



Energy communities – implementation of the Clean Energy Package

Content

- ✓ The purpose of energy communities and existing models
- ✓ Classification of Renewable Energy Communities and Citizen Energy Communities
- ✓ Distinguishing jointly acting self-consumers and energy communities
- ✓ Transposing the European directives – using existing regulatory tools

Disclaimer

This presentation aims to collect knowledge on energy communities and guide the discussions on the topic.

For this purpose, it uses examples from some Member States. Examples that are just as good might exist in other Member States

This presentation does neither represent an official interpretation nor an endorsement of certain projects.

The purpose of energy communities and existing models

Purpose of consumer empowerment



Empowering citizens

- Energy communities are an effective tool to increase **public acceptance** of new projects
- Energy communities are a tool to mobilise **private capital** for the energy transition
- Energy communities could be a tool to increase **flexibility in the market**

Consumer empowerment



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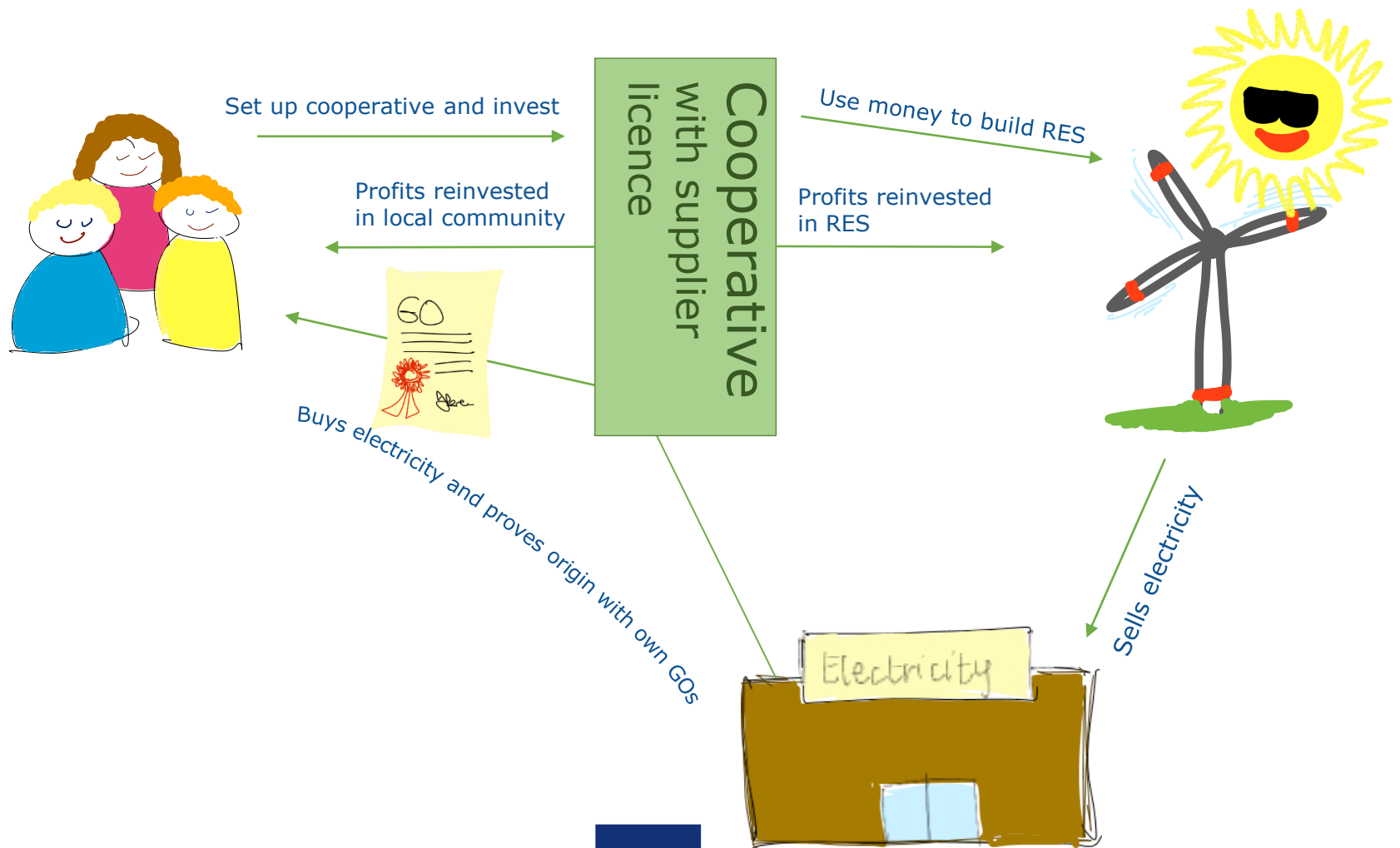


