

The Netherlands

Energy Savings Obligation

OBJECTIVE

The policy aims to increase the implementation of energy efficiency measures in industry while ensuring fairness (all companies fall under the same obligation), without harming competitiveness (since the payback period for implemented measures is five years).

COUNTRY

Netherlands,
1993 – ongoing
(latest update in 2023)

SECTOR AND APPROACH

Industry; Regulation

SOURCE

[Energy Savings
Obligation website](#)

DESCRIPTION

The Energy Savings Obligation requires businesses in the Netherlands that use 50 000 kWh of electricity or 25 000 m³ or more of natural gas per year to implement all energy efficiency measures with a payback period of five years or less. Companies also have to report once every four years on all the implemented measures.

UNIQUE ASPECTS OF THE POLICY

The Netherlands is one of the few countries globally that legally requires industry to take energy efficiency measures. It can therefore serve as an example to other countries.

RESULTS

The Dutch Enterprise Agency regularly publishes results of the policy. As of November 2024, 52 000 small and medium-sized enterprises (SMEs) have provided reports (around 45% of the total obligated parties). For the businesses, around 1.1 million energy efficiency measures were identified as mandatory. Around 70% of these were building measures. Of these, around 80% have been (partly) implemented.

The government also reports per sub-sector and region on their website. For large industrial companies, around 2 350 reports were submitted. This is around 57% of the target group. These have implemented around 6 200 measures in the period 2021-2023, which resulted in energy savings of around 29.3 PJ per year.

LESSONS LEARNED

Enforcement is an important challenge. After the first round of the obligation, in 2019, the government found many of the mandatory measures had not been implemented because enforcement was inadequate. To support enforcement agencies, the government decided to provide extra funding to hire additional personnel dedicated to the enforcement and monitoring of this obligation.

ALIGNMENT WITH REGULATORY AND POLICY FRAMEWORKS

The policy is the main instrument to enforce energy efficiency measures in industry. It is complemented by a subsidy for energy efficiency measures in industry. Only measures with a longer payback period, the ones that do not fall under the legal obligation, are eligible for the subsidy.

The government also outlines mandatory measures and provides advice on how to most effectively implement these.

IMPLEMENTATION AND ENFORCEMENT

The government prescribes a list of recognised measures. If companies take all of these, they abide by the obligation. They may also identify measures themselves, but they must use a standardised government payback period method that includes fixed energy prices. Enforcing agencies are in place to visit businesses and ensure measures have been implemented.

The government provides funding to enforcement agencies for staff. The Dutch Enterprise Agency is tasked with assessing the reports that obligated companies must submit every four years.