



23 FOSSIL FUEL REGULATIONS

Overview of fossil fuel regulations

In accordance with the commitment made in the 2024 Budget Memorandum, this appendix provides an updated overview of fossil fuel regulations in the Netherlands. These are regulations that lead to a direct or indirect financial advantage for fossil fuel consumption on the expenditure side (e.g. tax exemptions) and on the revenue side. The overview builds on the overview that was included for the first time last year in Appendix 26 of the 2024 Budget Memorandum. Its composition is based on an official analysis, input from stakeholders and calculations by the Planning Agency (CPB) and the Netherlands Environmental Assessment Agency (PBL). It is a dynamic overview, to which regulations may be added or removed in subsequent years on the basis of new insights.

Box 23.1 'Fossil regulations' or 'fossil benefits' instead of 'fossil subsidies'

Within this appendix, the term 'fossil regulations' or 'fossil benefits' has been deliberately chosen instead of 'fossil subsidies'. The term subsidies wrongly suggests that actual financial resources are always provided. It also suggests that it would be possible to collect (most of) the budgetary importance mentioned by 'withdrawing the subsidy'. However, this is often not the case due to behavioural effects. In the case of some tax arrangements, abolition would even lead to virtually no tax revenue. The use of the terms 'fossil arrangements' or 'Fossil benefits' reflects these comments more accurately.

Two approaches to providing insight into the scope of fossil fuel schemes

In order to provide as complete an overview as possible, this appendix presents two different non-additive approaches to fossil fuel schemes: the external cost approach and the inventory approach. This follows on from the study by PBL and CPB into fossil fuel schemes, which published in October 2023. The main reason for also presenting the external cost approach is that it takes into account other measures in addition to the fossil fuel regulations inventoried last year that also lead to pricing. For example, the lower excise duty rate for diesel is offset by a diesel surcharge in the motor vehicle tax (mrb) for passenger cars. In addition, the energy tax, although there is a degressive rate structure, many large consumers are subject to ETS and CO₂ levies. Ultimately, both approaches have advantages and disadvantages, which are explained in more detail below.

Description and advantages and disadvantages of the inventory approach

The overview of fossil fuel schemes in the previous Budget Memorandum was compiled on the basis of the inventory approach. The inventory approach provides a list of schemes – including tax benefits – and a quantification of the benefit that beneficiaries receive under each individual scheme. These are benefits relating to the production or consumption of fossil fuels.

For the arrangements on the expenditure side, the fossil fuel benefit consists of the difference between the regular tax rate or the highest tax rate paid by a user group and the reduced rate or tax exemption.

In the overview, it has been decided to measure the extent of the fossil fuel benefit against the standard tax rate, unless otherwise indicated. In the case of an energy tax exemption, for example, the tax rate at which natural gas consumption would be taxed without that exemption is taken into account.

The inventory approach is characterised by the fact that it provides a comprehensive and explicit overview of which (tax) regulations provide a direct or indirect benefit for the use of fossil fuels and raw materials. It thus provides useful insight into the exemptions, reduced rates, environmental levies and subsidy schemes that reduce the price level and how the burden is distributed between households and businesses. This approach is also used by the OECD.

The inventory of individual schemes does not provide a picture of how the external effects of the use of fossil fuels are priced through the interaction of instruments. Such an integrated view has become increasingly important in recent years. This is because many new pricing policies have been introduced. Until a few years ago, industrial consumers benefited from low pricing levels due to, for example, reduced rates and exemptions from energy tax. Since then, the European Emissions Trading System (ETS) has been tightened and a national CO₂ tax for industry has been introduced, resulting in a higher total pricing level.

Another disadvantage is that if something is not taxed because it falls outside the scope of the pricing instruments, it is not taken into account in the inventory method. An example greenhouse gas emissions in the agricultural sector or the non-energy consumption of mineral oils in industry, which are not covered by fossil fuel regulations in the inventory approach. This may create the false impression that there are few (fossil fuel) benefits for these emitters.

Description and advantages and disadvantages of the external cost approach

The external cost approach provides an overview of all added implicit and explicit CO₂ pricing in the Netherlands and compares this with the quantified external costs of the climate damage caused by greenhouse gas emissions. In line with PBL, this overview is based on the reference price, as calculated by CE Delft in the Environmental Pricing Handbook (2023). The reference price is calculated on the basis of an IPCC calculation that most closely matches the current global target (limiting global warming to 1.5 degrees with limited 'overshooting') and the average prevention costs of climate policy. The reference price increases every year. External costs other than greenhouse gas emissions are not included in this appendix. This overview shows pricing deficits where fossil emissions are incompletely priced and where, therefore, an implicit fossil fuel advantage is offered.

Unlike the inventory approach, this approach takes into account the interaction of all pricing policies, including, for example, the ETS, the national CO₂ tax on industry and the national aviation tax. This approach not only reveals which schemes reduce the pricing level, but also the extent to which the overlap of schemes for different end users results in a pricing deficit (a fossil fuel advantage).

After all, what is most relevant for climate policy is the total pricing. However, the external cost approach does not provide a complete picture either, and there are some caveats:

- Fossil fuel benefits that do not directly put a price on the use of fossil fuels cannot easily be converted into a pricing effect. Such schemes have therefore been excluded from the scope. For example, the BPM exemptions that make the purchase of fossil fuel vehicles relatively cheaper.
- Pricing is only one of the instruments for achieving climate targets. Standardisation can lead to the same CO₂ reduction without there being an explicit CO₂ price on the emissions in question. Standardisation without a market price is difficult to express in terms of price.
- The pricing levels are entirely attributed to the pricing of greenhouse gas emissions and compared with a reference price for the external costs of climate change. This is a simplification of the analysis, because in reality the current pricing instruments also price other external costs, such as air pollution, congestion and road safety. In other words, this underestimates the pricing shortfall.
- As with the inventory method, the size of the budgetary impact is highly dependent on the reference price used for external costs. However, this reference price has a considerable range and depends on methodological choices. Due to the limited data available, this overview is based on an average reference price calculated in the Environmental Prices Handbook. Consideration will be given to whether the calculation of the reference price can be further refined next year, in accordance with the recommendation of the ‘Building Blocks Report for a Better and Simpler Tax System’.

Box 23.2 Addition of fossil fuel benefits: inventory and external cost approach

In this overview, a budgetary interest is mentioned for each scheme in the inventory approach. This reflects the amount of expenditure or lost revenue associated with the respective schemes. The budgetary impact of all fossil fuel schemes combined in the inventory approach in **2024** amounts to **28.5 billion** euros. This amount is lower than last year's inventory. This is mainly because a clearer distinction has been made between the inventory approach and the external costs approach. As a result, the non-levying of excise duty on naphtha and natural gas condensate in steam crackers (budgetary impact: 14 billion euros) no longer falls under the inventory approach, but under the external costs approach. In addition, there have been various changes in the fossil fuel regulations (see text box 23.3).

