Member State Report
Netherlands

DATA & STATISTICS

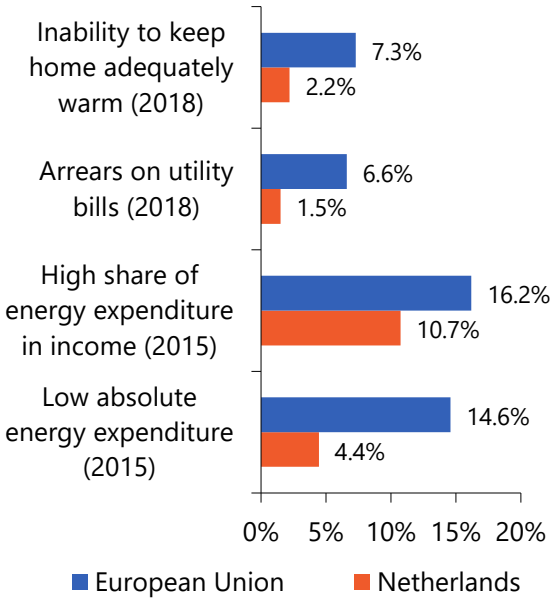
This Member State Report of the EU Energy Poverty Observatory (EPOV) provides an overview of the energy poverty situation in the Netherlands at a glance. With key indicators, policies, and publications, it offers an understanding of the key aspects of energy poverty in the Netherlands.

The Netherlands has a better performance than the EU average on the population-reported indicators. In 2018, 2.2% of Dutch people reported that they were unable to keep the home adequately warm while the corresponding EU average is 7.4%. Similarly for 2018, 1.5% of the population was unable to pay their utility bills on time due to financial difficulties, while the respective EU average is 6.6%.

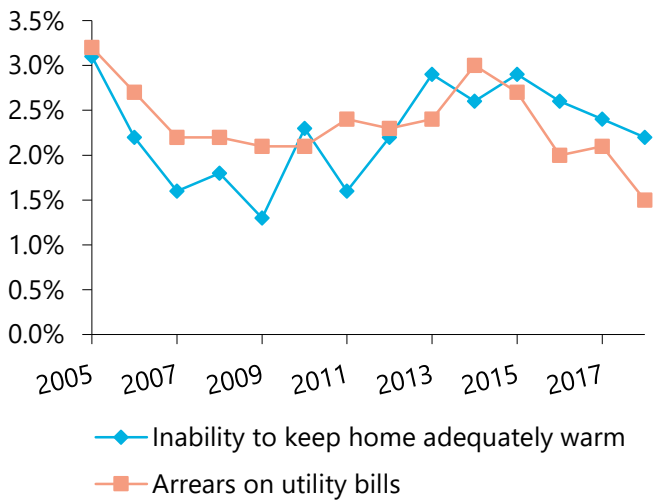
The Netherlands's performance in the expenditure-based indicators is better compared to the EU average. The share of households that spend a high share of their income on energy expenditure is 10.7%, which is lower than the EU average. These households are likely to live in a poorly insulated dwelling, combined with other financial challenges.

Moreover, at 4.4% the Netherlands has a significantly lower share of households that spend unusually low on energy than the EU average. These households might restrict their energy spending below what is necessary to meet their needs.

Performance relative to EU average*



Performance over time*



In the Netherlands, the percentage of population that are unable to keep the home adequately warm gradually decreased from 3% in 2005 to 1% in 2009. The notable increases between 2010 and 2015 may be attributed to cold winters, and to a lesser extent the financial crisis. In 2018 the indicator lowered to 2%. Meanwhile the population in arrears on utility bills fluctuated from 3% in 2005 to 2% in 2018.

Cold spells seem to precede spikes in arrears on utility bills. A large push for enhanced energy efficiency across a variety of segments in the built environment might have contributed to a slight improvement to keep the home adequately warm.

About the EU Energy Poverty Observatory

The EU Energy Poverty Observatory (EPOV) is an initiative by the European Commission to help Member States in their efforts to combat energy poverty. It exists to improve the measuring, monitoring and sharing of knowledge and best practice on energy poverty. EPOV has been developed by a consortium of 13 organisations. This report was authored by Navigant.

