



The Netherlands 2020 Energy Policy Review

Dr. Fatih Birol, Executive Director, IEA

Peter Journeay-Kaler, Energy Analyst, IEA

Paris and The Hague, 23 September 2020

IEA 2020. All rights reserved.

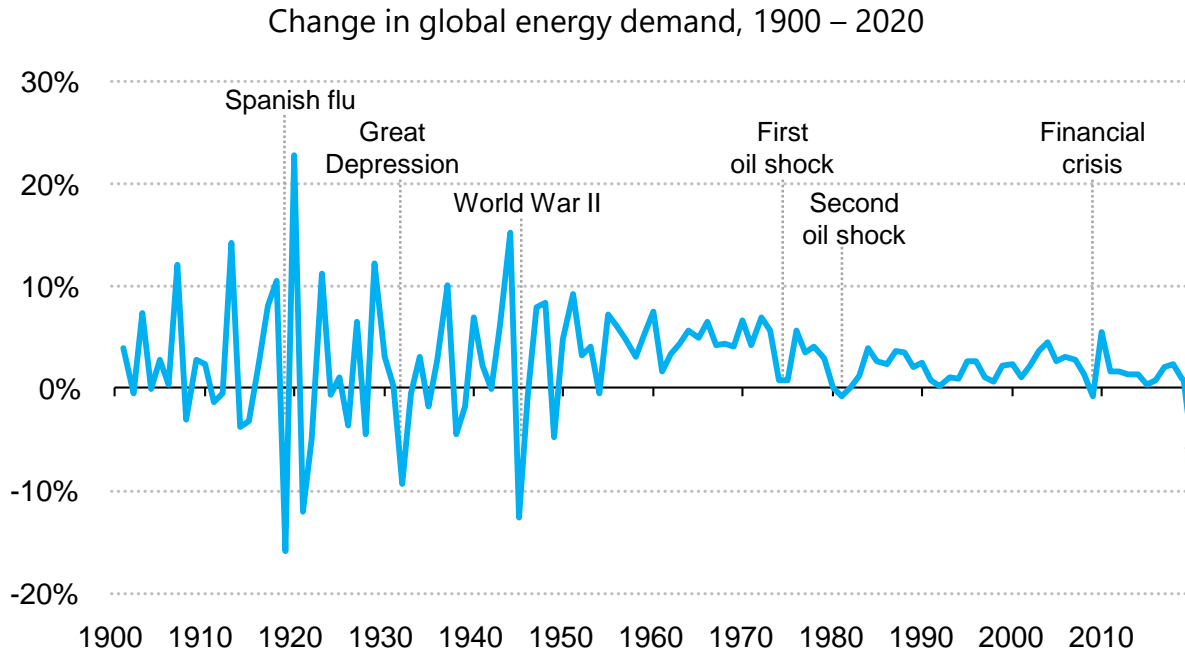


International
Energy Agency

Global context: Covid-19 impact

- **Covid-19 is resulting in the largest economic crisis since the great depression**
 - Global GDP is estimated to decline by 5% in 2020
 - Around 400 million jobs were lost in first half of 2020
- **The energy sector plays a vital role, but is strongly impacted**
 - Energy supplies provided essential services and reduced impact of crisis
 - Energy production, use and investment highly disrupted, 6 million energy jobs lost or at risk
- **Clean energy transitions face challenges but offer a road to sustain recovery**
 - Global CO₂ emissions could fall by 8% in 2020, but a rebound can be expected unless clean energy transitions are placed at the heart of the economic recovery

