Directive (EU) 2018/2001. Specify which target Netherlands intends to achieve in the transport sector through the obligation on fuel suppliers, including by means of a sub-target for advanced biofuels and RFNBOs, making sure the minimum level of RFNBO in 2030 is observed.
7. Include detailed and quantified policies and measures in a way that enables a timely and cost-effective achievement of its national contribution to the EU's binding renewable energy target of at least 42.5% in 2030, with the collective endeavour to increase it to 45%. Describe in particular how it plans to accelerate permitting in particular as regards technologies other than offshore wind. Detail the renewable energy technologies for which it plans to designate 'renewables acceleration areas' with faster and simpler procedures. Describe how it aims to cover the design of the obligation on fuel suppliers in the transport sector as well as comparable measures for promoting hydrogen in industry.
8. Include projections on bioenergy demand and supply per sector and provide data for imports and the source of forest biomass used for energy. Include an assessment of the domestic supply of forest biomass for energy purposes in 2021-2030 in accordance with the strengthened sustainability criteria of Article 29 of the Directive (EU) 2018/2001 as amended, and an assessment of the compatibility of the projected use of forest biomass for energy production with the Netherlands' obligations under the revised LULUCF Regulation, particularly for 2026-2030, together with national measures and policies to ensure such compatibility. Include further measures to

promote the sustainable production of biomethane, given the Netherlands' sustainable biogas/biomethane potential and production, profile of natural gas consumption and existing infrastructure, digestate use and biogenic CO₂ applications.

9. Provide to the extent possible an expected timeline of the steps leading to the adoption of legislative and non-legislative policies and measures aimed at transposing and implementing the provisions of Directive (EU) 2018/2001 as amended, in particular for the measures mentioned in the previous points.
10. Include a national energy efficiency contribution on final energy consumption in the EU's binding final energy consumption target for 2030 in line with Article 4 and Annex I of Directive (EU) 2023/1791, or equal to the corrected indicative national contribution that the Commission will submit to each Member State by 1 March 2024 under Article 4(5) of that Directive (EU). Specify the amount of energy consumption reduction to be achieved by all public bodies disaggregated by sector, the total floor area of heated and/or cooled buildings owned by public bodies to be renovated yearly or corresponding yearly energy savings to be achieved, as well as the amount of cumulative energy savings to be achieved over the period from 1 January 2021 to 31 December 2030 and, where relevant, an explanation on how the annual savings rate and the calculation baseline were established.
11. Set out complete policies and measures to achieve the national contributions on energy efficiency and in particular energy savings measures to ensure the achievement of the required amount of cumulative end-use energy savings by 2030, measures to promote energy audits and energy management systems. Specify robust financing energy efficiency programmes and financial support schemes able to mobilise private investments and additional co-financing.
12. Include energy savings milestones for the building stock and detail the impact in terms of energy savings of each new measures put forward.
13. Further explain how the Netherlands will significantly strengthen the energy security dimension, in particular by defining clear objectives on diversifying energy sources, reducing energy supply from Russian fossil fuels and for further encouraging gas demand reduction. Include detailed policies and measures to reach these objectives towards 2030. Strengthen the resilience and flexibility of the energy system, in particular by setting an objective for energy storage deployment and putting forward policies and measures to integrate the imperative of climate adaptation in the energy system. Specify a clear strategy for the exploitation of existing nuclear fuel cycle facilities in the Netherlands, in particular for isotope enrichment. Specify appropriate measures for the diversification and long-term supply of nuclear materials, fuel, spare parts, and services, and the long-term management of nuclear waste, particularly given the plans to construct new nuclear power units. Further assess the compatibility of its gas infrastructure with decarbonisation objectives. Assess the adequacy of the oil infrastructure (refinery, oil stocks) with the expected oil demand decline and the move toward lower-carbon alternatives.
14. Put forward clear objectives and targets, in particular for demand response to improve the flexibility of the energy system, in light of an assessment of the flexibility needs and describe specific measures to facilitate energy system integration in connection with Article 20a of Directive (EU) 2018/2001 as amended. Further increase the level of consumer empowerment in the retail market.