The budgetary impact mentioned is a gross amount, which does not take behavioural effects into account. If all fossil fuel regulations are abolished, this amount will not actually be collected. To arrive at the net amount, the behavioural effects must be deducted from this amount. Another important point to note is that this calculation does not take into account interactions with other pricing policies. For example, the national CO₂ tax for industry and the European emissions trading system compensate for the advantages associated with the degressive energy tax system, in which a lower marginal tax rate is paid by large users. There is also an exemption on the use of

natural gas for electricity production is linked to the fact that a tax applies to the use of electricity in the same chain. These types of interactions, which on balance reduce the benefits, are not reflected in the inventory approach. It cannot therefore be concluded by definition that the abolition of inventoried benefits is necessary for climate policy, because that is not the case if there are sufficient alternative pricing and regulatory policies in place in the chains from extraction to use of fossil energy carriers. This has been mapped out for pricing using the external cost approach.

The total amount of pricing gaps and thus the fossil fuel subsidies according to the external cost approach, based on emissions and pricing in **2023**, amounts to **16.7 billion** euros for emissions associated with the use of fossil fuels (including deferred emissions attributed to non-energy use of fossil fuels) and **€21.3 billion** for all greenhouse gas emissions (including emissions not related to the use of fossil energy carriers). It is important to note that, in accordance with the external cost method, the total amount is highly dependent on the reference price chosen. In addition, as with the inventory approach, this concerns the budgetary impact, i.e. excluding behavioural effects. The amount of the external cost approach should not be added to the inventory approach. Nor can it be properly compared with it, because the two approaches measure different aspects.

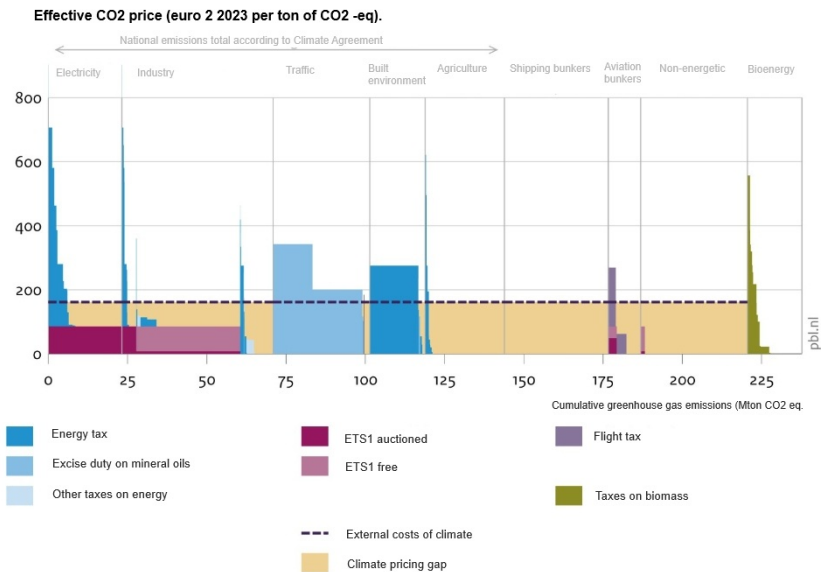
1. External cost approach

The figure below visualises the external cost approach in the various sectors for all greenhouse gas emissions. Due to the availability of data, the external cost approach has been made for the forecast year 2023. The inventory approach looks at the year 2024. Given the focus on fossil energy, this appendix includes the total amount of fossil benefits for (energy and non-energy) use of fossil energy in text box 23.2. The figure chooses to show all greenhouse gas emissions, as other (deferred) emissions are also harmful to the climate, and it is important for effective climate policy to know to what extent the pricing levels adequately price all external effects related to climate.

The figure was compiled by PBL. The horizontal axis shows total greenhouse gas emissions, which form the relevant basis for pricing, based on emissions resulting from the use of fossil fuels and other emissions not related to energy. The vertical axis shows the level of both explicit and implicit prices per tonne of CO₂. Each box in the figure corresponds to a specific portion of emissions to which the same CO₂ price applies. The width of the boxes indicates the portion of emissions subject to this CO₂ price. The colours indicate which policy instruments contribute to which part of the total effective CO₂ price. The purple dotted line indicates the reference price used (162 euro/tonne CO₂ in 2023). The pricing gap or fossil fuel advantage is calculated by calculating the difference between the reference price of external costs and the CO₂ price for all greenhouse gas emissions in a sector. No offsetting is done for any pricing surpluses.

Figure 23.1 External cost method for all greenhouse gas emissions (emissions and pricing in 2023)

CO2 pricing of greenhouse gas emissions, 2023



This overview does not take into account the ceiling for energy rates for small consumers that applied in 2023.

Source: PBL

In every sector, the total pricing level is lower than the reference price used for pricing external effects of 162 euro/tonne CO₂. Industry has a pricing gap of 3.9 billion euro for all greenhouse gas emissions. For the electricity sector, there is a pricing gap of €1.3 billion. Other sectors also have a pricing gap: €0.3 billion for greenhouse gas emissions related to fuel consumption in domestic transport, €6.5 billion for the use of bunker fuels by international aviation and shipping, €0.2 billion for greenhouse gas emissions in the built environment and €3.8 billion for greenhouse gas emissions in agriculture. Finally, there is a pricing gap of €5.3 billion for the non-energy use of fossil fuels and raw materials. The pricing gap in the mobility sector is mainly driven by bunker fuels for air and sea transport. In the built environment, there is a relatively small pricing gap thanks to the relatively high energy tax on natural gas. The pricing gap in agriculture is mainly caused by methane and nitrous oxide emissions, which account for the largest share of unpriced emissions within this sector. This overview does not take into account the price cap on energy tariffs for small consumers that applied in 2023, as its impact is too complex to be incorporated into the figure. Finally, the pricing gap for bioenergy has not been calculated due to its climate-neutral nature. The PBL report 'Climate change in prices?'⁽⁸⁵⁾ provides further explanation of the comprehensive overview and also gives a preview of the pricing in 2030 in the 2024 update.