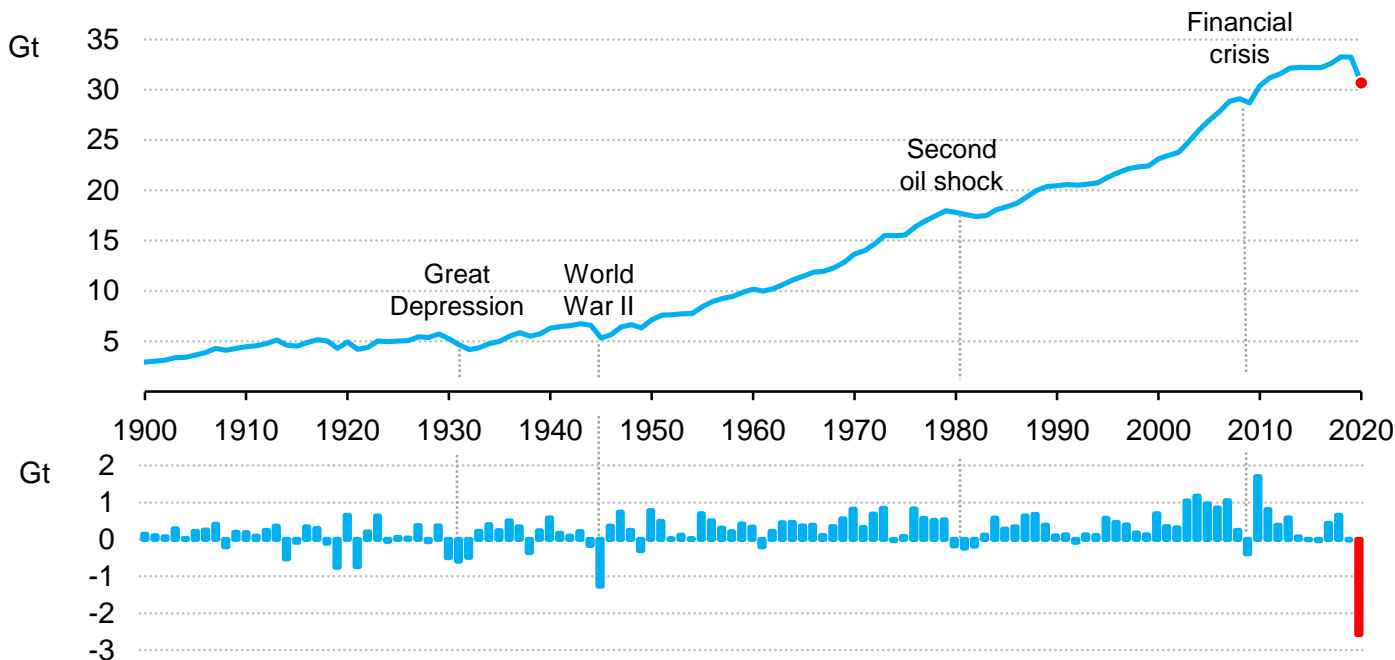
Covid-19: a once in century event for energy demand



The shock to energy demand in 2020 is set to be the largest in 70 years. In our estimate, global energy demand declines by 6%, a fall seven times greater than the 2008 financial crisis.

