



Energy research Centre of the Netherlands

Long-Term and Benchmarking Agreements

A closer look at energy saving policy measures in The Netherlands



Long-term Agreements and Benchmarks: an explanation

- Long-Term Agreements are voluntary (but binding) agreements on saving energy, targeted at middle-sized companies in terms of energy use
- Energy Efficiency Benchmarking Covenant: commitment to perform at least as well as the best in class; these agreements are meant for larger industrial corporations with high energy use

Long-Term Agreements in detail

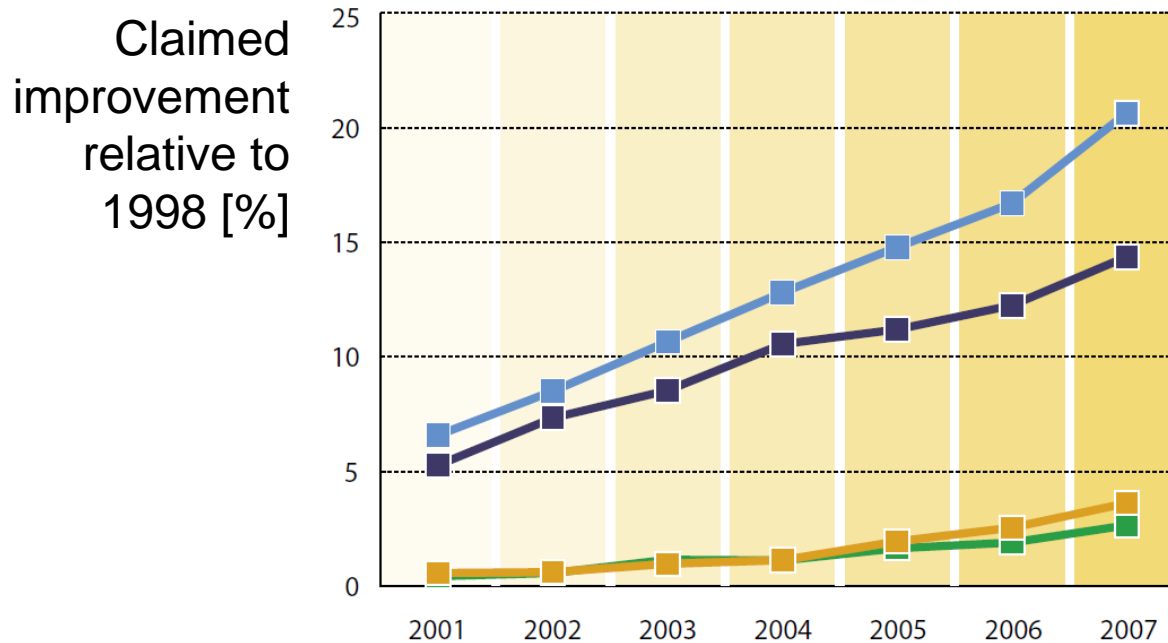
- LTA1: 1992 – 2000, agreements with sectors
- LTA2: 1999 – 2012, for enterprises < 0.5 PJ per year; agreements with companies/sectors/authorities, for sectors with combined energy use of > 1 PJ/year, participants combined should use > 80% of sector
- > 0.5 PJ per year: Benchmarking Covenant, equal worldwide best in class by 2012. In return: no additional policies, energy investment tax deduction
- LTA3: 2001 – 2020, to reach goals of the 'Clean and Efficient' programme; a.o. 30% increase in energy efficiency between 2005 and 2020 (= 2% annually; including 'chain')
- LTA3 aims to include former Benchmarking participants

Results of Benchmark Agreements

- Participants in industry and energy production sectors represent 40% of the national energy consumption
- Industry was ahead of global top performers in energy efficiency in 1999, but lead has been decreasing
- For 2005 energy efficiency improvement in industry was 4.3% compared to 1999 (= 0.7% per year).
- Efficiency improvement of 45 PJ in 2005
- Participation in emission trading by many companies prevents accurate predictions (efficiency figures no longer reported)

*Source: Definitief rapport 10 nov 2006 doc.pdf by Commissie Benchmarking
(www.benchmarking-energie.nl)*

Claimed LTA2 energy efficiency improvement



- Total energy efficiency improvement
- Improvement from more efficient production process
- Improvement from efficient product development
- Improvement from renewable energy use

Source: LTA results
2007 by SenterNovem

Claimed results of Long-Term Agreements

- About 900 participating companies in 30 sectors with a combined yearly energy use of 184 PJ (total energy use 2007: 3348 PJ)
- 20.6% between 1998 and 2007 (= 2.4% per year on average)
- Claimed savings of 3.9% in 2007, compared to 1.9% in 2006
- 19% renewable energy, 29% efficient product development, 52% process efficiency
- ECN monitoring of energy savings 2006: industry 1.0%, agricultural sector 2.1% (multi year average numbers)
- Odyssee number for industry: on average 1.5% annually since start of LTAs in 1993

Source: LTA results 2007 by SenterNovem

Discussion of results of Long-Term Agreements

- At ECN we see large variations in yearly savings, especially in the agricultural sector
- Explanation of differences
 - Only small number of participants with a small share of the total energy consumption, representativity not certain
 - Use of renewable energy counts as saving ('behind the meter' and green certificates)
 - Energy-efficient product development: lower energy use during product use counts as saving