



LTA1
• 1992

LTA2
• 2000

LTA3
• 2008

LEE
• 2009



Convenants results brochure

Long-Term Agreements on energy efficiency

2013

About the LEE and LTA3

In the long-term agreements on energy efficiency – LEE and LTA3 – the government and the business community together with other organisations reach voluntary agreements on energy savings, although these agreements come with obligations attached. The covenants are an initiative of the Ministry for Economic Affairs. The businesses are endeavouring to achieve a 30% efficiency improvement in the period 2005-2020 (average 1.5% per annum).

The LEE covenant (since 2009) is intended for large industrial companies for which participation in the European Union Emissions Trading System (ETS) is compulsory: the LEE participants fall wholly or partially under the ETS. LTA3 (since 2008) is the successor to LTA1 (1992) and LTA2 (2000) and is intended for non-ETS enterprises and municipalities. The focus in LTA3 is on process efficiency, supply chain efficiency and sustainable energy. LEE primarily concerns process efficiency and supply chain efficiency.

The long-term agreements are aligned with the national Energy Agreement for Sustainable Growth, signed in September 2013. In the Energy Agreement, the cabinet, employers, trade unions, environmental organisations, energy companies, provinces and municipalities have reached binding agreements to safeguard Dutch energy supply for the future. Energy saving is an important spearhead of the agreement. The aim is to achieve an average saving of 1.5 per cent per annum on final energy consumption, and a total saving of 100 PJ by 2020.

The long-term agreements LTA3 and LEE make an important contribution to the national objectives under the Energy Agreement. The covenants stimulate the government and business community to continue the joint exploration of opportunities to increase energy efficiency and sustainability in the Netherlands.

The success of the long-term agreements has not gone unnoticed. The large scale voluntary collaboration between businesses, institutions and the government is attracting plenty of international acknowledgement and is being imitated elsewhere. There is European interest in the LTA approach. And the Dutch model is already being introduced in parts of China, with the help of the Ministry for Economic Affairs.



A broad outline of the results ●●●●

A quarter of the total energy consumption in the Netherlands

At the beginning of the nineties, the first agreements between the Dutch government and industry regarding energy efficiency were made. Since then, the structure and content of the agreements has been regularly updated in line with the latest cabinet policy. These agreements are ratified in two covenants: the Long Term Agreement on Energy-Efficiency for ETS Companies (LEE) for businesses covered by the EU emissions trading system, and the Long Term Agreement on Energy Efficiency for other companies (LTA). Through the Long-Term Agreements on Energy Efficiency (LTA3/LEE), the Ministry for Economic Affairs is supporting achievement of the 20% reduction in CO₂ emissions by 2020 and attainment of the energy-saving objectives set out in the Energy Agreement on Sustainable Growth (Energy Agreement) which was signed in September 2013. The energy covenants are tools used by industry to achieve energy savings. Netherlands Enterprise Agency (RVO.nl) facilitates the agreements, encourages the companies to achieve high ambitions and monitors the results.

The agreements provide a platform in which a large number of Dutch companies participate, of which 111 companies (allocated across seven sectors) are part of the LEE and some 1,000 companies (across 33 sectors) participate in the LTA3. Together, the companies use some 829 PJ¹ of primary energy. This accounts for around 80% of total industrial energy consumption in the Netherlands and more or less one quarter of total energy consumption in the Netherlands.

¹ This is energy consumption for energy purposes and thus excludes consumption by energy carriers as a raw material (for example natural gas for ammonia or crude oil for petrol). This 'non-energy' consumption amounts to around 400 PJ (approximately half of industrial energy consumption. Source: Energy Trends 2012). If this is also included, the covenants account for around 35% of total Dutch energy consumption).

Integrated approach

The covenants were set up to achieve a significant improvement in energy efficiency. As a minimum, companies work towards energy saving measures which will deliver a return within five years. A good energy management system supports this process by focussing on new energy saving opportunities. The participants regularly draft and implement four-year energy efficiency plans (EEPs). The majority of sectors have also put together a roadmap covering longer term development through to 2030. The aim of these roadmaps is to achieve more sustainable and competitive sectors through continuous improvement and innovation. They will help not only in achieving energy costs savings, they will also strengthen the competitive position of the sectors and participating companies. The covenants work towards implementing the long-term roadmap by developing and implementing measures during the four-year plan periods.

Implementation of the current EEPs

2013 is the first year of the new plan period (2013-2016) for the EEPs. In 2013, a good start was made in implementing these plans as shown in [figure 1](#) and [figure 2](#). Implementation of the EEPs of the LTA3 companies is on track, in part due to process measures in the oil and gas production companies and a chain project in the rubber and plastics industry.

