



## LEGAL CONTOURS SHAPE ENERGY INNOVATION

*'The energy sector is very important for the Dutch economy,' says lawyer Hans Koenders of Dorhout Advocaten. 'Energy use is growing, while the supply of fossil fuels is shrinking,' he says. 'That makes innovation in the energy sector crucial.' To ensure that this development unfolds as well as possible, legal knowledge is crucial: 'Not only of energy law, but also of the various issues surrounding that.'*



Hans Koenders

Dorhout Advocaten originally specialized in insolvency practice, individual and family law and entrepreneurship and government. A few years ago, Koenders added a new department to the team entrepreneurship and government, one focussed on issues related to energy. An important part of that new group's business comes from the energy sector. The nearly 100-year-old law firm considers its Groningen location a happy accident. 'The city is known as the energy capital of the Netherlands,' explains Koenders. Not only is Gasunie energy company located in Groningen, but also a host of companies focused on innovative energy solutions. 'There is almost €23 billion in the sector in this region,' Koenders adds.

A good example of the changing nature of energy is the increased use of liquefied natural gas (LNG). 'The fuel is environmentally aware and more friendly to use. For an operation such as shipping in the North and Baltic Seas to succeed, storage facilities will need to be constructed,' Koenders says. 'Groningen would be an ideal place for such an LNG terminal.' Although Koenders works with some of the biggest players in the energy market, his focus extends beyond large companies. In addition to Gasunie, GDF Suez and a number of network operators and corporations, Dorhout's clients include several small businesses. The lawyer meets many of these clients through Energie Kenniscentrum, an organisation with nearly 350 members focused on knowledge exchange and contact among the various players in the Groningen energy sector.

### EUROPE

According to Koenders, the large number of regulations keeping it in check hampers the energy sector. These regulations begin at the national level--innovation and energy are politically sensitive topics, and legislation is not very

consistent--but also come from the European level as well. For example, a couple of years ago Brussels adopted the Derde Energiepakket (Third Energy Package), a series of measures that let more players into the market, thereby increasing competition and environmental awareness.

According to Koenders, legislation works terribly for energy companies. He remains positive nonetheless. 'The law creates contours within which you can work and be an entrepreneur,' he explains. 'You should not see the laws as a threat, but as an opportunity. I think it's important to be keenly aware of products and developments in the market,' Koenders adds.

In addition to his work on the legal side of energy, Dorhout supports doctoral research at the Rijksuniversiteit Groningen (University of Groningen), in the field of energy law. The lawyer has also been closely involved with the Hanzehogeschool's Energiekenniscentrum (Energy Research Centre), and in particular with Flexinet, a project in which students and researchers seek out ways to generate energy locally. Thirty-five partners from industry and government support Hansa Energy Corridor.

According to conventional wisdom, decentralization is another strong development in the energy sector. 'The government encourages citizens and local businesses to get a better grip on the use and production of energy,' says Koenders. There is still much to be gained from such changes, he adds. 'With the development of energy corporations and the lack of case law regarding future developments in the energy market, many legal questions remain. The answers to such questions are important for the success of the transition from a purely central power supply to a combination of centralized and decentralized energy generation and storage.'