Dutch industry plots path out of doldrums

Fresh policy support and ambitious targets are breathing fresh life into the onshore wind sector in the Netherlands, writes **Karolin Schaps**

After years of drought in the Dutch onshore wind development pipeline resulting in negative capacity growth, the market has found renewed optimism following a sharpened national ambition to double capacity by 2040, new regulatory framework proposals and plans for a Contracts for Difference support mechanism.

"The development of onshore wind has nearly stagnated in the last couple of years, but we slowly see the market opening up again," said Paul Stockmann, sector specialist for onshore renewables at Dutch wind energy association NedZero.

In new 2040 energy transition targets, the government has spelled out goals for renewables, including aims to have between 12-14GW of onshore wind in operation by the end of the next decade, up to double the 7GW currently in place.

The government's National Energy System Plan (NPE) stated that onshore renewables, in combination with battery storage, were the cheapest form of carbon-free electricity production. It added that onshore wind in particular was also well suited to help reduce electricity grid congestion. The NPE followed an announcement in August by the government to provide greater regulatory clarity for onshore wind developers through a new set of regulations setting out standards for setback distance and other parameters.



ESSENTIAL CLARITY: **Vattenfall's Gerard van Oostveen** Photo: Hans Peter van Velthoven

The move is expected to end a five-year development hiatus for onshore wind resulting from a 2021 ruling by the Dutch Council of State that struck down the national environmental regulations in use at the time.

The proposals provide clarity on distance to nearby housing: no more than twice the tip height of a turbine. The final policy will be put to parliament before the end of the year ahead of becoming law.

"Clarity on distancing rules was essential. It is therefore positive that the government has provided certainty on this issue," Gerard van Oostveen, Vattenfall's head of market development for onshore wind in the Netherlands, told reNEWS. "It is important that distancing rules are translated into clear and workable regulations as quickly as possible. This will provide certainty for project developers and helps to ensure that onshore wind projects can continue to move forward. Vattenfall will continue to work on new projects," he added.

Following the proposals, some provinces in the Netherlands have already moved forward with plans for new onshore wind projects.

Last month, the Province of Overijssel took the next legal steps ahead of supporting three new onshore wind farms, while the Province of South Holland gave the green light to a plan that includes scouting the region for new wind sites.

"We remain positive about the long-term potential for onshore wind in the Dutch market, particularly given the political ambition to double the current installed onshore wind capacity by 2040," said Stefan Buning (*pictured, below*), responsible for selling Enercon turbines in the Netherlands.

However, obstacles remain to building onshore wind farms in one of Europe's most densely populated countries.



"It's fair to say that we are more positive than half a year ago but it's still not easy. Renewable projects often lack support from the area. We also see mis- and disinformation influencing decisions on all levels of decision-making for onshore wind projects," said Stockmann.

Widespread grid congestion also remains a problem for expanding onshore renewable energy capacity as the Dutch network is so saturated that it is unable to connect new production sites in an increasing number of places around the country.

The new distancing rule of twice the tip height will also limit the number of new locations for onshore wind projects, some argue.

"The rule will significantly limit placement of wind turbines in new developments, as there isn't much land in the Netherlands that hasn't got at least some housing nearby," said independent onshore wind expert Paul van Egmond. ■

CfD proposal to boost onshore prospects

A new Contracts for Difference (CfD) renewable energy support scheme that will come into force in 2027 is expected to include partial compensation for negative pricing hours, an element which could improve the business case for onshore wind.

Amid negative short-term power prices, onshore wind developers are facing increased pressure on their projects' economic feasibility as the number and severity of negative hours can significantly impact revenue streams.

The government said it wanted to remove this risk from developers' bid calculations as part of the new auction framework.

It had proposed partial compensation as not to distort incentives for battery projects and improvements to energy demand efficiency.

"Vattenfall sees considerable potential in this approach. A robust CfD framework could strengthen investment certainty and help unlock new renewable energy investments," said Gerard van Oostveen, Vattenfall's head of market development for onshore wind in the Netherlands.

"This would require particular attention for delayed feed-in via batteries and for the proposed compensation mechanism for negative price hours."

Sector lobby group NedZero also welcomed the proposal, saying wind projects were especially prone to the so-called 'cannibalisation effect' as large amounts of offshore wind capacity that is due to come online in the coming years could weigh on power prices during times of windy weather conditions.

"A compensation mechanism can help keep wind projects financially viable and investable," said Derek Steeman, sector specialist for financing renewable energy projects at NedZero. ■

Repowering exemption could provide fresh impetus

An exemption for repowering projects in the government's recent proposal for onshore wind distancing rules will likely mean a shot in the arm for the crucial renewal of existing onshore wind locations.

"The biggest potential win of the new distance rule is that it exempts repowering projects," said independent expert van Egmond (*pictured, below*). But he urged caution about the fact that some locations' surroundings may have changed over the years to such an extent that larger turbines may not easily replace existing ones.



Around 816MW of existing onshore wind capacity is expected to reach its end-of-life of 20 years by 2030, but it is currently unclear how much of this will be replaced or dismantled, according to the government.

"Our members are mostly focused on repowering because we need to make sure that the existing wind locations are being held and that we try to get more out of them," said NedZero's Paul Stockmann.

"In going from 7GW to 14GW in 13 years, a lot can be accomplished by repowering." ■