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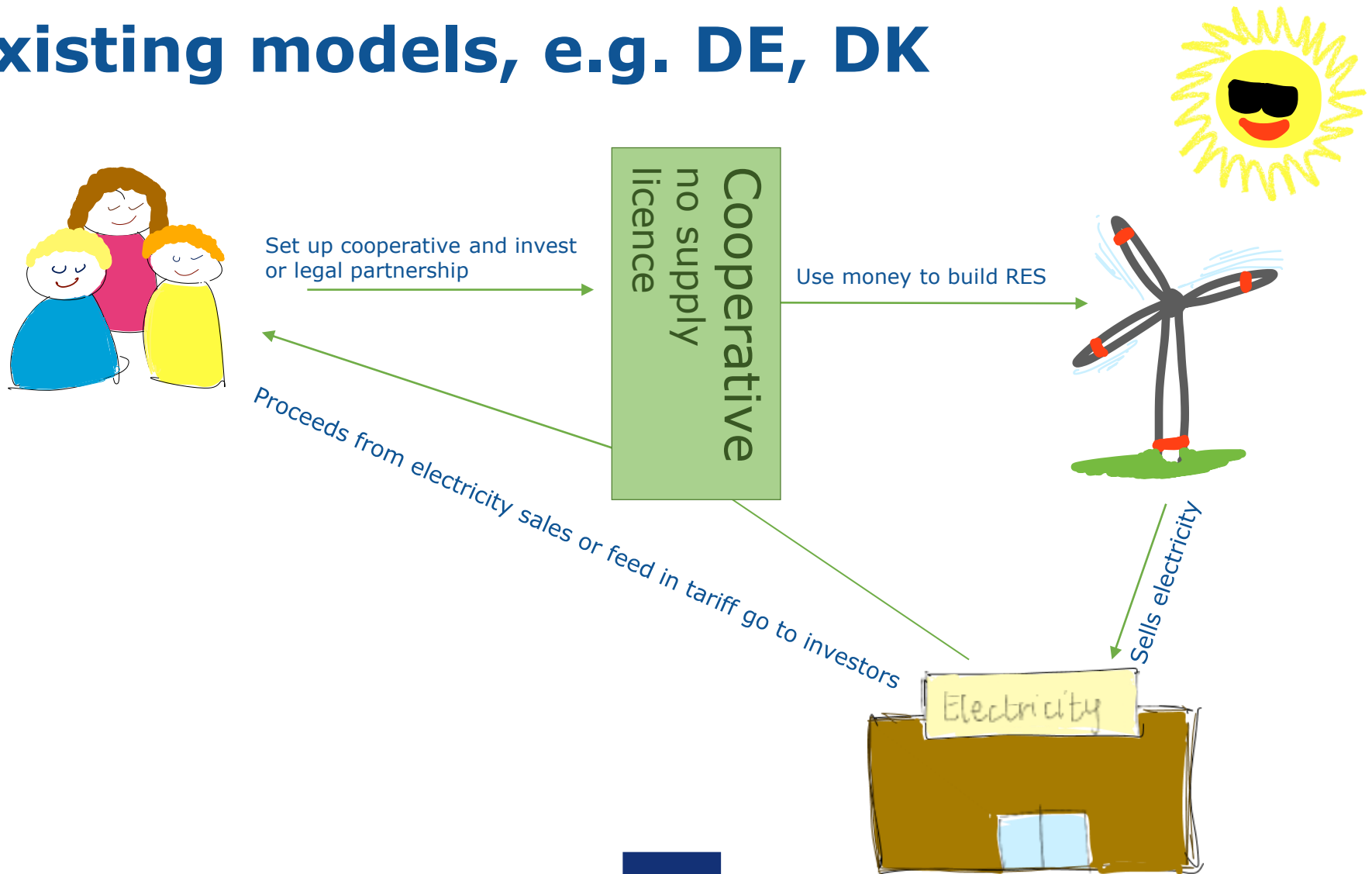
Renewable Energy Directive: all types of *renewable energy*

