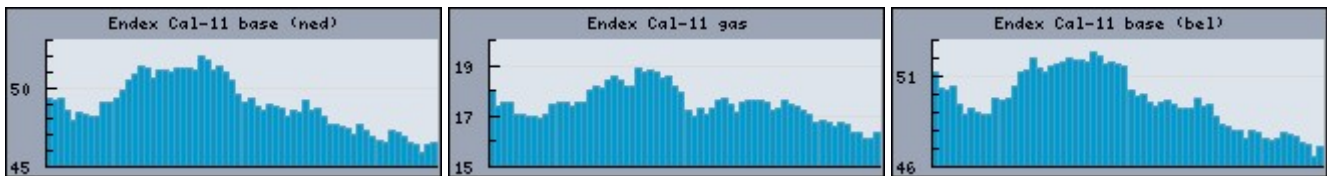


# Benelux in Brief

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Energeia's daily on line news from the power-and-gas markets in The Netherlands and Belgium



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## German cut-price gas company Goldgas to target Dutch and Belgian markets

**Goldgas, a small but rapidly growing newcomer on the German natural gas market, is also planning to target the Dutch, Belgian and Austrian markets, Goldgas director Michael Notzon told Energeia. Goldgas, a low-cost operator active exclusively via internet, is signing up 20,000 German clients a month, Notzon said.**

According to Goldgas' own figures, the company has built a customer base of 130,000 retail customers and 280 high-volume users since it started operating in early 2009, and these customers are expected to consume 6 TWh of gas in 2010 generating expected revenue of EUR 230 mln. Since the fourth quarter of last year Goldgas has been able to supply anywhere in Germany.



Goldgas is the 2010 main sponsor of the German Handball Association and the national men's handball squad. On the right, Goldgas director Michael Notzon.  
(Source: Goldgas)

Established by Notzon in 2006, Goldgas has a radical business model. "If you are unknown and have no marketing budget, you're best off being 100% online. And for online companies being cheap is by far the most important thing."

Which Goldgas is. The company holds great attraction for consumers searching online for a new supplier. 80% of all new customers sign up via price comparison sites such as Verivox.de. The remaining 20% are signed up via the company's own website Goldgas.de.

Goldgas' strategy is based on outsourcing as many business processes as possible, including administrative processing of the switching procedure, the customer information centre, invoicing, collection and dispatching. Notzon declined to disclose who is responsible for dispatching but the company does a lot of business with Regiocom on the customer side.

Goldgas itself employs fewer than 20 people, who are primarily responsible for supervising the operating companies ("they don't run of their own accord"), where a total of around 100 people work on behalf of Goldgas. Strategic and multi-site customers are handled in-house, as are product and market development. Legal and financial expertise are also kept in-house.

Gas is purchased by Swiss-based subsidiary Goldgas Trading. Notzon makes no secret of the fact that his company buys mainly short gas contracts, allowing it to benefit from the price difference compared with the more expensive longer contracts. Goldgas is extremely flexible in the prices it quotes. Each new customer is given a price proposal which is 50% based on the real-time price situation. "But we're not crazy. We know perfectly well that this advantage will come to an end eventually, at which time we will adjust our purchasing accordingly," said Notzon. "Under all circumstances we make a profit on every customer we supply."

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Notzon revealed that the Goldgas purchasers are often active at the Zeebrugge hub. It is no coincidence that Germany's gas interconnection capacity with Belgium is subject to far fewer restrictions than with its other neighbouring countries. Goldgas expressly wants to supply its German customers with LNG coming through Zeebrugge and has already secured the necessary transport capacity, said Notzon. Under an agreement with Zeebrugge supplier Sonatrach Goldgas can bid for any parties of LNG looking for an owner.

## **Ambitious, but not in a hurry?**

*Notzon told Energieia that Goldgas wants to start operating on the Dutch and Belgian markets under its own name as soon as the second half of this year. However, the Dutch Office of Energy Regulation (Energiekamer) said it has received no application for a supply licence. Nor have the URLs goldgas.nl and goldgas.be been claimed to date, though the company has registered the domain name goldgas.eu.*

## **Delta shareholders can buy company's stake in Evides for EUR 180 mln – report**

**Zeeland-based energy company Delta is offering the 50% stake it holds in water company Evides to its own shareholders for EUR 180 mln in a move to spare its own finances, Dutch newspaper Het Financieele Dagblad reported, citing Delta CEO Peter Boerma.**

The reported offer comes as a surprise, as back in November Delta said it had decided to hold on to its interest in Evides for the time being and it would no longer be looking at alternative strategies. Delta's shareholders are for the most provincial authorities: the province of Zeeland itself owns 50% while the remainder is largely held by a number of municipalities in Zeeland.