⁸⁵ [Climate change in prices? – PBL \(2021\)](#)

Towards 2030, the pricing of greenhouse gas emissions in the electricity sector, industry, transport and the built environment will increase. The most significant contribution to this will be the European Fit-For-55 package. The price of the emissions trading system (ETS1) is expected to rise towards 2030. As of January 2024, ETS 1 will be extended to maritime shipping. In addition, a multi-year path has been established for the phasing out of free allowances.

This path runs linearly to zero free allowances in 2040 for sectors not covered by CBAM and zero free allowances in 2034. A second emissions trading system (ETS2) will be introduced for other uses of fossil energy in the built environment, road transport and non-ETS industry. The Netherlands has indicated that it will make use of part of this opt-in, which means that inland shipping, rail, recreational boating and fuel use in sub-sectors of agriculture, among other things, will also fall under ETS2. The decision on the ETS2 opt-in for greenhouse horticulture has been postponed until spring of 2025. In addition, European CO₂ emission standards offer direct implicit pricing of vehicles (CO₂ standards for cars regulation), marine fuels (Fuel EU Maritime regulation) and aviation fuels (ReFuel Aviation regulation). The 2023 Tax Plan also sets out a multi-year escalating path for energy tax rates on natural gas towards 2030. Finally, towards 2030, the pricing effect of the CO₂ tax for industry will become visible, as the rate – in line with the multi-year rate path – is expected to exceed the ETS1 price and the amount of exemption rights will be lower than the total emissions covered by the levy. The increase in pricing will be offset by a rise in the reference price.

2. Inventory approach

As in the previous Budget Memorandum, the government has conducted a broad inventory of schemes that could potentially be classified as fossil fuel schemes. The overview of fossil fuel schemes is divided into three tables:

1. Table 1: fiscal fossil fuel schemes (expenditure side).
2. Table 2: other tax schemes relating to non-energy and indirect (expenditure side).
3. Table 3: non-tax regulations directly related to fossil energy use (expenditure side).

The tables include a brief explanation for each scheme with 1) a brief description of the measure, 2) any legal points of attention and 3) other relevant pricing policies. Box 23.3 contains an overview of the policy changes compared to the overview in the 2024 Budget Memorandum (2023) and future policy changes compared to the overview below.

Explanation of the inventory method

For the inventory approach, various fossil fuel schemes have been inventoried based on the World Trade Organisation (WTO) definition of 'subsidy'. The WTO has developed a general definition of subsidies that does not focus specifically on energy but is broadly applicable. The WTO refers to a subsidy as:

1. there is financial compensation by the national government or another public body, which leads to a direct flow of funds (loans, government guarantees, grants) from governments to private parties (these are the price subsidies that the International Energy Agency (IEA) regularly examines),

2. there is a loss of government revenue (e.g. tax refunds and exemptions),
3. governments supply goods and services or purchase specific goods, or
4. governments contribute to specific funds.

In the Netherlands, there is only lost government revenue (option 2) resulting from differences in pricing. The Netherlands currently has no structural direct price subsidies on fuels, but the price cap could be regarded as a direct price subsidy on gas and thus as a fossil fuel scheme. However, this scheme was temporary and therefore not structural in nature and was abolished on 1 January 2024. Variants (3) and (4) do not exist in the Netherlands.

In addition to the question of which schemes can or cannot be classified as fossil fuel-related, tax schemes also raise the question of which criterion should be used to determine the budgetary scope of the fossil fuel-related scheme. For tax exemptions or reduced rates, the regular national tax rate can be chosen as the benchmark. In the case of the coal tax exemption for dual use, for example, the amount of coal currently covered by the exemption and the standard coal tax rate are taken into account. Secondly, in addition to the standard tax rate, the highest rate applicable to a user group can be used as a benchmark. In the energy tax, the scope of an exemption is then compared to the highest rate of the first bracket. Thirdly, the reference price of the external costs can be considered. The budgetary scope in this overview has been calculated for the year 2024, using the standard tax rate as a reference (unless otherwise indicated). The same method as last year has been used to draw up the budgetary estimates, unless otherwise stated. A detailed explanation of the estimates was published last year⁽⁸⁶⁾.

Box 23.3 Policy changes to fossil fuel regulations

The table below first shows the policy changes that took place in 2024 compared to the overview in the MJN2024. These changes have already been incorporated into the updated overviews (Overviews I, II and III). Changes that have taken place include an increase in tax relief and changes relating to the degressivity of energy tax. In addition, the energy price cap will be abolished on 1 January 2024 (budgetary impact of approximately 3.8 billion euro).

Secondly, the table below shows the policy changes that will take place in the future compared to the overview in the 2024 Budget Memorandum. In order to make a proper comparison with the 2024 overview, the calculation uses the same basis (such as energy consumption) as in 2024. The most important changes leading to a reduction in fossil fuel schemes are: the phasing out of the reduced energy tax rate for greenhouse horticulture, the restriction of the input exemption in the energy tax for the use of natural gas in electricity production, the austerity measures in the special car tax schemes and the phasing out of the degressivity in the energy tax.

⁸⁶ <https://www.rijksoverheid.nl/documenten/publicaties/2023/10/20/ramingstoelichtingen-fossiele-subsidies>

These changes will be offset by a new fossil fuel scheme from 2027, when the government intends to reduce fuel costs for agricultural vehicles ('red diesel'). Finally, the VJN2024 has decided on a new subsidy scheme for *indirect cost compensation ETS (IKC)*. This will lead to a new fossil fuel scheme for 2024 with a budgetary impact of 186 million.

Table 23.1 Proposed policy changes to fossil fuel benefits (based on 2024 and rates based on final situation)

Regulation	Budgetary importance (see Explanatory Notes, overview I, II and III)	
Announced government policy on expansion and phasing out of fossil fuel benefits (-is phase-out)		
Abolition of reduced energy tax rate for greenhouse horticulture (phase-out path 2025–2035)	– 144	Included in Tax Plan 2024
Limiting input exemption for natural gas in the energy tax (focused on CHP plants, phase-in path 2025–2030)	– 160	Included in Tax Plan 2024
Reduction of a number of special car tax schemes:	– 215	Included in Tax Plan 2024
Subsidy scheme for indirect cost compensation ETS (IKC)*	186	Proposal from Spring Memorandum 2024
Abolition of coal tax exemption for dual and non-energy consumption by 2027	– 77	Included in the 2025 Tax Plan
Reduced fuel costs for agriculture as of 2027	140	Proposal from the 2024 Outline Agreement
Degressivity of energy tax on natural gas	– 283	Tax Plan 2023 + 2024 Outline Agreement
Degressivity of energy tax on electricity	– 863, with deduction for share of renewable energy	2023 Tax Plan + 2024 Outline Agreement
TOTAL	– 1,742	
Policy changes compared to the overview in the MJN2024 (2023)		
Expiration of energy price cap	– 3,798	
Increase in tax relief	200	
Degressivity of energy tax on natural gas	163	
Degressivity of energy tax on electricity	– 450, with a deduction for the share of renewable energy	
TOTAL	– 3,885	

Table 23.2 Overview I - tax fossil fuel schemes

Definition: Lost government revenue (including tax refunds or exemptions) related to the (direct) use of (fossil) energy.