Electricity Directive: all types of *electricity*

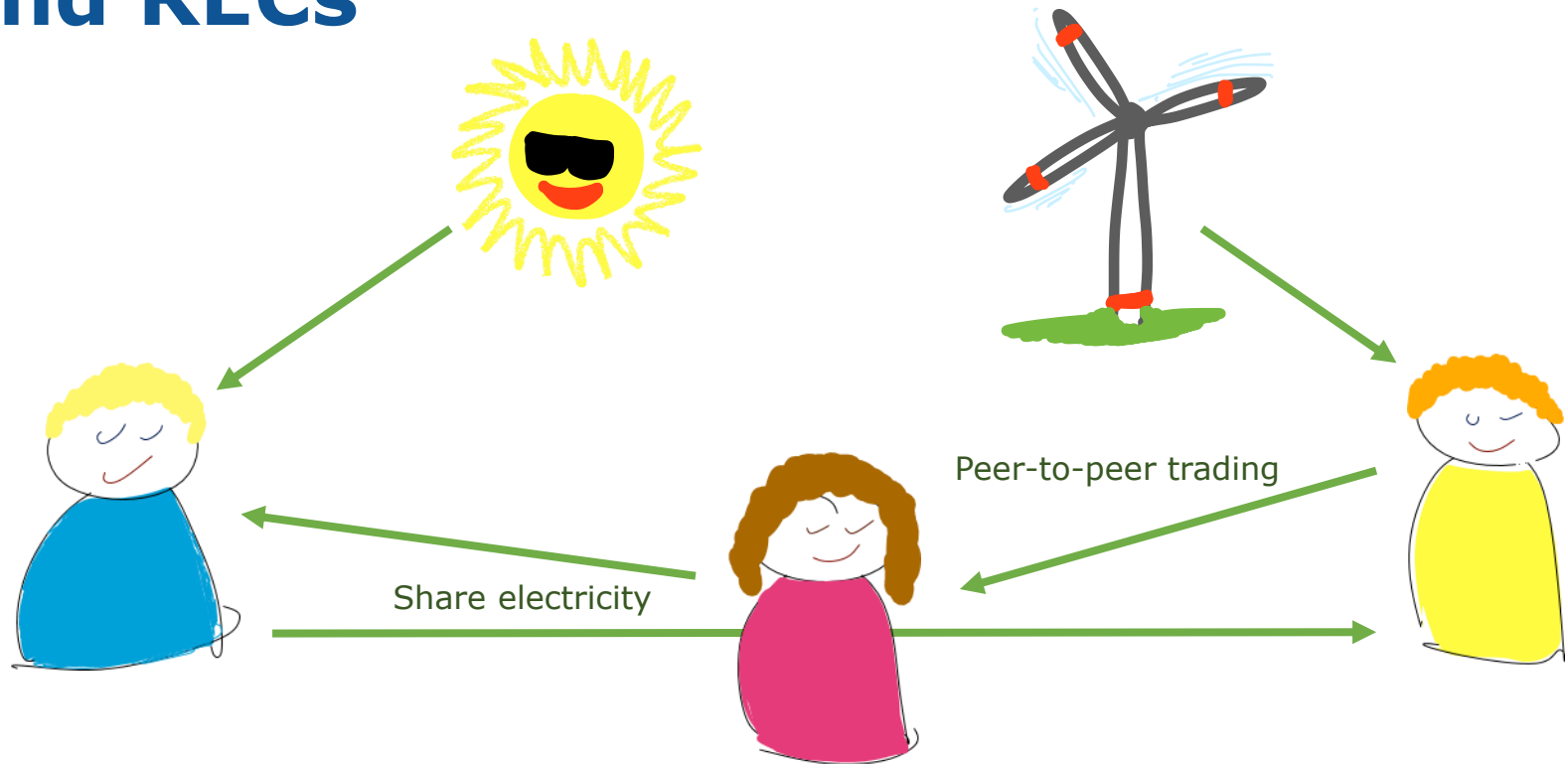
Existing models, e.g. BE, ES



Existing models, e.g. DE, DK



Additional possibilities due to CECs and RECs



- **Innovative:** energy sharing and peer-to-peer possibility
- **Challenge:** redefining consumer/supplier relationship and regulate new configurations appropriately