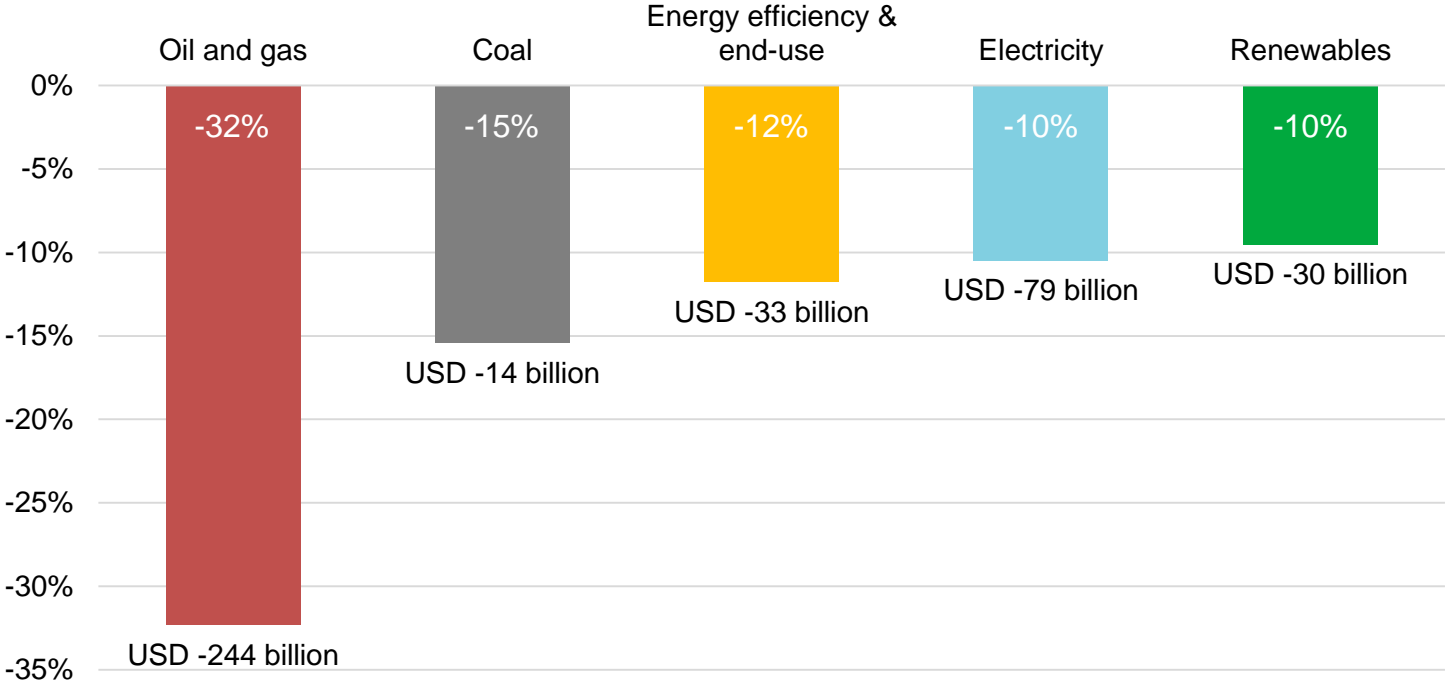
CO₂ emissions drop the most ever due to the COVID-19 crisis

Global energy-related CO₂ emissions and annual change, 1900-2020



Global energy-related CO₂ emissions are set to fall nearly 8% in 2020 to their lowest level in a decade. Reduced coal use contributes the most. Experience suggests that a large rebound is likely post crisis.

Energy investment strongly impacted by Covid crisis



2020 global energy investment down 20%, largest drop in history with declines in every sector

A plan for a Sustainable Recovery post Covid-19

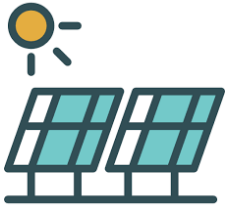


The Sustainable Recovery Plan provides an integrated approach to support economic recovery and jobs while improving the resiliency & sustainability of the energy system

Despite Covid-19 there is optimism for a clean energy future

Five key trends driving optimism

1. Solar is leading renewables to new heights
2. Interest rates will stay lower for longer
3. More governments are throwing their weight behind clean energy
4. Companies are stepping up
5. Innovation is gathering steam



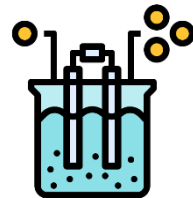
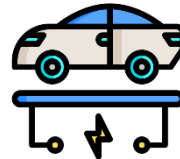
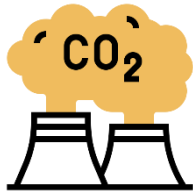