* For the schemes marked with an asterisk (*), a decision has already been made on a phase-out path (see explanatory notes for more information)¹

Measure	Annual budgetary impact in millions of euros (2024)	Legally possible to adapt nationally?	Other relevant pricing policies
	<i>Benchmark: standard rate (unless otherwise indicated)</i>		

Energy tax

Definition: Lost government revenue (including tax refunds or exemptions) related to the (direct) use of (fossil) energy.

* For the schemes marked with an asterisk (*), a decision has already been made on a phase-out path (see explanation for more information)¹

Measure	Annual budgetary impact in millions of euros (2024)	Legally possible to adjust nationally?	Other relevant pricing policies
	<i>Benchmark: regular rate (unless otherwise indicated)</i>		
Reduced EB rate for greenhouse horticulture*	144	Yes	CO ₂ - levy on greenhouse horticulture (as of 2025) and possible ETS2 from 2027.
Exemptions EB for metallurgical and mineralogical processes	184	Yes	ETS1, CO ₂ - tax on industry and CO ₂ minimum price
Exemption for electricity used for chemical reduction and electrolytic processes	8	Yes	ETS1 and CO ₂ - minimum price
Input exemption for natural gas used in electricity generation*	778	Yes. The input exemption is laid down in the ETD, but the Netherlands may adjust it at national level for environmental policy reasons.	Varies per taxpayer: partly ETS1 and partly (from 2027) ETS2
Energy tax reduction (fixed amount per electricity connection)	4,677, no discount for renewable energy The tax reduction is not linked to consumption, which means that the share of renewable energy cannot be calculated.	Yes	ETS1 and CO ₂ -minimum price (for electricity producers)
Degressive tariff structure for natural gas energy tax	1,976	Yes, provided that rates are at least equal to the minimum tax rates in the ETD	ETS2 (from 2027)
Degressive tariff structure for energy tax on electricity	2,167, with a reduction for the share of renewable energy of 54% (percentage is extrapolation from CBS data).	Yes, provided that rates are at least equal to the minimum tax rates set out in the ETD	ETS1, CO ₂ - minimum price (for electricity producers) and ETS2 from 2027
Energy tax refund scheme for institutions	33	Yes	ETS2 from 2027
Refinery exemption – energy tax	80	No, residual gases are mandatorily exempt under the ETD (see also below).	Scope 1 emissions fall under ETS1 and CO ₂ - tax
Exemption for residual gases produced at own facility and reused there (Article 59)	135, with regard to residual gases generated in steam crackers (because the	No, Article 21(3) ETD: The consumption of energy products within a company that	Scope 1 emissions are covered by ETS1 and CO ₂ - tax

Definition: Lost government revenue (including tax refunds or exemptions) related to the (direct) use of (fossil) energy.

For the schemes marked with an asterisk (*), a decision has already been made on a phase-out path (see explanatory notes for more information)

Measure	Annual budgetary impact in millions of euros (2024)	Legally possible to adjust nationally?	Other relevant pricing policies
	<i>Benchmark: standard rate (unless otherwise indicated)</i>		
	scheme for non-energy mineral oils is no longer part of the inventory approach). The energy content of the residual gases that are subject to tax arising in refineries and from the use of coal in steel production are already included in the other items in this overview.	produces energy products is not considered a taxable event for which tax is due if that consumption consists of energy products produced within the company.	
Energy tax refund scheme for the use of natural gas as fuel for vessels in community waters (including fishing, excluding private pleasure craft)	0	No, in accordance with Article 14(1)(c) of Directive 2003/96/EC (Energy Taxation Directive, ETD), operators of commercial vessels using natural gas as fuel for voyages in community waters are eligible for energy tax refunds. This refund applies to natural gas used as fuel for vessels, including fishing vessels, and does not apply to private pleasure craft.	No other relevant pricing policies.
Coal tax			
Exemptions from the coal tax for dual and non-energy consumption*	77	Yes	Scope 1 emissions fall under ETS1 and the CO ₂ - tax
Exemption for coal use for electricity generation	44	Yes, interferes with ongoing legal proceedings concerning the legal ban on the use of coal in electricity production by 2030.	ETS1 and the CO ₂ - minimum price
Excise duty			
Refinery exemption – excise duty	279	Partly: the exemption for mineral oils that are purchased externally and then directly used for energy in the process	Scope 1 emissions are covered by ETS1 and the CO ₂ - tax.

Definition: Lost government revenue (including tax refunds or exemptions) related to the (direct) use of (fossil) energy.

**For the schemes marked with an asterisk (*), a decision has already been made on a phase-out path (see explanatory notes for more information)¹*

Measure	Annual budgetary impact in millions of euros (2024)	Legally possible to adjust nationally?	Other relevant pricing policies
	<i>Benchmark: standard rate (unless otherwise indicated)</i>		
Lower excise duty rate for diesel than for petrol	1,734	Yes	Diesel surcharges bpm/mrb ETS2 (as of 2027)
Lower excise duty rate for LPG than for petrol	279	Yes	ETS2 (as of 2027)
Exemption for the use of kerosene in international air traffic	2,556	No, mandatory exemption in the ETD. In addition, re-export or export under excise duty are not taxable events, which means that kerosene for flights outside the EU cannot be taxed either.	ETS 1: Domestic and international flights between European airports CORSA: international aviation
Exemption for the use of fuel oil (in particular maritime transport)	5,709	No, mandatory exemption in the ETD. In addition, re-export or export under excise duty are not taxable events, which means that fuel oil for shipping outside the EU cannot be taxed either.	ETS1
Exemption for the use of diesel, international marine (in particular inland waterways and equipment on ships/pontoons)	1,113	Yes, the ban on excise duty on gas oil for inland waterway transport is laid down in the Gas Oil Protocol. The Netherlands could unilaterally terminate that Gas Oil Protocol.	Possible ETS2 from 2027
VAT*			Air passenger tax
VAT exemption for kerosene	10	No, there is a mandatory zero VAT rate in the European VAT Directive.	

* This table only shows the budgetary impact per individual scheme. The effect of VAT on other tax bases is a second-order behavioural effect and is not included here. Lower VAT revenue on energy due to the degressive rate structure of the energy tax has therefore been excluded from the overview.