Classification of Renewable Energy Communities and Citizen Energy Communities

Art. 16 of the Directive on the Internal Market for Electricity Directive on “Citizen Energy Communities”

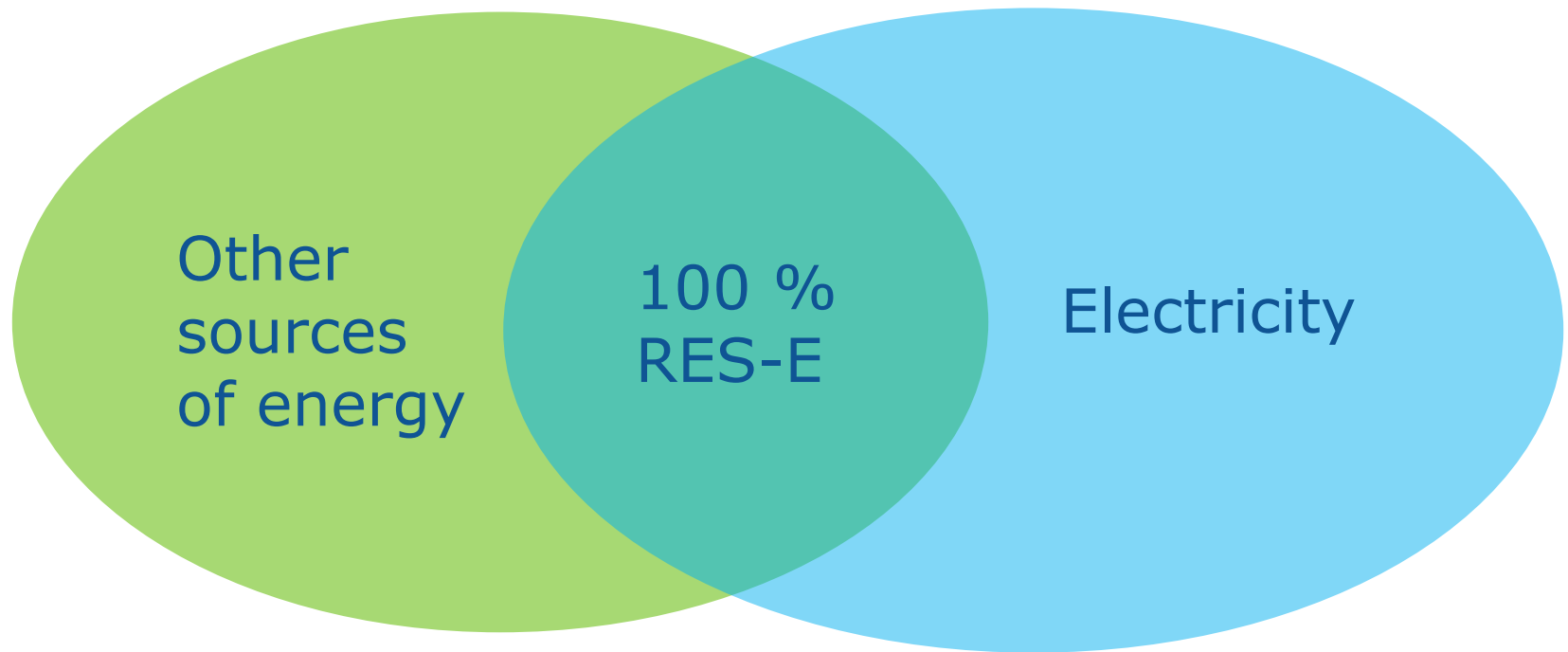
Art. 22 of the Directive on the promotion of the use of energy from renewable sources on “Renewable Energy Communities”

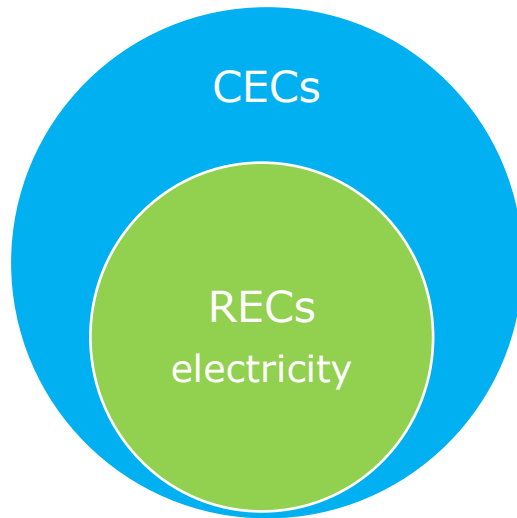
Art. 16 of the Directive on the Internal Market for Electricity Directive on “Citizen Energy Communities”

