



Energy Communities in the Clean Energy Package

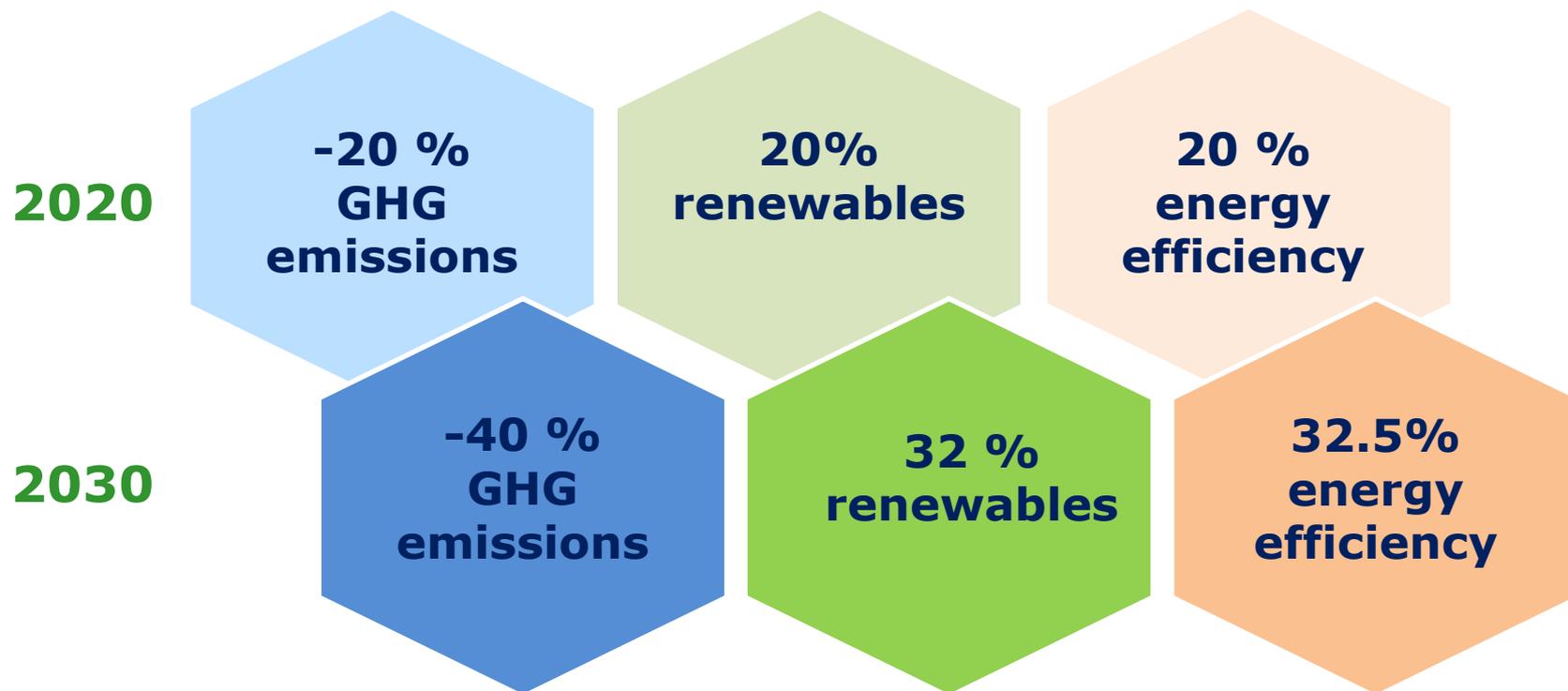
Local Communities and Social Innovation for the
Energy Transition

JRC, Ispra, 23 November 2018

Outline

- European energy policy and the Clean Energy Package
- Why we include energy communities
- What does the Renewable Energy Directive say about energy communities
- Next steps and questions

European climate and energy targets



Target for renewables



The Clean Energy Package

Innovative



Enabling Framework

Inter-connected



Energy Union Governance

Energy Efficiency



Energy Efficiency Directive, Energy Performance of Buildings Directive

Renewables



Revised Renewable Energy Directive

Electricity Market Design



Regulation and Directive on internal electricity market: Regulation on risk-preparedness, ACER regulation