The Netherlands 2020 Energy Policy Review

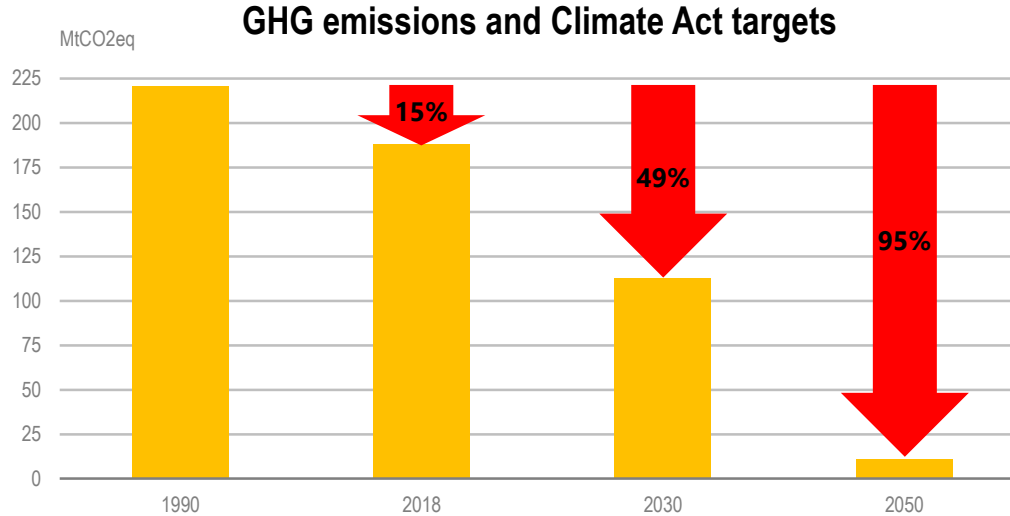


The Netherlands is facing energy sector challenges

- Fossil fuels still dominate the energy supply
- Groningen phase-out is increasing import dependency
- GHG emissions are down, but reductions have stalled
- The 2019 Climate Agreement defines measures to tackle these challenges
- The Netherlands is pushing to accelerate energy transitions



Policy updated to drive emissions reductions in all sectors



- 2019 Climate Act sets ambitious GHG emissions reductions targets
- 2019 Climate Agreement: Collaboratively developed emissions reduction measures covering entire economy
- Transition of main subsidy programme to focus on avoided CO₂ emissions: SDE+ to SDE++

Highlights of sector specific emission reduction measures

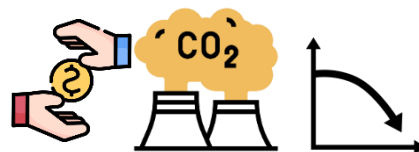
• Electricity

- Offshore wind policy framework
- Phase-out of coal-fired generation



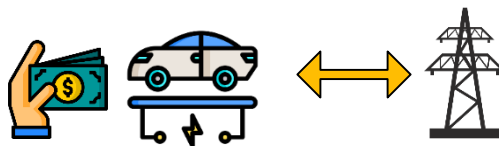
• Industry

- Carbon levy on emissions
- SDE++ support for emissions reductions



• Mobility

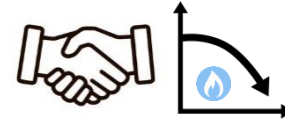
- Strong support for EVs
- Smart charging infrastructure



Gas transition and Hydrogen Strategy

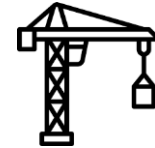
• Natural gas demand reduction

- Natural Gas Free Neighbourhood Programme
- International cooperation to reduce gas demand
- Green Gas Roadmap



• Hydrogen Strategy

- Climate Agreement targets for electrolysis
- SDE++, research and innovation support
- Major projects under development



IEA key energy policy recommendations for the Netherlands

- Monitor **security of supply** issues resulting from the closure of Groningen.
- Ensure policy supports **strong deployment of digitalisation**.
- Align GHG emission reduction measures with **achieving EU targets for RES and energy efficiency**.
- **Support emerging technologies** with potential for cost-effective emission reductions.
- Ensure electricity markets support innovation and **integration of variable renewable generation**.
- Facilitate investments in **low-carbon hydrogen** development.

iea