According to the paper, the municipalities have not yet decided whether they will take up Delta's offer. The Financieele Dagblad cited provincial executive deputy Cees van Beveren as saying the municipalities will probably not take a decision until after the local elections, which could take some time.

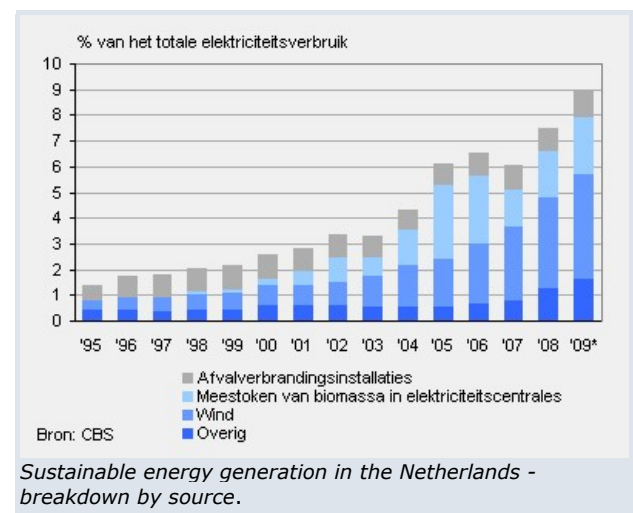
Finances are an important issue is Delta's splitting off Evides from its commercial activities. When ownership of Evides is transferred to Delta's shareholders the energy company will lose the water company's cash flow and income, as these will go directly to the shareholders from then on. This would jeopardise Delta's creditworthiness and the company would be able to borrow money for investments only against much higher interest rates.

Delta splitting off Evides is a result of the new Drinking Water Act, which stipulates that only public authorities can own water companies. Although Jacqueline Cramer, minister for Housing, Spatial Planning and the Environment, has said she will not force a split she does prefer direct ownership of the utility to be held by public authorities.

## **Dutch green energy production up in 2009 due to wind and biomass**

**The production of sustainable electricity in the Netherlands rose to nearly 9% of total domestic consumption in 2009, according to a report by Statistics Netherlands (CBS). That means that the Dutch government has already nearly achieved its sustainable electricity target of 9% in 2010.**

Production was up around 1.5 percentage point from 7.5% in 2008. About 1 percentage point of the increase was due to a rise in the production of sustainable electricity. At the same time there was a 5% drop in overall electricity consumption in the Netherlands. This resulted in a rise in the share of sustainable electricity of about 0.5 percentage point.



The wind and biomass sectors were the main contributors of growth in the past year. This meant a continuation of the upward trend seen in 2008, helped by new subsidies after a number of lean years. According to CBS, auxiliary firing was up 20% from 2008, even though it only takes place in a limited number of plants. That means that exceptional circumstances at one plant can have a large impact on the figures. Separately, more electricity was generated from biomass. Various new plants were opened, while plants operating in 2008 provided more energy in 2009 because they were only operational for part of 2008 due to start-up problems.

Despite the fact that it was less windy in 2009 than a year earlier, the more than 2,000 wind turbines in the country produced 8% more electricity. The reason for this was that many new and larger turbines came into operation in the course of 2008 and 2009. Wind energy accounted for nearly half of the sustainable energy generated in the Netherlands.

Domestic demand for green energy is still much higher than production, with demand at 26 TWh (or 23% of electricity consumption) compared to a production of nearly 10 TWh. Consequently, 17 TWh of green energy was imported in the past year.

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## Eneco to bring forward announcement of details for three-way split - trade union

**Eneco will announce the details of its plan for a three-way legal and organisational split on 1 May, according to Oskar van Rijswijk, energy sector officer of the public sector union Abvakabo-FNV following social talks with the Rotterdam-based energy company. Van Rijswijk said 1 May is several months earlier than the previously expected date for announcement of the reorganisation plan.**

By 1 January 2011 at the latest Eneco will spin off both its grid operator Stedin and its infra unit Joulz as independent units. It is as yet unclear what this will mean for the staff and the structure of the group. The reorganisation is being brought forward because the third arm of the group, production and supply company Eneco Energie, wants to tap its public shareholders for extra capital.

Van Rijswijk said shareholders need clarity regarding the future structure of the group before they can reach an informed decision about providing a capital injection.

Eneco wants to leave it up to the three future units to decide how the reorganisation will effect staff. While the "initial feeling" is that cuts will be needed in order to achieve cost-efficient positioning of Eneco Energie, Joulz and Stedin in the market, Van Rijswijk said nothing is concrete yet.

While the loss of relative size is likely to result in a scaling down of overhead functions, the three-way split will at the same time create the need for more staff. Personnel administration, for example, will no longer be centralised but Joulz, Eneco and Stedin will each have its own department. "And for example you will need three boards of management," said Van Rijswijk. However, Eneco is also perceived as having 'a lot of flesh on its bones,' so it remains to be seen how these various issues will be dealt with.

