Citizen and Renewable Energy Communities: opportunities & challenges for citizen ownership in Europe’s energy transition

by Josh Roberts, Advocacy Officer, REScoop.eu
EESC
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Just some of the benefits of energy communities

1 revenues from local renewables to meet local needs
   • Local supply of cheap, clean renewables
   • Renovation of local infrastructure
   • Buildings renovation
   • Energy poverty
   • Housing needs
   • Electrification of transport
   • Etc…

2 Collaboration between local actors

3 Democratic community ownership

4 A gateway drug into the energy transition: benefiting the system in time of change
Diverse legal forms of community ownership of renewables

- Partnerships
- Cooperatives
- Other customer-owned enterprises
- Community trusts
- Housing associations
- Charities
- Social enterprises
- Public utilities
Energy communities as generators of renewable energy
Energy communities: retail suppliers

RECHTstreeks participatiemodel

Energie in eigen handen
Winstdeling: 100%
Energiefactuur ▼

100%
Dividend
100%

100%
Sociaal doel en maatschappelijke meerwaarde

100%
Energy communities: energy efficiency and related services

Focus

- End user energy savings measures
- Building renovations
- Energy poverty

CarbonCo-op  energieID  REScooP  Interreg  Brixton Energy  RHEDCOOP
Energy communities: consumer-owned networks

**The Old**

- Electricity
- District heating and cooling

**The New**

- Re-municipalisation
Energy communities: emerging activities

Micro-grids /virtual power plants

Electrical vehicle sharing

Peer-to-peer trading

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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 communities: an organisational concept

- 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
RECs vs CECs: comparing activities

- Activities explicitly mentioned in ED for CECs – not the case for RECs in the REDII
- In theory, can have a REC that does other things that a CEC would do
* National frameworks need to distinguish activities from business model/organisation
RECs vs CECs: comparing criteria

Eligibility criteria for Renewable Energy communities (RECs): more stringent than for Citizen energy communities (CECs) in all but one respect...
### Calculation/contribution to system costs

| **Renewable Energy Directive** (Generally) | Must be subject to *fair, proportionate, transparent cost-reflective* network charges  
  Must be subject to relevant charges, levies and taxes, ensuring they contribute in an *adequate, fair and balanced* way in line with a transparent cost-benefit analysis of distributed energy resources |
| **Electricity Directive** (Generally) | Frameworks must ensure CECs are subject to transparent and *non-discriminatory* and *cost-reflective* charges  
  In line with the Electricity Regulation (no mention of cost-benefit analysis, unlike in RED II)  
  Ensure adequate and balanced contribution to system costs (fairness not mentioned, unlike in RED II) |
| **(Renewables) Self-consumption** | Renumeration: market value, *may take into account long-term value to the grid, environment and society*  
  No net metering (same for community networks)  
  CECs are subject to *cost-reflective, transparent* and *non-discriminatory* network charges |
| **Energy sharing** | Must be subject to *applicable network charges, tariffs and levies* in line with a transparent cost-benefit analysis of distributed energy resources by the competent authority (same between ED & RED II) |
| **Community networks** | Must be subject to *appropriate charges* at the connection point  
  No net metering |
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 and network charges
If you want to know more, please contact us!

Josh Roberts
Advocacy Officer
josh.roberts@rescoop.eu
@REScoopEU