¹ See also the 2020 letter to Parliament: <https://open.overheid.nl/documenten/ronl-8b0cd449-d691-47f6-9600-a60e70f16b22/pdf>

Explanation of regulations in overview table 1

Reduced energy tax rate for greenhouse horticulture

Under certain conditions, a reduced rate applies to natural gas consumption in greenhouse horticulture in the first, second and third tax brackets. These reduced rates were introduced to keep the tax burden on energy in greenhouse horticulture to be in line with the tax burden on energy in energy-intensive industries.

Greenhouse horticulture has many small energy-intensive businesses, which means that a relatively high energy tax rate is paid under the degressive system. In return, a private CO₂ cost compensation system will remain in place until 2025. If the CO₂ ceiling is exceeded, companies will pay for the excess. The European Commission has assessed the reduced rates for greenhouse horticulture as permissible state aid. The European Commission has granted an approval decision for state aid until 2024. The Greenhouse Horticulture Climate Measures Act in the 2024 Tax Plan stipulates that the reduced rate will be phased out completely between 2025 and 2035.

Energy tax exemptions for metallurgical and mineralogical processes

Natural gas for mineralogical and metallurgical processes and electricity for metallurgical processes are exempt from energy tax. This includes, for example, heating kilns for ceramic processes or smelting steel. This consumption falls outside the scope of the EU Energy Tax Directive, so European Member States are free to choose their own tax treatment for this. Most European Member States choose to exempt this consumption.

Energy tax exemption for electricity used for chemical reduction and electrolytic processes

Electricity used for chemical reduction and electrolytic processes is exempt from energy tax. This consumption falls outside the scope of the EU Energy Tax Directive, so European Member States are free to choose their own tax treatment for it. Most European Member States choose to exempt this consumption.

Input exemption for natural gas used in electricity generation

Natural gas consumption used in an installation that generates electricity is exempt from energy tax, provided that the conversion efficiency of this installation to electricity is more than 30%. The idea behind this exemption is to prevent both natural gas and the electricity generated and supplied via the grid from being taxed, i.e. to prevent double taxation in the chain. Natural gas consumption that is converted into heat output is therefore not taxed either, as it is not taxed later in the chain. The Greenhouse Horticulture Climate Measures Act, laid down in the 2024 Tax Plan, stipulates that the input exemption will be phased out between 2025 and 2030. From 2030 onwards, only installations with an efficiency of more than 60% will remain fully exempt.

Energy tax reduction

The energy tax includes a tax reduction per electricity connection to a WOZ object with a residential function. All households and the vast majority of all businesses with an electricity connection receive this tax reduction. Currently, the energy mix in the Netherlands for natural gas and electricity is still predominantly of fossil origin. As the energy mix becomes more sustainable, the size of the fossil fuel benefit within the tax reduction will decrease. In 2024, the tax reduction will amount to €521.81 excluding VAT.

Degressive tariff structure for energy tax on natural gas and electricity

A degressive rate structure is used for energy tax. The degressive structure is used to create a level playing field for larger consumers of gas and electricity in relation to their foreign competitors. The relatively high energy tax rates mean that the energy tax provides an incentive to save energy. At the same time, the tax reduction reduces the amount of total energy tax on the energy bill. In most EU Member States, energy tax rates are lower than in the Netherlands.

Energy tax refund scheme for religious and non-profit organisations

The energy tax refund scheme for natural gas and electricity consumption by religious and non-profit institutions applies to consumption in immovable property intended for public worship or for holding contemplative meetings of a philosophical nature, or which is used by a public benefit institution. Institutions that are primarily active in the field of sport, healthcare or education are excluded. This therefore mainly concerns church buildings and non-profit institutions. These are entitled to a refund of half of the energy tax they have paid.

Refinery exemption from energy tax

The refinery exemption refers to two separate schemes in energy tax and excise duty (see also below). Refineries are exempt from tax on residual gases produced at the production site itself (Section 51 of the Environmental Tax Act). In addition to this specific exemption, a zero rate applies in general (i.e. not only to refineries) to residual gases that are produced and used at the refinery's own location (see also below). Therefore, if only Article 51 of the Environmental Tax Act were to be abolished, no tax would still be paid on the residual gases due to the zero rate (which follows from the EU Energy Tax Directive).

Exemption from energy tax for residual gases that are produced at the company's own facility and used there again

The energy tax includes a zero rate for residual gases that are produced at the facility where they are consumed. This includes, for example, residual gases from a production process that are used for underfiring. This means that this consumption is effectively exempt from taxation. This mandatory exemption falls under the EU Energy Tax Directive and the Netherlands cannot therefore abolish it independently.

Energy tax refund scheme for the use of natural gas as fuel for vessels in Community waters (including fishing, excluding private pleasure craft)

In accordance with the EU Energy Tax Directive, operators of commercial vessels that use natural gas as fuel for navigation in community waters are eligible for an energy tax refund. This refund applies to natural gas used as fuel for vessels, including those used for fishing, and does not apply to private pleasure craft.

Exemptions from coal tax for dual use and non-energy use of coal

Dual and non-energy use of coal are exempt from coal tax. The EU Energy Taxation Directive provides for this possibility. The vast majority of exempt coal use falls under the coke, iron and steel industries. Exemptions also apply to foreign competitors. Emissions from these sectors are priced at European level under the EU ETS. The 2025 Tax Plan proposes to abolish the exemption from coal tax for dual and non-energy use as of 1 January 2027.

Exemption for the use of coal for electricity generation

The use of coal for electricity generation is exempt from coal tax. The idea behind these exemptions is to prevent both the coal and the electricity generated and supplied via the grid from being taxed. The prevention of double taxation follows from the EU Energy Taxation Directive, but the exemption is not mandatory under the directive. The phasing out of coal use for electricity generation by 2030 is guaranteed by the Act prohibiting coal in electricity production.

Refinery exemption in excise duty

Excise duty must be paid when the excise goods are released for consumption. In principle, this is the case when the goods leave the excise warehouse. Excise goods may be produced or processed in an excise warehouse under excise duty suspension. For example, the delivery of petrol to a petrol station constitutes release for consumption for consumption and the supplier must pay excise duty. Excise duty is only payable on mineral oils used as motor fuel or heating fuel (energy consumption of excise goods, e.g. the use of petrol in cars). Non-energy use of mineral oils, for example as a raw material, is not subject to excise duty. Crude oil is not used as motor fuel or heating fuel but is first processed in a refinery into usable products. Crude oil therefore does not fall within the scope of excise duty.