Implementation of the EEPs in the LEE covenant is, on average, also well on track: after just one year, almost three quarters of the minimum planned saving has been reached, in particular by good achievements in the chemical industry and refineries.



A broad outline of the results ●●●●

Savings achieved in 2013: approximately 340,000 Dutch households

Looking at both the covenants together, it is apparent that most of the energy saved is achieved by implementing measures to improve process efficiency. This reduces the volume of energy consumed in processes within the company. Compared to 2012, in 2013 a saving of 18.6 PJ (2.2%) was achieved of which 9.9 PJ was in the LEE covenant and 8.7 PJ in the LTA3 covenant. Furthermore, measures introduced in the production chain are yielding an additional saving of 4.2 PJ in the Netherlands. The production chain includes the process steps outside the company's own facilities from raw material extraction to the moment the product leaves the company, including distribution and final processing.

Measures concerning process efficiency and improvements in the production chain within the Netherlands together yield a saving of almost 22.8 PJ. This is the equivalent of the energy consumption of approximately 340,000 Dutch households. In addition, savings under the covenants are also being achieved

abroad. The LTA3 participants are also supporting the aims through more production and consumption of sustainable energy.

Savings achieved per covenant

Table 1 shows the results achieved in 2013 under the LEE covenant. Compared to 2012, the process efficiency improvement is 1.7% and the domestic production chain efficiency improvement is 0.4%. Overall, the efficiency improvement compared to 2012 is 2.1%. The efficiency improvement since 2009 is a total of 6.6%.

Figure 1 compares the 2013 savings per sector for the LEE covenant against the planned savings in the current EEP period (2013-2016). In 2016, the metallurgical industry achieved the biggest savings on its own energy consumption. The chemical industry comes closest to the planned savings in 2016.

Table 1 – LEE results in 2013

	Results in 2013 compared with				Average per annum (%)
	2012 (PJ)	2012 (%)	2009 (PJ)	2009 (%)	
Process efficiency (*)	9.9	1.7%	32.8	5.3%	1.3%
Production chain efficiency	1.7		8.5		
domestic (*)	2.4	0.4%	7.8	1.3%	0.3%
foreign	-0.7		0.7		
Product chain efficiency	3.4		7.7		
Total covenant result	15.0		49.0		
Total national result (*)	12.3	2.1%	40.6	6.6%	1.7%

(*) As agreed, only the chain savings from the production chain in the Netherlands and process efficiency measures are included in the calculation of domestic savings.

A broad outline of the results ●●●●

The negative result in the paper and board industry can be attributed to lower savings in the chain; this sector already reported high savings in the supply chain in 2012. The saving achieved through recycling was partly reduced because of a decline in the sale of recycled products.

Table 2 shows the results achieved in 2013 under the LTA3 covenant. Compared to 2012, the process efficiency improvement is 3.4% and the domestic production chain efficiency improvement is 0.6%. Compared to 2012, the total efficiency improvement is thus 4.0%. Compared to 2005, this total is 17.6%.

Figure 2 compares the 2013 savings per sector for the LTA3 covenant against the planned savings in the current EEP period. The textile industry and the rubber and plastics industry have achieved the biggest saving in 2013 compared with the planned saving for this EEP.

Figure 1 – Maximum planned saving for 2013-2016 versus the saving achieved in 2013 under the LEE covenant (process efficiency plus supply chain efficiency)

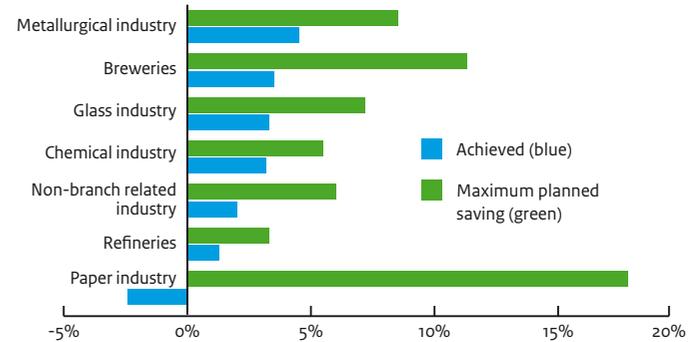


Table 2 – LTA3 results in 2013

	Results in 2013 compared with				Average per annum (%)
	2012 (PJ)	2012 (%)	2005 (PJ)	2005 (%)	
Process efficiency (*)	8.7	3.4%	35.2	15.7%	2.0%
Production chain efficiency	2.4		4.9		
domestic(*)	1.8	0.6%	3.9	1.8%	0.2%
foreign	0.6		1.0		
Product chain efficiency	2.0		4.2		
Sustainable energy generated	0.4		1.9		
Sustainable energy bought-in	3.0		36.3		
Total covenant result	16.4		82.4		
Total national result (*)	10.5	4.0%	39.0	17.6%	2.2%

(*) As agreed, only the chain savings from the production chain in the Netherlands and process efficiency measures are included in the calculation of domestic savings.