15. Further develop the approach to addressing energy poverty by including a specific measurable reduction target as required by Regulation (EU) 2018/1999 taking account of the Commission's Recommendation (EU) 2023/2407, taking account of Commission Recommendation (EU) 2023/2407. Complete the approach by including details on existing and potential measures and financial resources to address energy poverty, and on the dedicated financial resources from the perspective of both social policy (affordability) and structural energy measures. Explain how the use of energy efficiency measures under the Energy Efficiency Obligations Scheme to alleviate energy poverty is foreseen to be deployed, as required by Regulation (EU) 2018/1999.
16. Further clarify national objectives in research, innovation and competitiveness to deploy clean technologies, establishing a pathway for 2030 and 2050 with a view to support the decarbonisation of industry and promote the transition of businesses towards a net zero and circular economy. Put forward policies and measures to promote the development of net-zero projects including those relevant for the energy intensive industries. Describe a predictable and simplified regulatory framework for permitting procedures and how access to national funding will be simplified where needed. Provide detailed policies and measures for the digitalisation of the energy system, the development of clean energy-related skills, and to facilitate open trade for resilient and sustainable supply chains of key net-zero components and equipment.
17. Specify the reforms and measures to mobilise the private investments needed to achieve the energy and climate targets. Provide a comprehensive and consistent overview of the public and private investment needs in aggregate and by sector. Complement a top-down economy-wide approach with a bottom-up project-specific assessment along the five dimensions of the Energy Union. Include a breakdown of total investment needs with additional information on the national, regional and Union funding sources as well as private financial sources to be mobilised. Add a short description of the type of financial support scheme chosen to implement the policies and measures, which are financed through the public budget, and the use of blended financial instruments making use of grants, loans, technical assistance and public guarantees, including the role of national promotional banks in the respective schemes and/or how private financing is mobilised. Consider the cost-effective generation of transfers to other Member States under the ESR as funding source. Provide a robust assessment of the macroeconomic impact of the planned policies and measures.
18. Outline how the policies and measures included in the updated plan are consistent with Netherland's national recovery and resilience plan, including the REPowerEU Chapter.
19. Explain in more detail how and by when the Netherlands intends to phase out fossil fuel subsidies.
20. Provide detailed information on the social, employment and skills consequences, or any other distributional impacts, of the climate and energy transition and on the planned objectives, policies and measures to support a just transition. Specify the form of support, the impact of the initiatives, the target groups and the resources dedicated, taking into account the Council Recommendation on ensuring a fair

transition towards climate neutrality²¹. Include, to the extent possible, more elements to provide an adequate analytical basis for the preparation of a future Social Climate Plan, in accordance with Regulation (EU) 2023/955²², including indications on how to assess the challenges and social impacts on the most vulnerable of the emissions trading system for fuel combustion in buildings, road transport and additional sectors, and to identify potential beneficiaries and a relevant policy framework. Explain how the policy framework identified in the NECP will contribute to the preparation of Netherlands' Social Climate Plan and how the consistency between the two plans will be ensured.

21. Ensure inclusive public participation within a reasonable timeframe and broad participation of local authorities and civil society in the preparation of the plan. Provide a clear overview on how the consultation process will enable broad public participation from all relevant authorities, citizens, and stakeholders including social partners in the preparation of both the draft and final updated plan. Provide a summary of the views expressed by different actors, and a summary of how the plan integrates the views expressed during the consultations.
22. Expand the already good regional cooperation with neighbouring countries, in particular by describing how the Netherlands plans to establish a framework for cooperation with other Member States by 2025 in line with Article 9 of Directive (EU) 2018/2001 as amended. Pursue efforts to sign the four remaining bilateral solidarity arrangements for the security of gas supply with its neighbours (Ireland, Belgium, Germany).

CONCERNING THE CONSISTENCY OF NATIONAL MEASURES WITH THE CLIMATE-NEUTRALITY OBJECTIVE AND WITH ENSURING PROGRESS ON ADAPTATION UNDER REGULATION (EU) 2021/1119

1. Establish an appropriate legal framework for climate change adaptation policy and action.

Done at Brussels, 18.12.2023

For the Commission
Kadri Simson
Member of the Commission

²¹ Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality, OJ C243, 27.6.2022 p.35-51

²² Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060 (OJ L 130, 16.5.2023, p. 1)