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# Solar Update

Overview of key legal developments for solar energy, included in this edition:

- Mandatory PV installations and solar-ready buildings (EPBD IV)
- Delayed acceleration of PV licensing (RED III)
- Energy efficiency and the 'third solar letter'

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## **Introduction**

The installed capacity of solar photovoltaic (**PV**) installations in the Netherlands has increased fivefold in recent years (from 4.6 GWp in 2018 to 23.9 GWp in 2023). To achieve the "net zero" target in 2050, the share of PV installations in Dutch electricity production still needs to increase sevenfold (to 172 GW in 2050).\*

In our Solar Update, we report (periodically) on the legal/regulatory developments so that **building owners** and **developers** (**of real estate and energy projects**) know what is going to happen in the field of PV installations.

In this Solar Update, we note a package of **EU law obligations** for the **mandatory realisation of rooftop solar** and **solar-ready buildings**, which obligations will be introduced (in phases) in the coming years. The realisation of PV installation as an **energy-saving obligation** is also relevant. This affects (real estate) developments as well as existing buildings. At the same time, national incentives (accelerated permitting and subsidies) are difficult or slow to get off the ground. Remedying grid congestion is also progressing slowly and thus remains a challenge for PV installations.

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\* RVO, Monitor Zon-PV 2024



## <u>1. EPBD IV</u>

The fourth revision of the Energy Performance of Buildings Directive (**EPBD IV** for short) aims to improve the energy performance of buildings and reduce CO2 emissions from buildings.

The EPBD IV includes requirements on energy labels and energy efficiency, as well as specific obligations on PV installations, namely:

- a solar readiness obligation for new buildings; and
- a PV installation obligation for certain buildings.

These obligations will have to be included in the Decree on Construction Works in the Living Environment (or in Dutch *Besluit bouwwerken leefomgeving*) (**Bbl**) in the Netherlands by 30 May 2026. New permits will then be assessed against the amended rules (scheduled to take effect from 29 May 2026 – according to the competent Ministry), so take this into account already in the design phase.

> Solar ready obligation

All new buildings (regardless of function or area) must be solar ready, which basically means that the roof must be structurally capable of being fitted with a PV installation. This is intended to improve the cost-effectiveness of PV applications and avoids the need for costly structural retrofitting lateron.

It is not yet known whether in the Bbl "solar-ready" also means that a new building must also already be electrically suitable for a PV installation (e.g. sufficient power on the connection or a smart meter), or only structurally.



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> PV installation obligation

The EPBD IV further prescribes a (phased) obligation for the roll-out of suitable PV installations. This means that certain categories of buildings must be equipped with a PV installation at certain times. This is based on the following timeline:

As of	PV-intsallations mandatory on
1-1-2027	On all new public and non-residential buildings with a usable floor area of more than 250 m2
1-1-2028	Existing public buildings with a usable floor area of more than 2 000 m2
	<u>Existing</u> non-residential buildings with a usable floor area of 500 m2 when undergoing major or licensed refurbishment
1-1-2029	Existing public buildings with a usable floor area of more than 750 m2
1-1-2030	All new residential buildings and new covered adjacent parking facilities
1-1-2031	Existing public buildings with a usable floor area of more than 250 m2

The usable floor area is related to the roof area.

The PV installation obligation only applies insofar as it is <u>technically suitable</u> and <u>economically and functionally feasible</u>. When this is the case will have to be clear from the (amended) Bbl and the assessment of the licensing authority.



There had been an intention in the Netherlands for several years to make roofs of at least 250 m2 mandatory with PV installation, but that intention has been overtaken by the EPBD IV and has now also been officially scrapped.



# 2. Delayed permit acceleration (RED III)

The Third Renewable Energy Directive RED III (Directive EU/2018/2001) prescribes in Art. 16 accelerated (permit) procedures for the realisation of certain solar installations of:

- a maximum of three months for the combined PV installation with energy storage in or on buildings (existing construction and new construction); and
- a maximum of one month for PV installations up to 100 kW if the competent authority does not decide on time, a permit arises by operation of law (unless the connection needs to be enlarged).

This provision should have already been implemented in the Netherlands by 1 July 2024, but a bill will not be sent to Parliament until Q3 2025. It will therefor be quite some time before it can be used.



## 3. Other developments (EED and Solar Letter)

#### > Mandatory PV installation under energy saving obligation

When using 50,000 kWh electricity or 25,000 m3 natural gas (equivalent) annually, the energy saving obligation applies - all energy-saving measures with a payback period of five years (or less) must be implemented. This is subject to a standard list of (mandatory) recognised measures (EML).

The realisation of solar panels is such an EML if at least 2,000 m<sup>2</sup> of suitable roof area is available for installing at least 300 kWp of solar panels (and a connection of more than 3x80A is present). This obligation applies to both buildings (Environmental Buildings Decree) and companies/activities (Environmental Activities Decree ). The specific regulations for this are in the Environment Regulation.

Solar panels have been included as an EML since 1 January 2024, and companies must report every five years whether they have implemented the applicable EMLs. This means companies must implement the EML (if applicable) already in the short term. The active disclosure requirement allows the regulator to determine (relatively) quickly whether the obligations are being met.

#### > Cabinet publishes 3rd solar letter

The Cabinet published its <u>3rd parliamentary letter</u> on solar energy development ("solar letter") on 6 January 2025. The letter unfortunately contains few concrete measures that facilitate the roll-out of solar energy in the short term, but what some general points, such as:

- More solar energy on government buildings (and government land where allowed);
- Research and communication on mitigation effects end of balancing scheme
- Better integration of solar energy in the energy system (including congestion neutrality);



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