



The 30 MW Sunport Delfzijl is currently the Netherlands' largest PV project, powering a Google data center in nearby Eemshaven.

# Europe's newest bull market

**The Netherlands:** After lagging behind the rest of Europe during the continent's first solar boom, The Netherlands now has a new government, and an ambitious strategy for renewables. Rolf Heynen, Director of the Solar Solutions international trade fair, provides an update on the Dutch solar situation.

On October 26, 2017, the new government of the Netherlands was presented. Its goals with regard to renewable energy are very ambitious. For solar energy, investment security has been guaranteed, although the new government agreement needs to fill in the blanks and work out the specifics.

Will the Netherlands remain a top three European, and top 10 world player in realizing solar PV?

The Dutch market for renewables remains mainly a solar PV market,

although an increasing subsidy is provided to solar thermal, heat pumps, and pellet stoves. The renewable heating subsidy for 2017 is €70 million, and will increase up until 2020 to €160 million. But the bandwagon to get onto is solar PV.

Up until 2016, about 2 GW of solar PV was installed. Over three quarters of this installed capacity was residential. Starting from 2017 onward, however, the utility-scale market picked up, thanks to the enormous boost in the SDE+ operating

grant. Close to 1 GW is expected to be installed in 2017 alone.

With almost 4 GW granted halfway through 2017, and expected to grow to over 6 GW granted by the end of the year, solar PV will gain a seat at the table as a key player in electricity production in the Netherlands. With over 1 GW installed annually, and upcoming years probably edging closer to 1.5 or 2 GW, the Netherlands is quickly making up for years spent as the renewable energy 'sick man of Europe.'

### SDE+ status update

The SDE+ is an operating grant in which producers receive financial compensation for the renewable energy they generate. Although the SDE+ budget grows every year, the unprofitable top which is funded by the grant, decreases per kWh every year thanks to continually falling prices.

The height of the unprofitable top is carefully researched every year, and several stakeholders are involved. Every year the grant is divided into two rounds. Each round is opened in three phases starting at €0.09/kWh, up to €0.117/kWh in the third phase. The SDE+ is separated into two categories: small projects with capacity between 15 kW and 1 MW, and projects larger than 1 MW.

Under the new policy, the term to realize a project before the grant is withdrawn for projects less than 1 MWp is shortened from three years to one and a half years.

In 2017 a total of €12 billion is available. Grants are available for several renewable energy sources, including wind, biomass, geothermal, and solar PV. Since biomass is slowly being phased out, and wind energy is becoming a lot cheaper, both of these energy sources demand increasingly less budget, leaving (a lot) more to be claimed by solar PV.

### The search for partners, products, and services

Up until July 2017 a mere 500 MW of total SDE+ Solar (including PV and thermal) was realized. But 2017 was a game changer: Suddenly, the largest granted project in 2017 was for 56 MW, an unprecedented capacity by Dutch standards. Even several floating solar projects have received a grant. The largest project developer received a staggering 550 MW in operating grants, for dozens of projects in the first round of 2017 alone. And all parties that have received these grants so far are looking anxiously

SDE+ historical overview from 2013 to the first half of 2017			
	2013 – 2016	First half of 2017	Second half of 2017
No. of projects	3,671	4,386	Still unknown on October 30, 2017
Capacity	1.5 GW	2.4 GW	Still unknown on October 30, 2017
Energy produced	1.5 TWh	33.5 TWh	Still unknown on October 30, 2017
Budget	€1.75 billion	€2.8 billion	Still unknown on October 30, 2017

for EPC contractors, O&M partners, installers, financiers, and high quality products (panels, inverters, and mounting systems).

### What the future holds

On October 26 the Netherlands' new government was presented, consisting of a coalition between a record-breaking four parties. These parties include: VVD (liberals), CDA (Christian democrats), D66 (liberals) and ChristenUnie (Christian

- The SDE+ operating grant will be raised, probably by another €3.2 billion. This will bring the total for SDE+ in 2018 to about €15.2 billion.
- Carbon capture and storage (CCS) is likely to be added to the SDE+. Depending on the conditions and number of applications, this may or may not come at the expense of solar PV.
- The current net metering system for consumers is being reviewed, with discussions focused on whether or not to



Photo: Eneco Group

A PV project totalling 1 MW on the rooftops of the town of Nieuwland, Amersfoort district. Up until 2016, residential installations represented more than three quarters of total Dutch PV capacity.

democrats). They presented an ambitious plan to meet the EU targets for renewable energy and CO<sub>2</sub> emissions. Since it will be a tight race for the Netherlands to meet its 2020 targets, the new government presented ambitious plans.

The following takeaways from the ambitious government agreement are particularly relevant for the PV industry:

replace it with a similar, lucrative feed-in tariff. It is still unclear whether that will be from 2020 onward (as mentioned in the government agreement), or from 2023 (as promised by the former minister of Economic Affairs and decided on by a large majority in the Parliament). Either way, the government is committed and dedicated to retaining a stable investment climate for consumers and to keep the payback time to seven years. All in all, the 'weather forecast' for solar PV, both for consumers and projects, looks very sunny and bullish – not just in 2018 but also in the future beyond 2020. We expect the consumer market to continue growing to around 500 MW and the project market to grow to between 500 MW and 1 GW annually from 2018 onward. ♦

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#### ABOUT THE AUTHOR

Rolf Heynen is the Director of the Solar Solutions international trade fair and the Solar Business Day conference. He is also the author of the annual Dutch Solar Trend Report (also published in English). His company is also active in renewable heating, smart lighting/buildings, energy storage, consulting, and market research. Heynen holds degrees in both electrical engineering and political science.

Photo: Solar Solutions