Eneco itself was not prepared to elaborate at this time.

Abvakabo FNV reached a 'social accord' with Eneco in 2009, which expires on 31 December. It is not yet clear whether this accord will be adapted to accommodate the new situation following the three-way split.

## NLEnergie interested in buying Oxxio

**Rotterdam-based NLEnergie (Nederlandse Energiemaatschappij) is interested in buying rival Oxxio, which UK parent company Centrica is planning to put up for sale. "We have a serious interest," said NLEnergie CEO Pieter Schoen.**

The company, which currently has some 540,000 customers, wants to have 2 mln customers by 2012 – a target which would receive a considerable boost from a takeover of Oxxio, which has 800,000 customers. Oxxio said it "will not be very long before the formal selling process will start" but did not provide any further details.

"The market is quite fragmented, and increasing our scale is important now," said Schoen.

Oxxio and NLEnergie are currently number 4 and 5 respectively on the list of energy suppliers. "Together we could become an unbeatable number four on the Dutch energy market."

Schoen acknowledged there are more parties interested in acquiring Oxxio, but they are established players. "We have a fresh view of the energy market." NLEnergie is currently investigating possible ways of financing the acquisition. It may link up with banks, an investment fund, a strategic partner such as another energy firm, or a combination of one or more of these. Neither Oxxio nor NLEnergie wanted to be drawn on details of a possible offer or price.

Schoen said he has no plans to sell the company. "That would be a waste, Nederlandse Energiemaatschappij still has enormous potential." According to the CEO the company's organic growth was 40 to 50% in 2009 and there are no signs this growth is abating in 2010. He acknowledges that selling might be considered a logical option in view of the size of NLEnergie and competitors such as Electrabel. "It's all about momentum. When is a good time to start looking for a strategic partner? When you're still growing rapidly, or when you're ready to take the next step and invest?"

Acquiring Oxxio is not the only way NLEnergie wants to achieve growth. The company also wants to capture the Dutch SME market as well as the Belgian market this year. "It's time for the next step," Schoen said, denying NLEnergie is doing too much at the same time. "First Oxxio, and once that is completed we'll enter the SME market and subsequently we'll head to Belgium."

If NLEnergie continues to grow at its current rate, it might even take the next step and start producing electricity itself. A takeover of Oxxio would fit nicely in that respect, as Oxxio hopes to have a plant operational in the second quarter of this year.

## Eneco in deal with JCDecaux to supply green energy for Dutch street furniture

**Eneco is to supply green energy to illuminate around 10,000 street furniture objects owned by JCDecaux Nederland. The contract, for 10 GWh per year, will cover objects in some 50 municipalities in the Netherlands, the companies announced.**

Street furniture includes bus shelters, map and information panels, multi-service columns as well as billboards, according to Eneco spokesman Cor de Ruijter. JCDecaux is number one worldwide for street furniture and is the second largest outdoor advertising specialist in the world, with a strong focus on sustainability.

This focus on sustainability was the reason why the Dutch unit of JCDecaux went into business with Eneco, without even inviting other companies for tenders, De Ruijter said.

The deal is the first in "a series of planned joint activities that are intended to lead to a greener public space." According to Eneco director Kees-Jan Rameau the companies "already have fully detailed plans in place for

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further steps, for example the joint development of charging points for electric cars in cities. This is in perfect tune with our strategy aimed at going from being merely an energy supplier to becoming a provider of sustainable energy solutions."

## Eneco to supply PV cells for charger in Belgian carport pilot project

**The West Flemish municipality of Spiere-Helkijn is teaming up with local carport maker Solid and energy supplier Eneco to realise a carport with an electric charging station at the Nieuw Centrum municipal complex. Eneco will supply the PV cells for the charger. The municipality hopes the pilot project will set a good example.**

"When we heard that the municipality was planning to buy an electric vehicle, we quickly made the link with a carport, solar panels and a charging point," said Filip Kindt, operations manager at Solid, which builds wooden carports fitted with PV panels. "We sell made-to-measure wooden carports -with FSC or PEFC certification- via the DIY market. From now on we will also offer the possibility of fitting them with multicrystalline solar panels, as well as the additional option of a charging point."

It is not yet clear how big the municipal carport will actually be, though earlier plans involved 24 cars and two charging points.

Spiere-based Solid employs 100 people and generates turnover of EUR 50 mln. The company makes various types of wooden garden equipment and operates internationally. Kindt said there are plans to place solar panels on the factory building in Spiere. "That's currently at the study phase with Eneco." He declined to name any figures.

