

REScoop.eu – Response to the EU's Renovation Wave Roadmap

Introduction

REScoop.eu is the European Federation of Citizen Energy Cooperatives. Our members are now recognised as 'citizens energy communities' (CECs) and 'renewable energy communities' (RECs) by the Clean Energy for All Europeans (CEP) Legislative Package. REScoop.eu currently represents around 1,500 of these energy communities across 15 different Member States. These energy communities operate across the energy system, from generation and supply of renewable energy to performance of energy efficiency services, heat and electricity distribution, electric mobility, demand response, and other activities involving flexibility. Increasingly, the members are also linking up renewables production with other activities such as housing renovations. Almost all of the members are small and medium enterprises (SMEs).

We welcome the European Commission's Renovation Wave for Public and Private Buildings (Renovation Wave). Nevertheless, we would like to highlight several points that we would like DG Energy to consider further as it moves forward with this initiative. In this regard, we are currently running a project in partnership with the European Climate Foundation and the Coalition for Energy Savings, looking to scale the creation of citizen-led renovation programs in cooperatives across Europe. Following preliminary research on collective actions on building renovation in the cooperative movement, REScoop.eu now looks to replicate successful experiences and adapt the concept of citizen-led renovation across Member States. We look forward to providing input from these activities to DG Energy as it moves forward with the Renovation Wave Initiative.

1 Contribution of citizen-led renovations towards the decarbonisation of the EU's buildings

Citizen led renovation is a concept that illustrates collective action schemes created by European citizens to renovate of their homes and multi-dwelling buildings. Citizen-led renovation is based on the mechanisms of the community energy movement to deliver collective home renovation projects in line with the principles of energy justice and with

the goal of a climate neutral transition. Citizen-led renovation programs have been deployed by citizen energy cooperatives across several Member States.

The CEP represents an unprecedented step towards acknowledging the value of local citizen and community ownership in Europe's energy transition. In particular, energy communities are recognised as a way to advance energy efficiency at household level and help fight energy poverty through reduced consumption and lower supply tariffs.¹ Regulation 2018/1999 (Governance of the Energy Union Regulation) also acknowledges the role that energy communities can play in meeting national energy efficiency objectives, asking Member States to indicate policies and measures to promote the role of energy communities in contributing to the implementation of, inter alia, long term renovation strategies, in their National Energy and Climate Plans (NECPs).²

Citizen-led renovation can help tackle some of the identified barriers of the Renovation Wave Roadmap:

- **Information barriers:** Citizen-led renovation programs target household consumers and support their understanding and confidence to launch renovation projects. In particular, cooperatives provide information, training and confidence through membership in larger community of citizens. Citizen-led renovation programs build knowledge at the local level and in the community, allowing citizens to carry out more complex and ambitious projects.
- **Lack of expertise:** Citizen-led renovation programs are based on local sourcing of contractors. Many programs are carried out by local cooperatives looking to support local economic growth. The training and support provided to local SMEs creates the necessary skills and capabilities to perform deep renovations, as well as high quality projects. Citizen-led renovation programmes also increase local expertise, which makes it specifically relevant to the needs and characteristic of the local community it serves.
- **Difficulty of aggregation:** The bundling of projects is crucial to securing financing for citizen-led renovation in general, and even more for schemes tackling vulnerable households. By aggregating local projects, and acting in a network, citizen-led renovation programmes can make smaller projects more visible to funders, while providing a guarantee relating to the quality of the work delivered to households.

2 The Buildings Renovation Wave Initiative needs to include citizen-led renovations

REScoop.eu welcomes DG Energy's Renovation wave. Building renovation is a crucial part of delivering a more efficient, fair and green future for Europe. However, it is unfortunate that citizen and community participation is not mentioned or accounted for

¹ Directive 2018/2001 (RED II), Recital 67, Directive 2019/944 (IEMD), Recital 43.

² Governance Regulation, Annex I, Part 1(3.2)(v)

in DG Energy's Roadmap. This is in contrast with the central role given to energy communities in the CEP. If tackled, it will help maximise the realisation of potential for active citizens and communities that want to drive the energy transition at the local level.