A broad outline of the results ●●●●

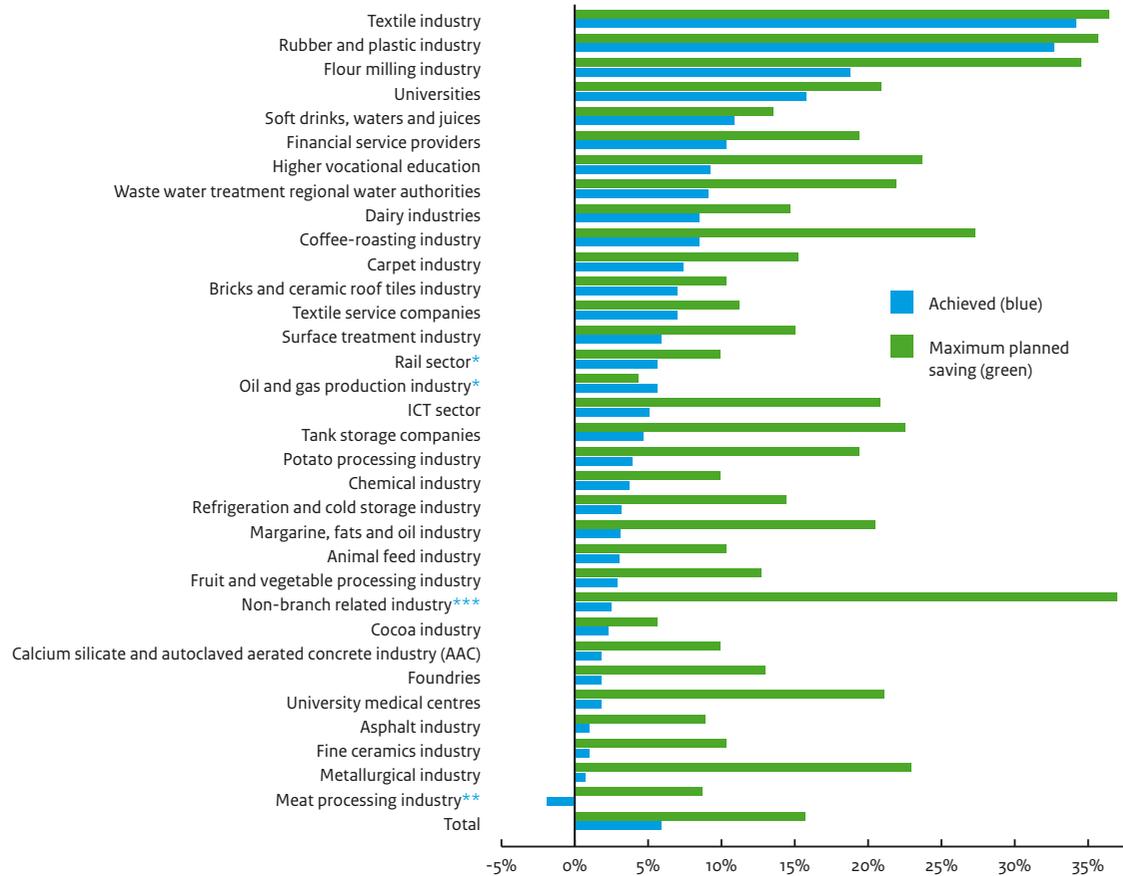


Figure 2 – Maximum planned saving for 2013-2016 versus the saving achieved in 2013 under the LTA covenant (process efficiency, supply chain efficiency and sustainable energy)

- * The rail sector and the oil and gas production industry have an LTA in place for the period 2011-2016. The values shown here are based on the objective for 2016 compared with the result already achieved in 2012.
- ** The objective and the result in the meat processing industry are heavily affected by one large company having left. No correction has been made for this.
- *** The LTA for the non-branch related industry has been modified following the admission of 23 graphic media companies.

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