The Solid Group consists of eight companies, including Lefibo, which plans to erect a wind turbine with Eneco in Zulte. The wood processing firm also produces biomass. "We already supply 20 truckloads of biomass a day to Electrabel," says Kindt. "We have a pellet project on the drawing board and are looking into the possibility of building a pellet plant." The company has 10,000 tonnes of solid dry wood waste which can be directly processed into pellets. In addition, the sawmill produces an annual 132,000 cubic metres of residual waste. "If we were to start drying that too...It's all still under discussion."

## Greenchoice plans to build 10MW hydroelectric power station in the Meuse

**Energy firm Greenchoice plans to build a hydroelectric power station in the river Meuse in the Dutch province of Limburg. The signatures were placed a week and a half ago, director of business development Michiel Rexwinkel told Energieia. The project involves three turbines which together generate a maximum of 10 to 11 MW being placed in the Meuse near the town of Borgharen - the point where the Meuse has a 4.5 metre drop and sufficient water to keep the turbines running.**

Greenchoice is working together with International Hydro and local engineer Anton van der Boom on the project. "Van der Boom has been pushing the project for a long time," said Rexwinkel. Greenchoice is investing part of the EUR 30 to 40 mln needed for the project. "We've got the green light," Rexwinkel said, adding that he expects the mountain of permits needed for the project to be granted.

Greenchoice wants to take the next step as an energy supplier. "We want to operate more securely," the director said. Greenchoice will invest more often in sustainable projects. This is possible because the company does not distribute its profits. Now there is enough money available to invest with own funds or subordinate loans, Rexwinkel said.

The energy firm does not necessarily have to have 100% ownership of investments but is willing to take a "10, 20, 30 or 40%" stake. "After all, we are an energy supplier that wants people with more knowledge about production to be doing that," Rexwinkel explained. Of course Greenchoice would like to supply its customers with the sustainable energy. "We hope to expand even more," he added, confirming that the company is working on ideas for a biomass plant but declining to provide any details.

## Nuon helps Almere with EUR 2.5 mln sustainable energy fund

**Dutch energy firm Nuon and Almere have created 'Energiefonds Poort', an energy fund aimed at helping the municipality achieve its sustainability ambitions. Nuon is providing EUR 2.5 mln for the fund which Almere will manage.**

Henk Dekker, Nuon director of Heat, and Almere city councillors Martine Visser and Adri Duivesteijn formally signed the agreement last week, before which an amount of EUR 250,000 had been made available to finance an initiative that gives kids the opportunity to build a sustainable house.

Nuon spokeswoman Ariane Volz told Energieia is an extension of a contract that the energy firm signed with Almere in 2004. Nuon won a tender to provide energy in the city district Almere Poort. The energy firm was to create an electricity and heating grid, the latter with heat provided by a new biomass plant. The plan was later revised to replace the biomass plant by residual heat from the combined heat and power plant that Nuon is building in Diemen.

The contract also stipulated the provision of thousands of square metres of solar panels, which Nuon has executed in the form of a solar island. In a more general sense, Nuon also agreed to help Almere achieve its ambitions in the field of sustainability and the creation of the energy fund is part of this.

The 'Energiefonds Poort' is managed by the municipality of Almere, while the board of supervisors consists of a city councillor and the director of Nuon Heating. The board sees to it that the funds are used efficiently.

According to the city there are three funding options. "One is an investment in sustainable energy that is earned back."

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Proceeds can be returned to the fund and reinvested in sustainable energy. The second option is to use the fund "to stand surety for sustainable energy investments made by non-commercial organisations" and the third is making "a series of one-off investments to help launch and bring attention to innovative sustainable energy projects."

## Dutch energy consumption unchanged in January amid further signs of recovery

**Energy consumption in the Netherlands in January was unchanged from December and was down 6.8% versus the same month in 2009, but the rate of decline decreased further when compared to the preceding months, according to figures from national grid operator Tennet.**

Energy consumption had been falling since the end of 2008 but that trend was reversed in November 2009, noted Tennet spokesman Stefan Wesselink. Consumption is still declining but the rate of decline has been slowing. Energy consumption was down the most in October 2009, falling by 7.6%. The year-on-year decline in November 2009 was 7.4% while December showed a 7% drop and the January 2010 figure has sparked further hopes of an economic recovery.

Tennet does not specify a reason for the decline. "According to some economists, energy consumption reflects the state of the economy, but we do not wish to go that far," Wesselink said. Tennet did not observe any unusual details in the past month.

Tennet does not simply compare one month to the next but it uses adjusted figures, comparing the month's total plus the previous eleven months to a year ago. This way, peaks as a result of the weather or the amount of sunlight are eliminated from the graphs.

The figures published by Tennet represent around 94 pct of total electricity consumption in the Netherlands. 6% of all electricity never enters the national grid as it is generated and consumed locally, for example by wind turbines, CHP units, generators or solar cells.



(Source: Tennet)

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