When mineral oils are used as fuel for the production/processing of mineral oils, the Excise Duty Act applies an exemption (Article 2(9)). In this context, consideration may be given to mineral oils used in refineries for heating the necessary installations.

The exemption under Article 2(9) can be divided into two parts:

1. Mineral oils that are purchased externally and then used directly for energy in the refinery process, for example for heating. This part of the exemption is optional under the ETD and can therefore be abolished independently by the Netherlands. The budgetary revenue is expected to be nil, as refineries purchase virtually no mineral oils externally and use them directly for energy purposes.
2. Mineral oils produced within the refinery and used for energy purposes in the refinery itself instead of being supplied to an external party. This part is compulsorily exempt under the European Energy Tax Directive (ETD) and the Netherlands cannot therefore abolish it independently.

It should also be noted that the amount of this fossil fuel scheme has been increased compared to the inventory of fossil fuel schemes in the 2024 Budget Memorandum. The reason for this is that the excise duty rate for heavy fuel oil has been increased from €41.31 per 1,000 kg to €654.53 per 1,000 kg.

Excise duty – Lower excise duty rate for diesel than for petrol

The Excise Duty Act stipulates a lower excise duty rate per 1,000 litre than for petrol. The lower fuel excise duty for diesel stems from the international nature of commercial (freight) traffic, which mainly runs on diesel. The fuel surcharges in car taxes (in the BPM and MRB) are intended to reduce the difference in tax pressure on driving in the case of passenger cars and motorcycles using diesel on the one hand and petrol on the other.

Excise duty – Lower excise duty rate for LPG than for petrol

The Excise Duty Act stipulates a lower excise duty rate per 1,000 litres for LPG than for petrol.⁸⁷ Compared to diesel, LPG has an advantage in terms of NOX emissions. Compared to petrol, LPG has a CO₂ advantage.

Exemption from the commercial use of fuels in international air traffic

Kerosene supplied for use as fuel in commercial aviation is exempt from excise duty under the ETD. Recreational aviation is excluded and not exempt under this Directive.

Member States are free to tax kerosene used for domestic commercial flights. However, under the ETD, excise duty on aircraft fuel for flights between Member States within the EU is possible if the EU Member States conclude bilateral agreements among themselves. When the aviation tax was introduced, the government indicated that it was not in favour of a patchwork of bilateral agreements within the EU. This undermines the concept of a single internal market, creates uncertainty about the rules applicable between Member States and could distort the level playing field for airlines. That is why the government decided at the time to introduce an air passenger tax.

If the mandatory exemption from the ETD is abolished, this will have no effect because, on the basis of the Union Customs Code, the use of kerosene for flights outside the EU will be considered re-export or export. Re-export or export are not taxable events, which means that kerosene cannot be taxed either. After all, this concerns the consumption of kerosene outside the EU. This also applies to recreational aviation, where re-export or export also applies to flights leaving the EU.

In addition to the ETD, there are aviation treaties that prevent the taxation of kerosene, for example. The Chicago Convention on International Civil Aviation stipulates, among other things, that kerosene on board an aircraft of a Contracting State on arrival in the territory of another Contracting State and which still on board when leaving the territory of that State shall be

⁸⁷ The Excise Duty Act specifies an excise duty rate per 1,000 kg for LPG. In practice, liquefied petroleum gas is usually traded in litres. The specific mass for LPG is 0.54 based on the excise duty policy rules. The rate per 1,000 litres of LPG is therefore: €344.74 * 0.54 = €186.16 in 2023.

exempt from customs duties, inspection fees or similar national or local duties and fees (such as excise duty).

Air transport agreements, in which landing rights with third countries have been agreed, also generally stipulate the exemption. This also applies, for example, on the basis of the Air Transport Agreement between the EU and its Member States and the US (the EU-US Open Skies Agreement), for both extra-EU and intra-EU flights. However, bilateral and EU aviation agreements stipulate that excise duty on flights within European territory must be possible in the future.

Excise duty exemption for the commercial use of fuels in maritime transport

Fuel supplied for use in commercial shipping on Community waters is exempt from excise duty under the ETD. This does not apply to pleasure boating, as fuel consumption is not exempt under this Directive.

If the mandatory exemption from the ETD is abolished, this will not affect the use of fuel for voyages outside the EU where you depart for the open sea, as this will still constitute re-export or export under the Union Customs Code. Re-export or export are not taxable events, which means that the fuel cannot be taxed either. After all, this concerns the consumption of fuel outside the EU. This also applies to recreational boating, where re-export or export also applies to voyages leaving the EU. It should also be noted that the amount of this fossil fuel scheme has been substantially increased compared to the inventory of fossil fuel schemes in the 2024 Budget Memorandum. The reason for this is that the excise duty rate for heavy fuel oil has been increased from €41.31 per 1,000 kg to €654.53 per 1,000 kg as of 1 January 2024.

Excise duty exemption for the commercial use of gas oil (diesel) in inland waterway transport

Fuel used for commercial navigation on inland waterways is exempt from excise duty under the Excise Duty Act. Under the ETD, this is a choice that Member States are allowed to make. Recreational boating must continue to be taxed under this directive. The exempt fuel is coloured and is also known as red diesel. The Mannheim Act of 1868 prohibits the levying of duties based solely on the practice of shipping. The 1952 Gas Oil Protocol lays down specific rules for customs and tax exemptions for gas oil consumed as ship's stores, in order to bridge the differences of opinion on the regime resulting from the Act itself. The 1952 Gas Oil Protocol contains a termination clause, which means that the Netherlands itself can decide to terminate this part and levy excise duty on fuel for inland waterway transport. However, if this option is chosen, it would apply to both fossil and renewable fuels.

This would make the Netherlands the first Member State of the Mannheim Convention to levy excise duty on fuel for inland waterway transport. The Netherlands has already proposed to the Central Commission for Navigation on the Rhine (CCNR) that they work together towards the joint lifting of the tax ban by 2030. In this regard, the members have made a political and administrative agreement that, if this is pursued, all participants must unanimously agree to any termination of the Gas Oil Protocol.

VAT exemption for kerosene

The supply of kerosene for aircraft used primarily for international passenger transport is taxed at the zero VAT rate (Table II, item a-3, part e of the 1968 Turnover Tax Act). This zero rate is mandatory under the VAT Directive (Article 148, part e, VAT Directive). It is therefore not possible to levy VAT on the supply of kerosene for these aircraft. Even if it were possible to levy VAT on kerosene, this would not lead to more expensive air tickets. Like any other business, airlines are entitled to deduct the VAT charged. The VAT that could be charged on the purchase of kerosene could therefore also be deducted. This does not apply to exempt sectors such as the public sector. VAT on kerosene used by, for example, the armed forces, the police or the health service cannot be deducted by these parties because they do not supply VAT-taxable services. The VAT would then continue to be a burden on these exempt sectors. In the previous Budget Memorandum, the estimate did not take into account the right to deduct, which is why this year's estimate is (much) lower.