**Population-reported indicators taken from Eurostat here and here on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data.*

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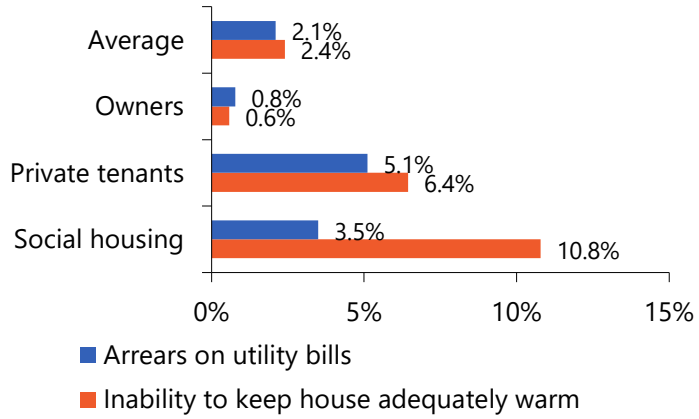
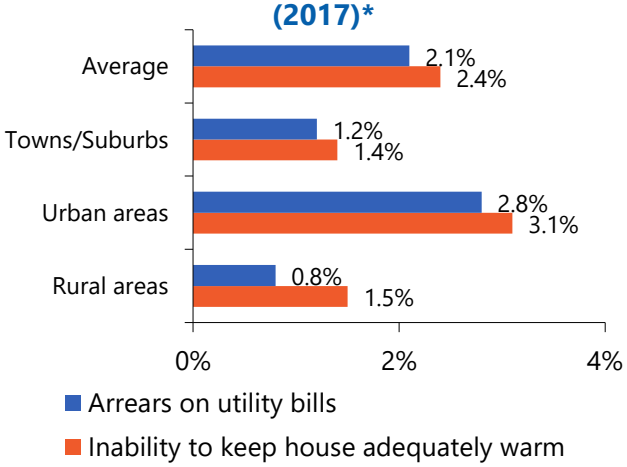
The disaggregated data of the household-reported indicators suggest that energy poverty in the Netherlands is highest for the social housing sector in 2017, at 10.8% for inability to keep the house warm and 3.5% for arrears on utility bills.

The data also indicates that apartment type dwellings are the most vulnerable, noting that 19% of the population lives in this dwelling type.

Inability to keep home warm and Arrears on utility bills disaggregated by tenure type (2017)*



Inability to keep home warm and Arrears on utility bills disaggregated by urban density (2017)*



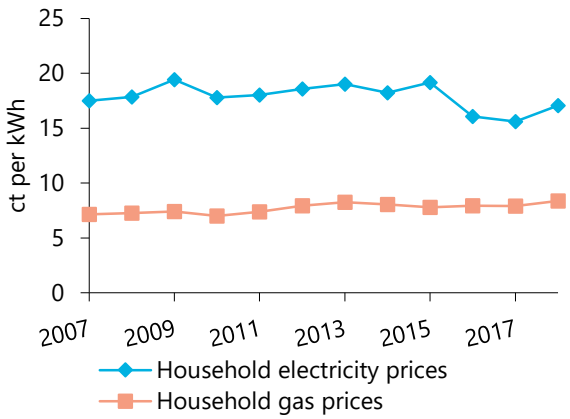
In the Netherlands urban areas have the lowest performance for ability to keep the house adequately warm and being in arrears on utility bills, closely followed by town/suburb areas. This may be due to the higher costs of living in urban areas and the relatively high proportion of poor populations living in cities. Urban areas account for 56% of the Dutch population.

Towns and rural areas are similarly unable to keep their house adequately warm with values comparable to each other, as well as for arrears on utility bills. This may be attributed to the dwelling type most prevalent in rural areas and by having lower building density which increases heat dissipation. The rural area accounts for 10% of the Dutch population.

NL household energy costs over time

The household energy cost over time in NL has gradually increased for gas to reach 8.38 €ct/kWh in 2018. Household electricity prices fluctuated more, with a price of 17.07 €ct/kWh in 2018.

Due to the end of the national gas production, natural gas prices are expected to increase in the coming years. To enable this push, taxes on gas will increase more then taxation on electricity, hence the gap might become smaller between the two commodities. This could possibly trigger a higher inability to keep the house adequately warm, as most houses in The Netherlands are currently heated with gas boilers.



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POLICIES & MEASURES

In the Netherlands, research and activities on energy poverty have become more prevalent in recent years. The research focuses in particular on the distributional effects and affordability of the energy transition in the context of political discussions. The first NGO to address energy poverty on a national scale, *Energy bank,* was established in 2015.

Energy poverty is addressed mainly through social policy in the Netherlands, including strong social housing and social support systems. Multiple policies exists to improve energy efficiency in social housing. The *Energy savings convent* rental sector is an agreement between the national government and stakeholders in the social housing sector stipulating that all social housing achieve a minimum energy performance. There is also an incentive scheme that provides financial assistance for improvements in the energy performance of social housing. In order to avoid the landlord-tenant dilemma, the total housing costs (rent, service costs and energy costs) cannot be increased due to the renovation.

There is also a *disconnection protection* measure for vulnerable households in the winter (1 October–1 April). Households can also benefit from a tax reduction of a fixed amount (around €300) to cover basic electricity needs. Another interesting measure is the *Guide on energy subsidies*, which allows households to easily check what subsidies they can receive for energy savings.