Citizen-led renovation will contribute to a number of the Renovation Wave's objectives:

Energy communities are a systemic tool for the energy transition. Through citizen-led renovation programs, our members now provide full solutions to citizens looking to be more efficient, decarbonise their homes, and produce renewable energy. Cooperative members are consuming less than non-cooperative consumers.³ Through citizen-led renovation programs, cooperatives are supporting whole communities to live in more efficient and cleaner homes at a lower cost.

Initiative: Wijkwerf
REScoop: Energent (BE)

Energent acts as a neighborhood renovation and energy coach, whereby it organises a collective renovation program in a specific city area. Energent provides audits and brings in other experts or a pool of renovation companies to perform measures such as roof insulation, installation of PV panels or solar boiler, and window replacement. They also take care of the administration linked to quotes, quality checks, permits and subsidies that the households are entitled to receive. So far 788 renovation audits and intakes have been performed, and 312 renovation measures have been implemented. All of this has triggered 3 million EUR in household investments throughout 11 different neighborhoods in Ghent.

Website: <https://wijkwerf.energent.be/>

Citizen-led renovation facilitates better access to finance at the national and European level by bundling projects and making them more visible to funders. By encouraging consumers to act collectively, citizen-led renovation programs allow communities to receive direct funding in a more efficient and personalised way. Citizen energy cooperatives also help mobilise additional collective private investments based on the trust of their members. This helps triggering deeper renovation, and offer more vulnerable households with solutions to get preferred financing as part of a larger group. This collective dynamic also allows tenants to get the support of their neighbors to combat split incentives. By providing integrated solutions with renewable energy production, cooperatives motivate people to act collectively in order to create more economically viable models for building renovation.

³ Data-analysis report, H2020 REScoop PLUS project, Grant number 696084

Initiative: Energy Community Tipperary

REScoop: Energy Community Tipperary Energy Cooperative (IR)

Tipperary Energy Cooperative aggregates households experiencing fuel poverty in need of retrofitting their homes. They provide households with a technical assessment of their house and an overview of financing needs in order to perform the retrofit. Once a critical mass of projects is collected, the cooperative leadership pitches the renovation projects to regional and national funding institutions, as well as utilities. Finally, once the funding is awarded, the cooperative coordinates the project, including sourcing local contractors and ensuring the quality of the delivery. The cooperative will go through a tendering process that includes only local contractors. The project started 3 years ago, and has resulted in up to 200 housing renovations per year, with an average of 12,000 euros per house renovated.

Website: www.energycommunitiestipp.ie

Cooperatives and municipalities are natural allies in the energy transition and have worked hand in hand for many years. Citizen-led renovation programs have helped larger municipalities support more vulnerable households, while smaller municipalities have partnered with their cooperatives to finance larger renovation projects.

Initiative: "Climate Network" and mobile information center (WATTMOBIEL – KYOTOMOBIEL)

REScoop: Pajopower (BE)

Pajopower participates in a Province level 'Climate Network' that provides households with information, renovation advice, and coaching. The network also facilitates group purchasing to lower the price of insulating roofs, attic floors, walls, and windows. This group purchasing also includes the installation of solar PV or heat pumps. After the purchase, households are guided by a pool of local contractors that are selected to carry out energy renovations for families at best price-quality conditions. Outreach is carried out using mobile information trailers called 'Kyoto mobiel' and 'WattMobiel'. Sessions are organised in each municipality and in the neighborhood themselves, allowing residents that walk by to start a discussion with an energy expert. The networks aim for 2,000 renovations per year. Since the start 2017, each year +/- 1,000 audits have been realised, whereby 200 renovations with at least one significant energy improvement was implemented. Part of the Climate Network's efforts also aim to mobilise and organise new citizen (cooperative) initiatives via LICHT – groups ('Local Initiatives Cooperative Renewable Transition').

Website: <https://www.pajopower.be/>

All Citizen-led renovation programs are based on promoting local economic development and partnerships with local SMEs. This provides two advantages: better quality control, and more economic opportunities for the community. Citizen-led renovation programmes also encourage consumers to choose more collective solutions, which are often more efficient than taking an individual approach.

Through cooperative networks, citizen-led renovation programmes also experiment with more smart building technologies and shared experiences, which can help scale their adoption.