Table 23.3 Overview II – other tax arrangements relating to non-energy and indirect use of fossil fuels

Definition: Lost government revenue (including tax refunds, exemptions, outside the scope of regular taxation, etc.) related to the non-energy use or indirect use of fossil fuels.

**For the schemes marked with an asterisk (*), a decision has already been made on a phase-out path (see explanatory notes for more information).*

Measure	Annual budgetary impact (2024) in millions of euros <i>Benchmark: regular rate (unless otherwise indicated)</i>	Legally possible to adjust nationally?	Other relevant pricing policies for the scheme
Exemption for non-energy consumption of natural gas	105	Yes	Scope 1 emissions and part of scope 3 emissions are covered by ETS1 and CO ₂ tax for industry. Other natural gas consumption is not priced.
Exemption for non-energy consumption of LPG in steam crackers (part of general exemption under Article 65 of the Excise Duty Act Excise Duty Act)	529	No, this is a mandatory exemption pursuant to Article 2(4)(b) of Directive 2003/96/EC.	Scope 1 emissions are covered by ETS1 and the CO ₂ - tax for industry.
VAT exemption for international passenger transport (ships and aircraft)	105	Partially: According to the European VAT Directive, the transport of persons is taxable where that transport actually takes place. Therefore, the exemption for the portion of the journey that takes place on Dutch territory can be abolished, but not for the remainder of the journey.	Aviation: national aviation tax and ETS1 Shipping: ETS1 (from 2024)

Definition: Lost government revenue (including tax refunds, exemptions, outside the scope of regular taxation, etc.) related to the non-energy use or indirect use of fossil fuels.

**For the schemes marked with an asterisk (*), a decision has already been made on a phase-out path (see explanation for more information).*

Exemption from BPM for delivery van operators*	1,185	Yes	Fuel excise duties, ETS2 (from 2027)
Reduced motor vehicle tax rate for delivery van operators	1,196	Yes	Fuel excise duties, ETS2 (from 2027)
<i>Other regulations for different target groups in the motor vehicle tax:</i>	568	Yes	Fuel duties, ETS2 (from 2027)
Weight correction for wheelchair installation			
Fuel surcharge zero or reduced for LNG, CNG and LPG G3			
Quarter rate for motorhomes			
Half rate for motorhomes (commercial rental)			
Reduced rate for mobile shops			
Zero rate for public transport buses running on LPG or natural gas			
Quarter rate for fairground and circus vehicles			
Quarter rate for tools or workshops			
Quarter rate for horse transport			
Refund for commercial vehicle fleet lorries			
Exemption for ambulances			
Exemption for hearses			
Exemption for animal ambulances			
Exemption for defence and police motor vehicles			
Exemption for fire brigade			
Exemption for cleaning services			
Exemption for road construction			
Exemption for use of public roads over short distances			
Exemption for taxis or public transport			
Reduced rate for vans for people with disabilities			
Exemption for motor vehicles older than 40 years			

Definition: Lost government revenue (including tax refunds, exemptions, outside the scope of regular taxation, etc.) related to the non-energy use or indirect use of fossil fuels.

**For the schemes marked with an asterisk (*), a decision has already been made on a phase-out path (see explanatory notes for more information).*

Transitional arrangement for vehicles from year of manufacture 1988

<i>Other schemes in the BPM:</i>	15	Yes	Fuel excise duties, ETS2
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Refund for police vehicles

Refund for fire brigade

Refund for disabled vehicles

Refund for ambulances

Refund for hearses

Refund for prisoner transport

Refund for wheelchair transport

Refund for animal ambulances

Refund for cash transport

Refund for delivery vans for disabled persons

Explanation of regulations overview table 2

Exemption from energy tax on non-energy consumption of natural gas

The energy tax provides for an exemption for non-energy consumption of natural gas. This includes, among other things, the production of (grey) hydrogen from natural gas. The hydrogen is then mainly used for industrial processes such as the production of fertiliser. This exemption is not mandatory under the EU Energy Tax Directive, so the Netherlands can abolish it at national level.

Exemption for non-energy consumption of LPG in steam crackers (part of the general exemption under Article 65 of the Excise Duty Act)

Article 65 of the Excise Duty Act exempts the consumption of excise goods used as raw materials for the production of non-excise goods. This partly concerns the non-energy consumption of LPG in steam crackers (last year part of the broader exemption with a budgetary impact of 14 billion, see also text box 23.4). The budgetary impact of this is quantified in the table above.

VAT exemption for international passenger transport (ships and aircraft)

Passenger transport is taxable where that transport actually takes place (Article 6c, first paragraph, of the 1968 Turnover Tax Act and Article 48 of the VAT Directive). For the transport of persons by aeroplane and sea-going vessel, a distinction must be made between domestic and foreign flights/boat trips for the purposes of VAT. Domestic flights/boat trips are taxed at the standard VAT rate. Flights/boat trips to or from abroad are taxed at the zero VAT rate (Table II, item b-3 belonging to the 1968 Turnover Tax Act). This zero VAT rate means that entrepreneurs do not have to charge VAT on their services, but are entitled to deduct input tax.

Due to implementation issues, Member States apply the zero VAT rate to flights to or from abroad. However, the application of the zero VAT rate is not mandatory under the VAT Directive. In theory, it is therefore conceivable that the Netherlands could refrain from applying this zero VAT rate. However, this would mean that for all flights to and from the Netherlands, it would have to be determined which part of the flight took place over Dutch territory, as only that part is subject to Dutch VAT. However, this is virtually impossible to implement. Moreover, the portion of an international journey that takes place on or above Dutch territory is often limited, which has consequences for the consideration of taxation versus implementation. The discussion on VAT on aviation has been going on in Europe for decades, but so far without leading to a change in practice. The budgetary impact in the previous million-pound note covers the entire flight and not just the part in the Netherlands. This estimate does take this into account, which is why this year's estimate is (much) lower.

Exemption from BPM for delivery van entrepreneurs

The BPM provides an exemption for new delivery vans purchased by entrepreneurs. As of 1 January 2025, this exemption will expire and the basis for the BPM for delivery vans will be converted from catalogue price to CO₂ emissions.

