Pöyry Independent Market Report for the Netherlands is the definitive source for long-term Dutch wholesale electricity price projections

**KEY BENEFITS**
Relied upon and trusted by utilities, banks, funds and independent players, the Pöyry Independent Market Report (PIMR) for the Netherlands:

- presents our price projections out to 2040; underpinned by the most powerful market modelling available, Pöyry’s BID3 model, it properly reflects the highly interconnected Dutch market and the evolution in its capacity mix and demand dynamics
- identifies and provides understanding on the current market and regulatory issues relevant for those with existing Dutch power (thermal and/or renewable) assets or considering developing / acquiring new ones
- provide illustrations of the typical discounts to the market price (capture rates) for intermittent generators in the Dutch market

**DUTCH ENERGY POLICY: EVOLUTION TO A DECARBONISED ENERGY SECTOR**
The Netherlands is at a turning point following the Urgenda ruling and the subsequent non-binding motion accepted by the Dutch Parliament, in which the Government is required to deliver a 25% cut in its greenhouse gas emissions by 2020. This includes the possibility of a (partial) coal exit and the push for considerable increases in renewable capacity, notably offshore wind. Longer term, the Energy Agenda 2050 provides a non-binding direction towards a decarbonised energy sector for the Netherlands.

**RENEWABLES: MOVING TOWARDS SUBSIDY-FREE DEVELOPMENTS**
During 2016, the Dutch renewables market experienced record-breaking bids in its first two tenders for offshore wind, with both auctions won with much lower than expected prices (combined price for Borssele I & II of €72.7/MWh and Borssele III & IV of €54.5/MWh). Following the zero subsidy bids in the German offshore wind auctions during the first half of 2017, the Dutch Government is prepared for potentially similar results happening in forthcoming rounds for Dutch offshore wind sites.

**THERMAL GENERATION: OPERATING IN AN OVERSUPPLIED MARKET**
The operating environment for thermal plants in the Netherlands, particularly CCGTs, has been very challenging in recent years, fuelled by the substantial additions of new generation capacity in the Dutch market, including new coal capacity. Despite recent plant closures and mothballing there remains a significant oversupply and as such, further plants are to be mothballed; yet, others are being brought back to the market as spark spreads improve.

**MODELLING APPROACH**
BID3 is our linear optimisation model which analyses each hour across the year, based on historically consistent patterns of electricity demand, wind speed and other variables. It is used to project wholesale electricity prices.

BID3 is also used to model plant-specific load factors, capture prices and merit orders, and its hourly resolution is essential for assessing the operation of plant which requires wind and solar intermittency to be assessed with greater granularity (for example low load factor plant or storage technologies).
PÖYRY INDEPENDENT MARKET REPORTS

Pöyry Management Consulting produces Pöyry Independent Market Reports for electricity, gas and green certificate markets across Europe, the Americas and Asia.

Pöyry Management Consulting provides leading-edge consulting and advisory services covering the whole value chain in energy, forest and other process industries. Our energy practice is the leading provider of strategic, commercial, regulatory and policy advice to Europe’s energy markets.

Our team of energy specialists, located across 12 offices and 10 countries, offers unparalleled expertise in the rapidly changing energy sector.