Policy background: Energy communities

LIFE CET call 2024 – Infoday 25 April 2024

Achille Hannoset, European Commission, DG ENER, Unit B1
Vera Kissler, European Commission, DG ENER, Unit C1
1. Energy communities: background & model
Energy System of the future

Liberalised and competitive

Digitalised

Decentralised and consumer centred

Integrated

Decarbonised
Energy communities – business models

Members set up and invest in legal entity

Case 1: Legal entity uses money to invest in EE measures

Case 2: Legal entity uses money to buy RES capacity

Case 2.1: Self-supply or share energy

Case 2.2: Sell energy and flexibility on market

Customers

Case 3: Buy-in energy from market and supply consumer members
2. Clean Energy Package
Consumer empowerment

Individual active customer

Jointly acting active customers

Energy communities

Renewable Energy Directive: all types of renewable energy

Electricity Directive: all types of electricity
Purpose of energy communities

• Can be an effective tool to increase public acceptance of new projects

• Mobilise private capital for the energy transition

• Could be a tool to increase flexibility in the market
Differences

**CEC**
- Electricity (technology-neutral)
- Any entity may participate
- Natural persons, local authorities, or small enterprises in effective control
- No decision-making power for large energy companies

**REC**
- RE based heating and electricity
- Limited to natural persons, local authorities or SMEs (participation ≠ primary activity)
- Participants located in the **proximity** of the renewable energy projects that are owned and developed by REC
- “Autonomous”

**RED II**
- Participation is accessible for low-income households
Enabling framework REC & CEC

Privileges:
- Access to financial instruments and information
- Customised support scheme
- Removal unjustified barriers
- Regulatory and capacity-building support to public authorities

Rights and responsibilities:
- facilitating market integration (procedures, tariffs and activities)

State aid guidelines
Possible exemption bidding procedures and/or eased participation requirements
3. REPowerEU
Role of citizens and communities under REPowerEU

• Communities and citizens can help to deliver on two out of three objectives of REPowerEU:

  ✓ **Produce clean energy** by increasing acceptance and mobilising private capital investments

  ✓ **Save energy** by providing energy efficiency services to their members and increasing consumer consciousness of energy use

• Self-consumption schemes may help to **secure access to affordable energy**, including for low-income households
Key REPowerEU policy instruments

**EU Save Energy Communication** with recommendations for how citizens and businesses can help save around 13 bcm of gas imports in the short term.

**EU Solar Strategy** with measures to accelerate the roll out of solar energy to increase capacity to 600 GW by 2030.

**Electricity market design Communication** to accelerate energy transition and ensure access to low-cost renewables.

**Biomethane Action Plan** to save up to 35 bcm of natural gas by 2030.

**Permitting Recommendation** to simplify and ease permit granting, grid connection and production licensing procedures.

Shared political objective of at least one energy community in every municipality with a population higher than 10,000 by 2025.
4. Fit for 55 Package
## Legal developments

<table>
<thead>
<tr>
<th>Directive/Regulation</th>
<th>Description</th>
</tr>
</thead>
</table>
| **RED** (Renewable Energy Directive) | • Potential role in offshore wind, public procurement, heat production, and the development of district heating and cooling networks  
• Tailored information in single points of contact for permitting  
• Fast track permitting procedures for small-scale RES installations  
• Simplified registration processes and reduced registration fees for guarantees of origin |
| **EED** (Energy Efficiency Directive) | • Potential role in tackling energy poverty and achieving energy saving obligations  
• Assessment of role and impact in local heating plans  
• Accessible information on energy efficiency improvement measures |
| **EPBD** (Energy Performance of Buildings Directive) | • Building renovation plans should report on the role of energy communities.  
• Renewable energy communities can contribute to zero emission buildings. |
| **SCFR** (Social Climate Fund Regulation) | Social Climate Plans may include energy community related measures to target vulnerable households, micro-enterprises, and transport users |
Other key policy documents

- **Commission guidance on RRP in the context of REPoverEU**: Member States may decide to support and promote energy communities to address energy poverty in Recovery and Resilience Plans.

- **Commission guidance on NECPs update**: empower energy consumers via energy communities, with special focus on vulnerable groups.

- **Commission Recommendation to tackle energy poverty**: collective self-consumption schemes, including those managed by energy communities or municipalities.
5. Electricity Market Design Reform (Commission proposal)
Energy sharing – Commission proposal

**Art 15a**

**Right to energy sharing**

**Commission proposal:**

- A right to energy sharing for all active customers to help them protect themselves against high and volatile wholesale market prices:
  - **Community energy sharing**
  - Peer to peer(s) energy sharing
  - Third party organised energy sharing
- Consumers have the right to have shared electricity deducted from their total metered consumption for the purpose of calculating the energy component of the energy bill.
New scenario – Local authorities sharing surpluses with households affected by energy poverty

- Sharing of surplus generated electricity by individual active customers beyond multi-apartment building

See for example: Zero, proximity energy programme in Valencia.
6. EU support for energy communities
Assistance for energy communities

Communities for Climate
Pilot action - Support to 50 local climate-related community projects, including energy communities

Energy Communities Initiatives ENER/CINEA
Pilot action (ongoing) – Support services for Citizen Led Renovation
Energy communities facility – grant support for business plan development

Handbook on cross-border energy communities
1. Definition of cross-border energy communities
2. Identification of obstacles
3. Good practices

Energy communities in the Western Balkans
Pilot action – Support to the development of energy communities in IPA countries
Keep in touch

ec.europa.eu/

europa.eu/

@EU_Commission

@EuropeanCommission

European Commission

Europeancommission

@EuropeanCommission

EUTube

EU_Spotify