

Subject: Google Response to Public Consultation on the Design of the Feed-in Tariff (Case Number: ACM/23/182950)

Introduction

Google welcomes the opportunity to respond to the ACM's consultation (ACM/23/182950) on the design of a feed-in tariff. As one of the largest corporate buyers of renewable energy, with over 1 gigawatt (GW) of contracted clean energy generation capacity in the Netherlands through Power Purchase Agreements (PPAs), we are deeply committed to the Dutch energy transition. A primary example of this commitment is our [recent agreement](#) with Shell to purchase the output of the NoordzeeWind offshore farm, ensuring existing carbon-free energy resources remain on the grid that would otherwise have retired.

Our global goal of operating on 24/7 Carbon-Free Energy (CFE) by 2030 has driven substantial investment into local infrastructure. Through long-term PPAs, we enable the financial realization of unsubsidized wind and solar projects without burdening the public.

While we fully support the ACM's objectives of achieving cost reflectivity and efficient grid utilization, we are concerned that the proposed feed-in tariff - due to its potential magnitude and application to existing projects - will undermine the Netherlands' climate targets. We believe this shift risks destabilizing the corporate PPA market, compromising national security of supply, and increasing total costs for end-users.

1. Market Distortion and International Competitiveness

The interconnected nature of the European grid means that Dutch policy is most effective when viewed in relation to the regulatory frameworks of connected markets, particularly Germany and Belgium. We are concerned that a feed-in tariff set at a higher level compared to neighboring markets, will create a financial burden for domestic generation that does not exist for competitors across the border.

TenneT's EVC analysis (01/09/2025)¹ confirms that the proposed charges create a 'competitive disadvantage' for Dutch units. Specifically, Dutch assets will be forced up the merit order, resulting in artificial curtailment as they move higher compared to foreign units not facing similar charges. TenneT's data quantifies potential severe market distortion. Under the high tariff scenario, the Netherlands significantly deepens its net import position (-40.7 TWh, representing a negative swing of 14.1 TWh compared to the baseline).

Furthermore, [CE Delft analysis](#) identifies a resulting 'substitution effect', where rising domestic production costs risk pricing out local renewable generation in favor of imports or higher-carbon domestic gas generation. A feed-in tariff that is not harmonized with EU standards risks placing domestic production at a disadvantage. For example, in Belgium, while initial discussions

¹ References to TenneT's Economic Viability Check (EVC) analysis(01/09/2025): 'Assessing the potential impact of injection charges on the economic viability of Dutch power plants'

considered higher rates, the finalized tariffs for the 2024–2027 regulatory period reflect a cautious approach to preserve competitiveness. The core tariff was set at €1.05/MWh. At the same time in Germany, transmission grid fees for generators are €0/MWh.

Recommendation: Align Tariff with Competitive Levels: We recommend that the ACM benchmarks the tariff against EU markets to ensure a level playing field.

2. Risk of Increased Costs for Grid-Users

Producers are likely to internalize the feed-in tariff and pass it through to wholesale electricity prices. The [CE Delft analysis](#) indicates this could lead to a rise in wholesale prices of approximately 10%. For 24/7 CFE buyers, the ‘Green Premium’ or PPA price is linked to wholesale benchmarks. Data from the July 2025 ACM Sounding Board Group² projects grid tariff reduction at 6-18%, this however does not offset the potential 10% increase in commodity prices for industrial users with large energy volumes.

Recommendation: Validate the Total Cost to Consumer: We recommend that the ACM assesses the proposal based on the total cost to the consumer (Grid Tariff + Commodity Price), rather than focusing solely on the grid tariff component. Before implementation, we suggest commissioning a follow-up study to quantify the exact effect on total consumer bills.

3. Disruption of Corporate Power Purchase Agreements

Corporate PPAs are a key component of the energy transition, providing the long-term price certainty required for unsubsidized projects to reach Final Investment Decision (FID). These contracts often operate on thin margins with fixed pricing structures locked in for 10–15 years.

The implementation of new feed-in tariffs for existing projects, as suggested, would represent a retroactive regulatory change. Most legacy contracts do not contain mechanisms to absorb regulatory costs of this magnitude without affecting project economics. Applying this tariff retroactively could introduce administrative complexity and potentially signal to international investors that regulatory frameworks are subject to significant shifts.

Furthermore, data from the July 2025 ACM Sounding Board Group reveals that volatility is a structural feature of the proposed methodology. The ACM’s retrospective analysis shows that tariffs would have fluctuated between approximately €1.50 and €13.00/MWh depending on the year. Such extreme variance renders long-term PPA pricing commercially unviable.

Recommendation: Grandfathering approach and Volatility Cap: To preserve investment security, Google recommends that the ACM adopts a Grandfathering approach - if a new tariff is introduced, it should apply only to new grid connection agreements signed after the date of the final decision (or a future implementation date). Existing projects should ideally remain under

² Authority for Consumers and Markets (ACM) (2025, July 2), Klankbordgroep Invoedingstarief (PowerPoint slides), presented at the Sounding Board Group for Feed-in Tariffs

the regime in place at the time of their FID. If total exemption is not feasible, we suggest a clearly defined, long-term phase-out period to allow existing PPAs to run their course.

We also recommend that the ACM cap the 'Ancillary Services' and 'Grid Losses' components to prevent unmanageable volatility.

4. Security of Supply and Offshore Wind Viability

The TenneT EVC analysis (01/09/2025) confirms that the proposed tariff levels could cause the Netherlands to violate its statutory reliability standards. Specifically, TenneT projects that under the 'High Tariff' scenario, the Loss of Load Expectation (LOLE) rises to 8.3 hours per year, which is more than double the statutory maximum of 4.0 hours.

The Netherlands has strategically anchored its energy transition on the successful deployment of large-scale offshore wind in the North Sea. Offshore wind projects are characterized by high CAPEX requirements and tight operational margins. [CE Delft](#) warns that the introduction of this tariff could cause 25% to 50% of new projects to be cancelled or fail to reach FID. TenneT further identifies specific structural headwinds:

- Revenue Erosion: Dutch offshore wind will face significant revenue reductions as the specific annual net revenue for RES plants decreases;
- Merit Order Shifts: By increasing short-run marginal costs, Dutch units are shifted higher in the merit order, resulting in fewer equivalent full-load operating hours;
- Increased Curtailment: Dutch renewables are projected to face higher curtailment in favor of foreign generation that does not face similar injection charges.

Google has already signed PPAs with several offshore wind farms in the Netherlands to support our goal of 24/7 Carbon-Free Energy by 2030. This includes over 1+ GW of investments enabling renewable energy in the Netherlands, including offshore wind life extensions. We wish to caution the ACM that the current business case for offshore wind is already extremely challenging. Introducing additional costs at this stage puts the FID for projects currently in development at significant risk. Failure to reach FID for these assets represents a structural threat to the Netherlands' 2030 offshore roadmap.

Recommendation: Exemptions for Offshore Wind

We recommend that the ACM considers specific exemptions or a capped alternative mechanism for offshore wind to ensure that national generation targets remain achievable and attractive to developers.

Conclusion

Google remains deeply committed to the Netherlands and to supporting the acceleration of the national energy transition. We look forward to providing further input and continuing this constructive dialogue with the ACM to help ensure a robust and competitive energy future for the Netherlands.