Putting the Clean Energy Package into practice in Member States: a focus on renewable energy communities

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Community Power Coalition
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Energy communities in the CEP:
The Clean Energy Package
a policy foundation for energy communities

Acknowledgment:
definitions of renewable
and citizens energy communities

A set of basic rights
to participate
in the market based
on non-discrimination

Enabling Framework
to promote
& facilitate
development of
energy communities

Equal footing
in accessing
renewables
support schemes

Proportional
regulatory treatment
simplification of
administration and
procedures

Energy Union Governance:
monitoring & transparency of Member State action
Energy community definitions: an organisational concept

- Legal entity
- Non-commercial purpose
- Open and voluntary membership
- Emphasis on participation by citizens, SMEs and public authorities
- Emphasis on ‘effective control’ by members not engaged in the energy sector
- For RECs: democratic governance (i.e. autonomy)
From paper to practice:
Renewable Energy Communities
Definitions

- New definitions of renewable energy communities in France, Portugal, Greece, Luxemburg, and Belgium (Wallonia)
- Lots of copy-paste
- Most are quite narrow and centre around a particular activity e.g. collective self-consumption (Wallonia)
- Strong emphasis on local participation (Luxemburg, Portugal)
- Strong limitations on participation by active energy companies (France, Luxemburg)
- Interesting examples of strong governance (Portugal)

Best Practice: Greece
An Energy Community (E.C.) is the cooperative solely aiming at promoting social and solidarity-based economy and innovation in the energy sector, addressing energy poverty and promoting energy sustainability, generation, storage, self-consumption, distribution and supply of energy as well as improving end-use energy efficiency at local and regional level. It is non-profit, except in the case of paragraph 4 under Article 2.
Link between renewable energy communities and self-consumption:

Article 21
the activity

Joint renewables self-consumption

Individual renewables self-consumption

Article 22
a way to organise

Renewable energy communities

* National frameworks need to distinguish activities from business model/organisation
Q&A: What are ‘citizen’ and ‘renewable’ energy communities?

Introduction

The final Clean Energy Package (CEP) contains two definitions of energy community: Citizen Energy Community (CEC) which is contained in Directive (EU) 2019/944 (recast Electricity Directive), and Renewable Energy Community (REC), which is contained in Directive (EU) 2018/2001 (the recast Renewable Energy Directive). They are similar, but not totally consistent.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Renewable Energy Community</td>
<td>Citizen Energy Community</td>
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<tr>
<td>A legal entity:</td>
<td>A legal entity that:</td>
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<td>(a) which, in accordance with the applicable</td>
<td>(a) is based on voluntary and open</td>
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<td>national law, is based on open and voluntary</td>
<td>participation, is autonomous, and is</td>
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<td>participation, is autonomous, and is</td>
<td>effectively controlled by members or</td>
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<td>effectively controlled by members or members</td>
<td>shareholders that are natural persons,</td>
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<td>that are located in the proximity of the</td>
<td>local authorities, including municipalities,</td>
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<td>renewable energy projects that are owned and</td>
<td>or small enterprises;</td>
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<td>developed by that legal entity;</td>
<td>(b) has as its primary purpose to</td>
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<td>(b) the shareholders or members of which are</td>
<td>provide environmental, economic or social</td>
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<td>natural persons, SMEs or local authorities,</td>
<td>community benefits to its members or</td>
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<td>including municipalities;</td>
<td>shareholders or to the local areas where</td>
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<td>(c) the primary purpose of which is to provide</td>
<td>it operates rather than to generate</td>
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<tr>
<td>environmental, economic or social community</td>
<td>financial profits; and</td>
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<td>benefits for its shareholders or members or</td>
<td>(c) may engage in generation, including</td>
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<td>for the local areas where it operates, rather</td>
<td>from renewable sources, distribution,</td>
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<td>than financial profits.</td>
<td>supply, consumption, aggregation, energy</td>
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<td></td>
<td>storage, energy efficiency services or</td>
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<td>charging services for electric vehicles or</td>
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<td>provide other energy services to its</td>
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<td>members or shareholders;</td>
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An equal footing in renewables support schemes

Ireland

- Financial support for early phases of development for community-led projects
- Separate ‘community’ category in Ireland’s auction scheme (up to 10%)
- Mandatory investment by communities into all projects seeking State support
- Project support (e.g. financial, legal, technical advice – public & private)

!! DG COMPETITION ALERT !!
Enabling frameworks

• A couple Member States included national objectives for community energy (Netherlands, Greece, and Wales/Scotland in the UK)
• Only 6 Member States included detailed policies and measures (11 said they planned to include)
• Most Member States overlooked potential of energy communities (e.g. in area of energy efficiency)
• Several Member States link energy communities to addressing energy poverty
Main issues moving forward

1) Keeping definition flexible and open for different activities

2) Open and participatory national assessment of potential and barriers for RECs as the basis of developing enabling frameworks

3) Bike lanes for RECs in renewables support schemes

4) Clear, simple and proportionate regulatory frameworks for collective self-consumption and energy sharing activities

5) Reward system benefits that energy communities provide via remuneration (e.g. markets for flexibility, services) and network charges
If you want to know more, please contact us!

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