

Local Energy Communities: a way to bring ‘all Europeans’ along in the energy transition

Regardless of income or home ownership, all citizens should be able to benefit from participating in the energy transition. The ability to invest in energy efficiency or ownership of renewables should not be limited to well off households with enough disposable income. It is indeed vulnerable consumers and consumers experiencing energy poverty that can benefit most from being able to participate.

In a number of EU Member States, REScoops (also known as ‘renewable’ or ‘local’ energy communities) already pursue social aims, such as fighting against energy poverty. If supported by EU law and policy, REScoops can further empower vulnerable and low-income households across the EU to be able to share in the benefits of the energy transition.

What are the opportunities and challenges for potential energy citizens?

By 2050, almost half of all EU households could be involved in producing renewable energy, about 37% of which could come through involvement in an energy community; if demand response and energy storage are included, about 83% of households could become active.¹

However, vulnerable and low- to medium-income households, especially those that live in multi-unit dwellings, face substantial financial barriers in adopting renewable energy or energy efficiency measures. Current challenges include inadequate access to capital or finance, lack of dwelling ownership, poor housing conditions, and lack of policy support or incentives for developers or building owners.

The ‘*Clean Energy Package for All Europeans*’ package that was proposed by the European Commission takes a number of steps to put citizens at the heart of the energy transition. However, the package needs to go further to ensure that vulnerable and low-income households can also share in the benefits of the energy transition.

REScoops help all citizens to benefit from renewables and energy efficiency

One of the operating principles of REScoops is *concern for the community*. Many REScoops reflect this principle by encouraging their members to achieve an equilibrium

¹ CE Delft (2016). *The Potential of Energy Cities in the European Union*.
http://www.cedelft.eu/publicatie/the_potential_of_energy_citizens_in_the_european_union/1845

between consumption and renewable energy production, through energy efficiency.² Often using nearby or onsite renewable energy installations as a means to generate revenue, a number of REScoops have incorporated explicit aims to address vulnerable and low income households, and those that do not own their dwelling.

REScoops reach out to vulnerable and low-income households so they can:

- **invest in ownership and cheap access to supply from renewables so they can participate in the collective wealth generated**
- **invest in energy efficiency measures and building renovations in order to improve living conditions**
- **access advice on how to reduce consumption so they can reduce their energy bills**

Here are just a few examples of how REScoops fight energy poverty:

Les Amis d’Enercoop - France

Enercoop, a network of 10 renewable energy cooperatives, believes the energy transition should be fair and open to anyone. Having adopted a ‘negaWatt’ vision, Enercoop aims to reduce energy use and improve energy efficiency to help deliver 100% green energy. To help members save on their energy bills, Enercoop provides an energy efficiency service, called ‘**Docteur Watt**’, which provides training and advice for reducing electricity consumption. With its support lab, *Les Amis d’Enercoop*, Enercoop is also implementing ‘**Energie Solidaire**’, a solidarity fund that raises money through micro-donations from energy bills of consumers and produced energy donated by renewables producers to support local social initiatives tackling fuel poverty. Bringing social and energy organisations together, Energie Solidaire will fund projects with long term effect on energy poverty, and meeting environmental and social goals.

Tenants Democracy – The Solar House in Copenhagen, Denmark

Under Danish law, social housing estates operate through self-governance, where tenants decide on commons issues through a Board and a General Assembly. In a multi-story building of 3,700 households located in an underprivileged area of Copenhagen, together the tenants decided to produce electricity from solar PV and water heating from solar thermal. The project, now known simply as ‘**the Solar House**’, is owned by the housing estate, and the tenants contribute financially to the project through additions on top of their monthly rent or mortgage payments (20 cents / m²). The electricity produced contributes towards self-sufficiency within the estate, but each dwelling has its own part of the system, which is operated through a common grid. The project is being implemented in cooperation with the local district heating company.

² For REScoops, energy efficiency means energy savings, energy sobriety and energy solidarity.

Repowering Brixton – London, United Kingdom

In Brixton, many people cannot afford to have contracts with energy companies and instead are on more expensive ‘pay-as-you go’ tariffs. ‘**Brixton Solar**’ community power project allows tenants in social housing to make smaller investments in the projects, and gives them a limited amount of the electricity produced with solar panels on their own roofs for free. Part of the revenues from the project go into a dedicated energy efficiency fund that allows people to take part in ‘draught buster’ workshops to help them cut energy waste and save further on their energy bills. The cooperative also provides training opportunities for youth living in the local community through an internship programme. Currently they are looking at creating battery storage in the social housing estates.

Energent – Gent, Belgium

Energent, a REScoop from Gent, Belgium, created ‘**de wijkwerf**’ to support members in initiating energy efficiency measures in their private homes so they could save money on their energy bills. Through a programme called ‘**Gent Zonnestad**’, Energent also helps households that rent their dwelling invest in renewables. They help facilitate the provision of legal advice to both tenants and homeowners on how they can develop shared projects. To combat energy poverty, Energent works with a local charity that works to help low income households invest in energy performance measures, even if they don't own their dwelling. The municipality gives subsidies to the tenants and landlords to perform energy performance upgrades, and it runs a one-stop shop where people get free information on how to improve energy performance and take other energy efficiency measures. Energent contributes to this initiative by lending services and its expertise.

How can the Clean Energy Package for All Europeans benefit all Europeans?

The Commission’s legislative proposals do not include measures to enable participation in local energy communities by households that rent an apartment, live in social housing, or are experiencing fuel poverty. The package should live up to its name and make it easier for all Europeans to benefit from participating in a local energy community.

What is needed:

- **In the Renewable Energy Directive:** A targeted framework for self-consumption schemes and renewable energy communities that enable tenants and households experiencing fuel poverty to participate
- **In the Market Design Initiative:** Better recognition of local energy communities in addressing energy poverty at national level
- **In the Energy Efficiency Directive:** Encouragement of local energy communities in implementing national energy efficiency obligation schemes with social aims