Initiative: Klimaatscholen (Climate Schools) 2050

REScoop: 6 REScoops, 4 engineering companies, 1 monitoring platform (BE)

In an initiative called Klimaatscholen, six citizen energy cooperatives and experts have teamed up in a consortium to cover a broad geographical region and share complementary expertise. Each cooperative focuses on a different Province in the Flemish region of Belgium: BeauVent (Province of West-Flanders), Ecopower (Provinces of Vlaams-Brabant and Limburg), Energent (Province of East-Flanders), Pajopower (Province of Vlaams-Brabant), Stroomvloed (Province of East-Flanders), ZuidtrAnt (Province of Antwerp). Investments and income are mutualised among all six cooperatives. These cooperatives are provided energy efficiency monitoring services from EnergielD, a cooperative energy monitoring platform, and other assistance from engineering companies such as Efika Engineering, Zero Emission Solutions, Bureau000, and BASbouwen. Since the start of the initiative in 2019, 20 schools have had PV installed, along with the initiation of education programmes based on learning about energy monitoring data.

Website: <https://www.klimaatscholen2050.be/>

In order to identify barriers to scaling citizen-led renovation programmes, REScoop.eu has worked with its member cooperatives and many European associations. Through this work, we have identified several barriers to the development of bottom-up, community-based approaches to building renovation. Those barriers can be defined in three groups:

- Sector related barriers: Historically, a number of cooperatives have been active in the construction and housing sector. However, their impact today is rather limited, and their links to the current wave of new energy cooperatives in Europe are small. As a result, knowledge on collective building renovation, including successful models, within the cooperative movement is limited.
- Financing and funding related barriers: There are two types of financing barriers faced by citizen-led projects. First, in addition to the large capital investment needed to invest in deep renovation projects, there is a low return on investment for such projects. Second, it can be difficult to aggregate smaller cooperative projects so that they can access favorable financing.
- Systemic barriers: Several factors inherent to the renovation sector make undertaking citizen-led projects quite complex, including their small size, the lack of available skilled workers and the uniqueness of each home renovation project.

More details about the barriers and drivers of the citizen-led initiatives can be found in the report on barriers and drivers for citizen-led renovation, produced by REScoop.eu with the support of the European Climate Foundation, the Coalition for Energy Saving and Stefan Scheuer Consulting.⁴

Recommendations

From the above, it is clear that energy communities have a role in helping drive Europe's renovation wave. However, in order for energy communities to take significant action in

⁴ <https://www.rescoop.eu/blog/new-report-on-citizen-led-renovation?categoryId=381>

this area, the Renovation Wave Strategy needs to include specific support. We ask that as DG Energy moves forward in developing its strategy for the Renovation Wave, it takes into account the following points. Specifically, this strategy should:

1. Acknowledge energy communities as an active player in the renovation wave. The Strategy should include a clear reference of the role that collective renovation strategies, in particular those carried out by energy communities, can play in Europe's renovation wave. This should include providing examples of how energy communities have helped raise awareness and facilitate investments in renovation of homes and shared dwellings, as well as highlighting relevant challenges energy communities face.
2. Link simplified administrative procedures for renewables production with renovations. Articles 15 and 16 of the Recast Renewable Energy Directive require the integration of self-consumption and REC projects into local administrative and planning regulations, as well as a single administrative contact point for permitting of new projects. Relevant links between these single administrative contact points and one-stop-shops for renovation and energy efficiency projects, in particular collective citizen-led renovation projects, should be made to ensure an integrated approach.
3. Financial and informational tools for collective citizen-led renovation projects. The Strategy should assess and identify relevant instruments that can support aggregation and financing of renovation projects carried out by energy communities. Such finance should also be supported by the provision of dedicated resources and/or expertise to help energy communities navigate administrative hurdles related to obtaining such finance. Particular emphasis should be placed on community projects that address tenants, as well as vulnerable and low-income households.
4. Link energy communities to existing and future legislation on energy efficiency and building performance. While energy communities have been acknowledged in renewables and electricity market legislation, there have been no explicit links made to EU legislation on energy efficiency and building renovations. The amendment of the Energy Efficiency Directive provides an opportunity to establish this link. Furthermore, the Commission should provide guidance for how Member States can include energy communities in their long-term renovation strategies under the Energy Performance of Buildings Directive. To establish a baseline for existing policies supporting the role of energy communities in building renovations, the Renovation Strategy should also take into account how Member States elaborate policies for supporting energy communities' role in achieving energy efficiency objectives in their NECPs.