Art. 22 of the Directive on the promotion of the use of energy from renewable sources on “Renewable Energy Communities”

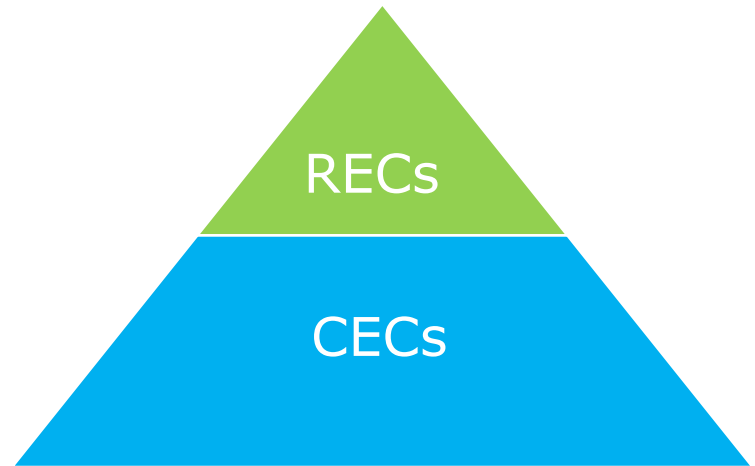
Art. 2 on definitions: makes clear that renewable energy communities are a **social concept**, rather than financial profits

