

Energy Transition Oostpoort (ETO), the residents' initiative for the energy transition in Oostpoort 7 and 11. ETO is a committee of VvE Oostpoort 7 and 11.

October 20, 2024

In this ETO Newsletter:

- The members' meeting of Oostpoort 7 approves the ETO project approach and allocates a budget for project phase 1.2
- Oostpoort 11 will vote on the ETO proposals on November 5th
- Legal aspects of VvE¹ decision-making on energy transition projects: objection procedure may provide clarity
- Now is the moment to make decisions
- NOS/CE Delft: 'Gas users will face increasing costs'
- FAQs: Questions and answers regarding the Oostpoort energy transition

This is Newsletter #11 from Energy Transition Oostpoort. With it we intend to provide some extra explanation on the project proposal that has been submitted to the General Meeting of Members of Oostpoort 11 Woningen on 5 November. (The Owner Association of Oostpoort 7, which is partnering in this project, already decided earlier in favor of the proposals.) We are happy to provide any additional explanation where needed. It is quite a complex matter. Do not hesitate to contact us personally with any questions, comments, or translation issues. See also the ETO-website. Questions, remarks? Just send an email to

energietransitieoostpoort@gmail.

The general members' meeting of Oostpoort 7 approved the ETO project proposal in June with the required 'qualified majority.' The meeting has thus given the board and committee a mandate, along with the corresponding budget, to initiate the 'selection phase': which of the <u>four scenarios</u> for sustainable heating and cooling as presented by the engineering firm TechniPlan is the best fit for block 7? And how could this best be financed? What organizational structure is most suitable?

This project proposal was developed by the ETO committee on behalf of the residential VvEs Oostpoort 7 and 11 to facilitate the transition to sustainable heating and cooling for our apartment blocks, based on the four scenarios from TechniPlan.

The members of VvE Oostpoort 11 have also received the meeting documents with the project proposal. On Tuesday, November 5th, at the ALV², they will have the opportunity to vote on their future energy supply. Here too, the board and committee hope for a strong attendance!

¹ VvE = Owners Association

² ALV = General Owners Meeting



Phase 1.2: Engaging professionals

In the proposed project approach, members are asked to agree with the intent and direction of the project – moving towards sustainable heating and cooling based on the options outlined by Techniplan. Additionally, they are asked to allocate a budget for the first project phase (subphase 1.2). This budget is needed to answer essential questions with the support of professionals in various fields. Which technical option is preferable? How does the goal of a budget-neutral transition affect individual owners? Questions related to financing, legal structuring of the exploitation, and organization are also addressed in this (sub)phase. Answers to these questions are needed to make further decisions, including developing the selected technical concept, processing individual choices, financing, contracting, etc.

Financing the costs of phase 1.2

The costs of the selection phase will need to be financed through the VvEs. For Oostpoort 7, the VvE will pre-finance the costs initially. The aim is for these to eventually be included in the total development budget if the VvEs decide to proceed with the project. The board of VvE block 11 prefers a mixed approach: approximately one-third of the costs from operational results and two-thirds covered through a temporary contribution.

With the proposed phased approach, ETO aims to allow adjustments to be made at each phase. This way, we, as members, maintain control over the overall process, and costs can be managed.

ALV Oostpoort 7: Approval after extensive discussions

On July 3rd, the residential block Oostpoort 7 voted in favor of the ETO proposal in a general members' meeting.

Mareijn Willems (Chair of VvE Oostpoort 7 Wonen): "In the ALV on July 3rd and the weeks leading up to it, there has been a lot of involvement, discussion, and enthusiasm from the members. Every aspect of the project has been discussed, with the debates often touching on fundamental issues, such as the impact on property value, the financial commitments involved, and the legal feasibility of this project. A large majority expressed their intention to transition our heating supply to sustainable alternatives, giving us the mandate to clarify what sustainability will mean for our block and each individual apartment in the selection phase. However, after the meeting, one member submitted a request to the court to annul the decision, which means we will not approve any external expenditures while awaiting the outcome of this process."