Furthermore, various subsidies and tax rebates are available for the improvement of insulation and the switch to renewable and sustainable energy carriers at household level. Subsidies for improved thermal efficiency are often available at the municipal level and regularly prioritise low-income groups.

Finally, there have been multiple initiatives that address energy poverty through energy advisors that visit households to provide energy advice, such as the abovementioned *Energy bank* and the *Energy box*. It has been estimated that these projects lead to savings per household in the range of €56–113 per year. They do so by enhancing the level of knowledge of the participants around energy savings and therefore prioritise low hanging fruit in behavioural change and thermal efficiency investments.

The draft National Energy and Climate Plan (NECP) of The Netherlands does not address energy poverty policies explicitly, as it is deemed to be covered by national poverty alleviation policies and related welfare programmes.

Selected measures	Type of measure	Organisation	Target groups	Start year	Result
Energy savings covenant rental sector	Building insulation, Heating system, Renewable energy	National government	Social housing	2008	28% of Social Housing estates had received energy efficiency upgrades, albeit not achieving the required targets in the covenant.
Incentive scheme to improve energy performance of social housing	Building insulation, Heating system, Renewable energy	National government	Social housing	2014	Unknown, currently pending
Disconnection protection households	Disconnection protection	National government	Vulnerable households	2018	Unknown, currently pending
Energy bank	Energy audits, Energy bill support, Household appliances	NGO, Grid operator	Low-income households, Households on social benefits	2015	The savings per household were between 56 and 113 euro per year.
Energy box	Energy audits, Household appliances	Business/Industry, Local government, Grid operator	Private tenants, Social housing	2014	+5.000 participants saving on average €113,-, 257 kWh and 85m3 gas
Electricity tax reduction for basic needs	Energy bill support	National government	No specific target group,	2011	Not measured
Guide on energy subsidies	Information and awareness	National government	No specific target group		Not measured
Energy Toolbox	Information and awareness	Local government	No specific target group		Not measured

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PUBLICATIONS & ORGANISATIONS

This page gives an overview of publications on energy poverty in The Netherlands and presents organisations working on energy poverty in The Netherlands.

Organisation

Name: Incentive scheme to improve energy performance of social housing
Organisation type: National government
Description: This policy, combined with a subsidy scheme, is available for social housing operators to improve the energy efficiency of their housing portfolio. Higher efficiency gains are rewarded with higher subsidies. Energy costs for residents cannot be increased in the first years after the renovation. Social housing operators can chose between individual and collective efficiency measures, thereby facilitating customised solutions.

Publication

Title: Going Dutch: Local Government and Fuel Poverty
Author: Scott-Smith, L.
Year: 2011
Description: This paper explores the challenge of rising household energy costs and draws on international inspiration to suggest a new model of support that councils can adopt to help citizens. More broadly, this paper calls on local government to consider new ways of engaging with citizens above and beyond traditional relationships.

Publication

Title: From gas-fired boilers to sustainable heating
Author: Oei, A., et al.
Year: 2018
Organisation type: Research & Consulting
Description: This report analyses the financial incentives that are needed for Dutch households to facilitate a transition to sustainable heating. Residential heating is one of the bottlenecks as households have gas fueled central heating systems, which have few economic alternatives. Alternative heating sources require individual investments and collective infrastructural changes.

Organisation

Name: Energy bank
Organisation type: NGO & Grid Operator
Description: This measure aims to assist households by providing short-term financial support for energy bills as well as energy advice through a voluntary advisor. A wide variety of citizens can make use of this, yet the main target group are economically deprived inhabitants. Also some small materials to improve energy efficiency are provided. The underlying aim is to avoid poverty due to energy expenditures. The savings per household ranged between 56 and 113 euro per year.

Other selected publications

- Ekamper, P., van Poppel, F., van Duin, C. and Garssen, J. (2009) 150 Years of temperature-related excess mortality in the Netherlands
- Scott-Smith, L. (2011) Going Dutch: Local Government and Fuel Poverty
- Tigchelaar, C., et al (2011) Obligations in the existing housing stock: Who pays the bill?
- Murphy, L. (2014) The influence of energy audits on the energy efficiency investments of private owner-occupied households in the Netherlands
- Clancy, J.S., Daskalova, V., Feenstra, M.H. (2017) Gender perspective on access to energy in the EU
- Straver. K, et al. (2017) Report on energy poverty. Effective policies to improve energy efficiency and reduce energy poverty
- Vergeer, R., Rooijers, F., and Davidson, M. (2017) Justice and income effects of climate policy
- Oei, A., et al. (2018) From gas-fired boilers to sustainable heating
- Recalde, M. et al. (2019) Structural energy poverty vulnerability and excess winter mortality in the European Union: Exploring the association between structural determinants and health

For definitions of the terms used in this report click here. The EPOV website provides an extensive collection of Knowledge & Resources. Click here for more information and to contribute additional policies, publications and other resources.

This report was completed in February 2020.

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