



FROM NCA Working Group Environmental Auditing
DATE
TO INTOSAI WGEA
SUBJECT Summary Sustainable energy production impact assessment 2010

1 Conclusions

We found that the SDE takes account of the findings we had made in 2007. Ceilings have been set on the grants, for example, and a link is made to the actual price of electricity. To some extent, this reduces the open ended character and the inconsistency in payments that bedevilled the MEP. We believe there are still risks, however, in the regularity, efficiency and effectiveness of the two schemes. Improvements can still be made in the information provided to the House of Representatives. The obligations in the Ministry of EZ's budget will be set before the grant ceiling is set for the SDE. Since the SDE obligations are based on the grant ceiling, significant adjustments will have to be made during the budget year. The introduction of a proposed new financing method based on a charge harbours the risk of reducing insight into the MEP and SDE obligations and expenditures. The sums concerned in this form of financing usually cannot be identified in the Ministry of EZ's budget.

Usable sustainable criteria for biomass were not available when the SDE was drawn up. The criteria that the EU recently decided upon must still be implemented. For the time being they relate solely to liquid biomass and will apply only to decisions that are taken after the implementation date. They are therefore not applicable to ongoing MEP projects, which currently receive most funding, or to SDE grants on which a decision has already been taken.

We also found that an audit protocol has still not been made compulsory for the auditor. This is particularly important now that the sustainability criteria will not be implemented until the end of 2010. With regard to effectiveness, finally, the goal for 2010 (9% sustainable electricity production) is within reach. The Netherlands is therefore performing well in comparison with other EU member states.



2 Recommendations

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The Ministry of EZ should provide more transparency in advance – in the budget – on the adjustments that will be made during the budget year after the grant ceilings are set. In our opinion, the ministry should introduce an audit protocol quickly. Action must also be taken for the implementation of the sustainability criteria for biomass.

3 Response

In response to our recommendation that more transparency be provided in the budget on the adjustments that will be made, the minister wrote that the budget does not lend itself for such detailed information but she undertook to consider where additional information could be provided when the 2011 budget was drawn up. Further to our conclusion on the new financing method, the minister notes that the SDE and MEP are currently being implemented by the NL Agency, part of the Ministry of EZ. Expenditure will therefore be recognised in the Ministry of EZ's budget even when the new financing method is used. The minister agrees with our observation that an audit protocol should be prepared as soon as possible. Publication of the protocol is expected in March 2010. The minister notes that necessary measures are being taken to limit sustainability risks in anticipation of the sustainability criteria, such as the exclusion of high risk biomass flows and compulsory sustainability reports.