RECs and CECs - overview



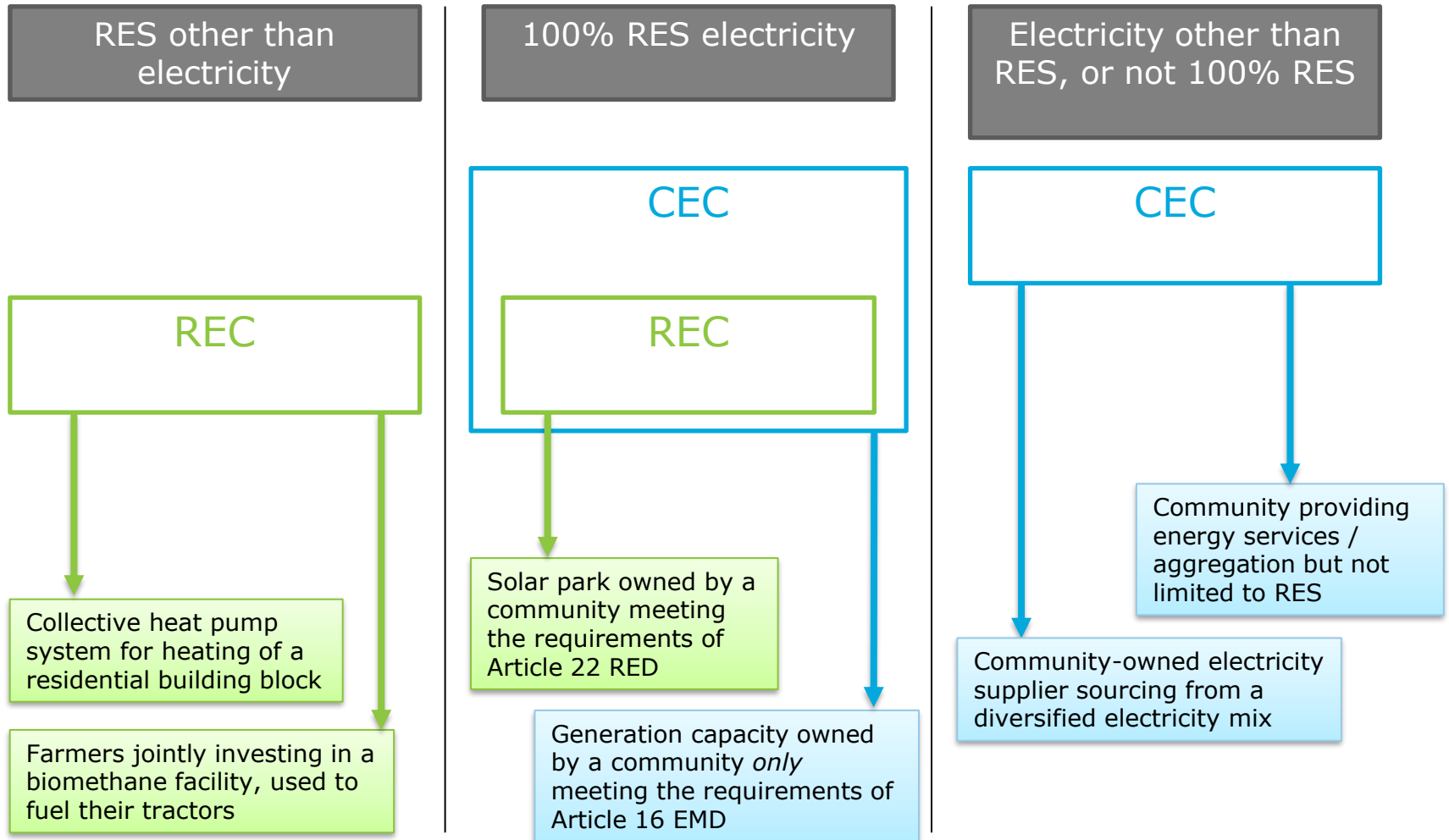


- ✓ Promotion of RES
- ✓ Favorable conditions for RES support
- ✓ Strict governance and participation criteria
- ✓ Geographical proximity



- ✓ Recognition as a market actor
- ✓ Ensure level playing field and non-discrimination
- ✓ Strict governance criteria, but open membership
- ✓ No geographical proximity

	CEC	REC
Energy	Electricity	Renewable energy
Membership	Any entity	Natural persons, local authorities, SMEs
Control	Effective control by natural persons, local authorities, SMEs	Effective control by natural persons, local authorities, SMEs located in the proximity of the projects
Purpose	Primary purpose to provide environmental, economic or social community benefits for members or the local area	
Activities	Generation, storage, selling, sharing, aggregation or other energy services, distribution	



100% RES electricity

CEC

REC

For electricity only, **RECs are a subset of CECs**, meeting more stringent criteria

An electricity REC is a CEC

A CEC is NOT necessarily a REC

Energy communities as DSOs

Can energy communities act as a DSO?

- *As regards electricity, MS may decide whether to grant CECs the right to manage distribution networks → Yes, if Member States allow it.*
- *RECs can in principle act as DSO, this is clear from Art. 22 (4) ("RECs are not subject to discriminatory treatment with regard to their activities as [...] DSOs [...].") But when dealing with electricity, they are a subset of CECs, so it depends on the national regulatory framework.*



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Distinguishing jointly acting self-consumers and energy communities

RECs and jointly acting self-consumers

	Energy community	Jointly acting self-consumers
Geographical scope	Proximity of RES installations	Limited to the same building (unless enlarged by MS)
Membership	Open as long as criteria of definition are met	Limited to people living in the same building/apartment block (unless enlarged by MS)
Legal form	Legal entity required	Legal entity not required by the directive (contract between individuals)
Purpose	Provide environmental, economic or social benefits	Not specified in article
Electricity sharing	Must be possible without prejudice to network charges	

Transposing the European directives – using existing regulatory tools

Definition of energy communities: existing regulation

Definition: value-driven	<ul style="list-style-type: none">• Existing rules for commercial activities of charities, associations, foundations or NGOs
Definition: effective control	<ul style="list-style-type: none">• Corporate law• Tax law• Competition law• ~unbundling rules
Definition: geographical proximity	<ul style="list-style-type: none">• Zoning and construction plans• Public consultation requirements
Definition: open membership	<ul style="list-style-type: none">• Existing rules for membership in associations, clubs, societies
Monitoring of criteria	<ul style="list-style-type: none">• Existing rules for associations, clubs, societies. Enforcement done by authority that gives privileges (e.g. tax office, regulator)