Inclusive



Socially fair



Safe for all



Digital



Investment-friendly



European Commission

Why consumer empowerment

- **Mobilising private capital,** LCOE of renewable energy communities comparable to utility generation because citizens expect lower return on investment
- **Increase flexibility in the electricity system,** by empowering consumers to engage with the electricity market
- **Increase local acceptance of RES projects,** especially to reduce opposition to wind farms
- **Recognise new actors,** prepare for emergence of new technologies is expected in the next decade (e.g. block chain)

Different types of groups



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RECs in REDII

(Renewable Energy Communities in the revised Renewable Energy Directive)

Article 22

Renewable energy communities

Who can participate

1. Member States shall ensure that **final customers, in particular household customers**, are entitled to participate in a renewable energy community while maintaining their rights or obligations as final customers, and without being subject to unjustified or discriminatory conditions or procedures that would prevent their participation in a renewable energy community, provided that for private undertakings, their participation does not constitute their primary commercial or professional activity.

What energy communities can do

2. Member States shall ensure that renewable energy communities are entitled to:

- a) **produce, consume, store and sell renewable energy**, including through renewable **power purchase agreements**;
- b) **share, within the renewable energy community**, renewable energy that is produced by the production units owned by that renewable energy community, subject to the other requirements laid down in this Article and to maintaining the rights and obligations of the renewable energy community members as customers;
- c) **access all suitable energy markets** both directly or through aggregation in a non-discriminatory manner.

Assessment of barriers

3. Member States shall **carry out an assessment of the existing barriers** and potential of development of renewable energy communities in their territories.

So-called “enabling framework”

4. Member States shall provide an enabling framework to promote and facilitate the development of renewable energy communities. The framework shall ensure, inter alia, that:

- a) unjustified regulatory and administrative barriers to renewable energy communities are removed;
- b) renewable energy communities that **supply energy or provide aggregation or other commercial energy services are subject to the provisions relevant for such activities**;
- c) the relevant distribution system operator cooperates with renewable energy communities to facilitate energy transfers within renewable energy communities;
- d) renewable energy communities are subject to fair, proportionate and transparent procedures, including registration and licensing, and cost reflective network charges, as well as relevant charges, levies and taxes, ensuring that they contribute, in an adequate, fair and balanced way, to the overall cost sharing of the system in line with a **transparent cost-benefit analysis of distributed energy sources developed by the national competent** authorities;
- e) renewable energy communities are not subject to a **discriminatory treatment with regard to their activities**, rights and obligations as final customers, producers, suppliers, distribution system operators, or as other market participants;
- f) the participation in the renewable energy communities is accessible to all consumers, including those in **low-income or vulnerable households**;
- g) tools to facilitate **access to finance** and information are available;
- h) regulatory and **capacity-building** support is provided to public authorities in enabling and setting up renewable energy communities, and in helping authorities to participate directly;
- i) rules to secure the equal and non-discriminatory treatment of consumers that participate in the renewable energy community.

Inclusion of enabling framework in reporting

5. The main elements of the enabling framework referred to in paragraph 4, and of its implementation, shall be part of the updates of the Member States' integrated national energy and climate plans and progress reports pursuant to (Governance Regulation)

Voluntary cross-border participation

6. Member States may provide for renewable energy communities to be open to cross-border participation.

Taking their characteristics into account when designing support schemes

7. Without prejudice to Articles 107 and 108 TFEU, Member States shall **take into account specificities** of renewable energy communities when designing support schemes, in order to allow them to compete for support on an equal footing with other market participants.

Definition

(16) 'renewable energy community' means a legal entity:

(a) which, in accordance with the applicable national law, is based on open and voluntary participation, is autonomous, and is **effectively controlled by shareholders** or members that are **located in the proximity** of the renewable energy projects that are owned and developed by that legal entity;

(b) the shareholders or members of which are **natural persons, SMEs or local authorities**, including municipalities;

(c) the **primary purpose of which is to provide environmental, economic or social community benefits** for its shareholders or members or for the local areas where it operates, rather than financial profits

Next steps

- Adoption end of the year
- Transposition into law of the Member States

Questions

- Regulatory challenges for implementation?
- Role of new technologies?



**Thank you for your
attention**