Reduced motor vehicle tax rate for delivery van operators

The motor vehicle tax (MRB) applies a reduced rate for delivery vans used by businesses. This reduced rate applies regardless of the drive system, as it is based solely on the vehicle weight. However, this arrangement also means that fossil fuel vehicles are subject to a lower MRB. This indirectly results in lower taxation on the use of fossil fuels. Until 2024, all zero-emission delivery vans are exempt (and in 2025, a quarter rate will apply).

Other special BPM/MRB regulations

A number of special arrangements (refund arrangements, quarter rates, etc.) apply in the motor vehicle tax and BPM for specific vehicles. These arrangements are not specific to fossil fuel vehicles. However, these schemes ensure that no or lower vehicle tax needs to be paid for those vehicles, which indirectly reduces the tax burden on the use of fossil fuels. The 2024 Tax Plan has legally established that a number of special schemes will be scaled back:

- The quarter rate for motorhomes in the motor vehicle tax will be scaled back to a half rate from 2026.
- The quarter rate in the MRB for horse transport will be abolished from 2026.
- The motor vehicle tax exemption for classic cars will be reduced from 2028 to an exemption for cars built before 1988.
- The refund for cash transport in the motor vehicle tax will be abolished in 2026.
- The zero rate in the motor vehicle tax for public transport buses running on liquefied petroleum gas (LPG) or natural gas will be abolished in 2030.
- *The reduced fuel surcharge in the motor vehicle tax for passenger cars and vans running on CNG, LNG or LPG will be abolished in 2026.*

Box 23.4 Do not include non-energy consumption of mineral oils (including naphtha) in Table 23.3

In the 2024 Budget Memorandum, the non-levying of excise duty on the non-energy consumption of naphtha as a fossil fuel scheme. This fossil fuel scheme is no longer included in the updated overview (see Table 23.3), because the distinction between the inventory approach and the external costs approach has been made clearer in the updated overview. This is explained in more detail below.

The budgetary importance of the scheme (14 billion euro) was calculated last year on the basis of the volume of raw materials used in steam crackers. By far the largest part of the input of oil products in the steam cracker consists of naphtha and natural gas concentrate. In addition, LPG is also used for non-energy purposes in the same production process. However, naphtha and natural gas condensate are not used as motor fuel or heating fuel and are therefore not subject to the scope of excise duty. The Excise Duty Act and the Energy Tax Directive relate to mineral oils used as heating or motor fuel. In this case, therefore, it is not a specific tax exemption (which is considered in the inventory approach). The non-taxation of naphtha and natural gas condensate is therefore better addressed in the external cost approach (non-energy use of fossil energy) than in the inventory approach.

The budgetary importance of the total non-energy use of fossil energy is lower in the external cost approach than was calculated last year in the inventory approach, due to the difference in the reference price used. Last year, naphtha was calculated using the excise duty rate for light oil, which is higher than the reference price for external costs used in this year's external cost approach.

As mentioned last year in the 2024 Budget Memorandum, the Excise Duty Act does contain an explicit exemption for the consumption of excise goods that are used as raw materials for the production of non-excite goods. This scheme is included in the updated overview of the inventory approach as a fossil fuel scheme for the part that concerns the above-described non-energy consumption of LPG in steam crackers.

Table 23.4 Overview III - non-fiscal schemes with a more direct relationship to fossil energy consumption (EZK)

**For the schemes marked with an asterisk (*), a decision has already been made on a phase-out path (see explanatory notes for more information).*

Measure	Annual budgetary impact (2024)	Legally possible to adapt nationally?
Rights granted free of charge under the EU ETS (EU policy)*	2,706	No
Subsidy scheme for indirect cost compensation ETS (IKC)*	186	Yes
Investment deduction for exploration and extraction of natural gas from small fields in the North Sea (mining levy)	Not known	Yes

Explanation of schemes in overview table 3

Rights granted free of charge under the EU ETS (EU policy)

Within the ETS, companies that directly emit CO₂ must have emission allowances. If more emission allowances are needed than the company has available, the company must purchase these certificates or take CO₂ reduction measures. To prevent companies competing on the global market from relocating their production outside Europe (which could lead to carbon leakage), certain industrial sectors are allocated free emission allowances based on the emissions of the 10% of companies with the lowest CO₂ emissions per product. There are three categories of sectors that receive free allowances. For sectors where no significant risk of carbon leakage has been identified, the number of free emission allowances will be phased out to zero by 2030. For sectors where a significant risk of carbon leakage has been identified, but where the recently introduced Carbon Border Adjustment Mechanism (CBAM) offers alternative protection against carbon leakage, the number of free emission allowances will be reduced to zero by 2034. For the remaining sectors (significant risk of carbon leakage, no protection via CBAM), a decreasing amount of free emission allowances will be provided until 2040. After 2040, the ETS cap will be zero and no new ETS allowances will be granted (neither free nor auctioned).

Subsidy scheme for indirect cost compensation ETS (IKC)

The European emissions trading system obliges European electricity producers to purchase emission allowances for their CO₂ emissions. These producers pass on the costs of this in the wholesale prices for electricity. This increases the cost of electricity for businesses within the EU, among others. They may therefore experience a competitive disadvantage compared to companies from countries outside the EU. This creates a risk of electricity-intensive companies relocating their production from within the EU to outside the EU, and thus associated carbon leakage. The Indirect Cost Compensation ETS (IKC-ETS) scheme reduces this risk by compensating companies for the indirect ETS costs they incur in their production. The scheme is available to companies in specific sectors identified by the EC and will be reopened in the Netherlands in 2024 for a one-year period, providing compensation for indirect costs incurred in 2023. The budget mentioned is a forecast based on production figures in previous years and the EU ETS price for 2023.

Investment deduction for the exploration and extraction of natural gas from small fields in the North Sea (mining levy)

The (non-fiscal) investment allowance for investments in the exploration and extraction of natural gas from small fields in the North Sea can only be applied when calculating the specific payment of the profit share, which is an additional levy for mining companies under the Mining Act in addition to corporation tax. This results in a higher effective tax burden for mining companies than for other companies that only pay corporation tax. The investment deduction is intended to stimulate the exploration and extraction of natural gas from small fields in the North Sea. Natural gas is expected to remain necessary in the coming decades for, for example, electricity production and the energy and heating needs of households in the Netherlands. Gas extraction from small fields in the North Sea makes the Netherlands less dependent on gas extraction from abroad and thus contributes to energy supply security. In addition, the CO₂ footprint of imported gas is considerably larger than that of gas extracted in the Netherlands due to the long transport distances involved. Analysis by CE-Delft (November 2022) shows that gas extraction in the North Sea

has a positive effect on emissions compared to the situation in which gas is imported from Russia or the United States.