'Qualified majority' and legal strength

The current process in Oostpoort 7 requires some reflection on the role of a VvE. The primary responsibility of VvEs is to *maintain* existing common property, which requires costs that members vote on. The majority rules. Once a valid majority decision is made, dissenting members must comply. However, when the decision relates to *renewal* rather than maintenance, a simple majority is insufficient. A 'qualified majority' is then required (a quorum of two-thirds of the total votes, with at least two-thirds of the votes cast in favor). This allows a VvE to approve the installation of a new collective facility (such as central pipes for heating and cooling from a WKO source). Still, a qualified majority is not an absolute majority: there will likely still be members who oppose such



a change. VvE regulations stipulate that dissenting members must also contribute to the costs associated with the chosen change. Will such a decision hold up in court? This will become clear in the ongoing legal proceedings following the ETO decision of Oostpoort 7 (residential) on July 3rd.

Mareijn Willems: "This legal inquiry into the strength of the decisions is part of the process. The energy transition is still largely unexplored territory for VvEs. A court ruling will bring clarity, which is a win. Oostpoort 11 can take this into account in its decision-making."

Now is the time to make decisions

The ETO committee presents the VvE with a decision that must be carefully considered. It is not a 'no regret' in the sense of 'nothing ventured, nothing gained.' It is a choice based on an analysis of future prospects combined with sound research on what current technology offers us to be prepared in time. Through this project, Oostpoort now has a choice.

-The ETO choice: preparing for how we think the future will unfold and seizing collective opportunities as a VvE. The technology is available – there are four concrete, feasible, and sustainable scenarios that could be suitable for our buildings. In addition, we can immediately capitalize on the comfort-enhancing benefit of *cooling*. We have a dedicated committee, and most importantly: with this choice, we ensure that sustainable heating and cooling will, in principle, be available for all apartments. It is clear that, to realize this, we must be ready and willing to commit to the project. This requires involvement, investment, active decision-making, and, if the project proceeds, we will have to accept some inconveniences caused by installation and construction work along the way.

Doing nothing has major consequences as well

The alternative choice is to wait or delay action. That can feel comfortable for now, as the current situation works fine. But the question is: wait for how long? In the near future, investments will need to be made anyhow: gas boilers will need to be replaced, and major maintenance on the exhaust channels for combustion gases (chimneys) will be required by law. It is expected that in those apartments where it is technically feasible, individual initiatives will emerge to make homes more sustainable without a collective solution, as an alternative to boiler replacement. For this, the cooperation of the VvE will be necessary. A downside of individual solutions is that the technical feasibility of a collective solution becomes uncertain, and support for collective investments decreases (since some apartments will have already found their own solution). Additionally, in five, ten, or fifteen years, also new uncertainties will arise: gradually, due to the increasing cost of natural gas, and eventually, because one day the final hour of heating with natural gas will come.

Whatever decision Oostpoort 11 makes, it will always involve a choice.

NOS: 'Gas Bills Threaten to Become a Heavy Burden'

The <u>recent report on Dutch public TV channel NOS</u> makes it clear: natural gas is on its way out, even with the current government. Those who cannot afford to switch away from gas will face increasingly higher bills. Fewer and fewer gas users will have to cover



the largely unchanged costs of gas networks. Taxes on gas are increasing, as is the CO2 levy on fossil fuels. The NOS report is based on a <u>recent study</u> by the renowned consultancy CE Delft. Those who can, will switch to gas-free solutions, but as NOS/CE Delft somewhat bluntly puts it: it's the stragglers who will bear the burden of the gas costs.

Would you like more information or further explanation? Email us!

Precisely because the decisions we, as VvE members, face are not without consequences, it's important to carefully review the proposal and adopt a considered stance. The project proposal that will be presented to the ALV of Oostpoort 11 on November 5th is, in terms of content, identical to the proposal discussed in the April ALV and the one approved by Oostpoort 7. However, there is a clause added that makes the implementation of a positive decision conditional on the outcome of legal testing. The ETO project proposal, along with all the appendices, is quite complex. Don't hesitate to ask for our help if you want further clarification on certain parts, or if you have questions or concerns. You can reach us via energietransitieoostpoort@gmail.com.

Questions and Answers

Thanks to the previous exploratory and often critical discussions of the project with members, the resident meetings, and the surveys, we now have a fairly good understanding of the questions, uncertainties, preferences, dislikes, and needs of owners and residents. In preparation for the discussions in the upcoming ALV of Oostpoort 11, we have compiled a set of FAQs (frequently asked questions) along with the answers. The residents/owners of Oostpoort 11 will receive these soon.