Activities of energy communities: existing regulation

Produce	<ul style="list-style-type: none">• Not new, like any other generator
Consume	<ul style="list-style-type: none">• The legal entity can use the electricity produced by the installations and provided by external suppliers
Store	<ul style="list-style-type: none">• Not specific to energy communities
Sell	<ul style="list-style-type: none">• Not new. Legal entity can sell the electricity to its members, on the markets, through PPAs, like any other generator, or receives feed in tariffs
Share within the community	<ul style="list-style-type: none">• Emerging concept: e.g. autoconsommation collective in FR or in ES

Considerations: Electricity sharing

Sharing = supply?	<ul style="list-style-type: none">• Depends, defining it as supply might be disproportionate (and hence not in line with article 16.1 e, Elec Dir)• Sharing needs to be possible
Distinction between sharing and supply	<ul style="list-style-type: none">• Sharing is multidirectional, and more ad hoc; supply from one steady source• Possible criteria: size of installation, level of professionalisation• Check: regulation for sharing economy, Airbnb, other platforms
Who can share	<ul style="list-style-type: none">• Legal entity with its members (could be supply)• Members with RES installations with other community members
How can it be done	<ul style="list-style-type: none">• Through the DSO (e.g. autoconsommation collective)• Through private energy service providers and software solutions

Energy sharing

Category of "sharing"	Energy shared	Parties to the sharing	Scope of sharing	Requirement for MS?
Renewables self-consumer	Renewable electricity	same customer	"within its premises within close boundaries" <i>[physical boundaries]</i>	mandatory
			"within other premises" <i>[based on ownership]</i>	optional
different customers		located within the same building <i>[physical boundaries]</i>	mandatory	
		to other members, without geographical limitation <i>[based on membership]</i>	mandatory	
Jointly acting renewables self-consumer	Renewable energy	different customers	to other members, without geographical limitation <i>[based on membership]</i>	mandatory
REC				
Active customer	Any electricity	same customer	"within its premises within close boundaries" <i>[physical boundaries]</i>	mandatory
			"within other premises" <i>[based on ownership]</i>	optional
different customers		?	mandatory	
		to other members, without geographical limitation <i>[based on membership]</i>	mandatory	
Jointly acting active customers				
CEC				

Consumer protection

Consumer protection legislation	<ul style="list-style-type: none">• All consumer protection regulation should apply• However, other membership aspects can be freely determined in statutes of community
Free choice of supplier/switching	<ul style="list-style-type: none">• Consumers always need to be able to choose their supplier.
Leaving an energy community	<ul style="list-style-type: none">• Membership is always voluntary, must be possible to end the membership (exact details can be determined in statutes)

Commercial aspects

Statutes of the community	<ul style="list-style-type: none">• Other aspects (e.g. generation, assets, membership fee, membership duration) can be freely determined in the contract as long as they are not unfair business practices.
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Enabling framework for RECs: existing legislation

Access to finance	<ul style="list-style-type: none">• National investment banks• National support
Regulatory support	<ul style="list-style-type: none">• Contact point for RES permitting (if no conflict of interest)

Applicable charges

		Network charges	Other charges or fees
Article 16 EMD Sharing within a CEC	General rule	cost-reflective network charges [...] ensuring that they contribute in an adequate and balanced way to the overall cost sharing of the system	non-discriminatory, fair, proportionate and transparent charges [...] ensuring that they contribute in an adequate and balanced way to the overall cost sharing of the system
	When sharing electricity within the CEC	applicable charges [...] in accordance with a transparent CBA of distributed energy resources by competent national authorities	
Article 22 RED REC	General rule	cost-reflective network charges, [...] ensuring that they contribute in an adequate, fair and balanced way to the overall cost sharing of the system, in line with a transparent CBA analysis of distributed energy sources by national competent authorities	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 CBA analysis of distributed energy sources by national competent authorities
Article 15 EMD Active customers		cost-reflective , transparent and non-discriminatory charges, accounting separately for the electricity fed and electricity consumed, ensuring that the contribute in an adequate and balanced way to the overall cost sharing of the system	no disproportionate or discriminatory charges
Article 21 RED Individual RES SC, <i>i.e. within premises located within confined boundaries</i>	Elec. injected in / taken from grid	cost-reflective network charges	no disproportionate or discriminatory charges
	Elec. stays behind the meter	no charges	no charges (except in the 3 cases foreseen by Art. 21 (3) RED)
Sharing in "joint RES SC", <i>ie within the same building</i>		charges "applicable to each renewables self consumer"	



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Thank you for your attention