

Are Member States planning for energy communities?

A critical analysis of Member States' draft National Energy and Climate Plans

With the conclusion of the EU's 2030 climate and energy legislative framework, there are now more opportunities than ever for citizens to get involved in the energy transition. Before Member States write new rules that give effect to [new rights and supportive frameworks for citizens and communities](#), they are required to deliver final National Climate and Energy Plans, or 'NECPs'. This planning process creates space for establishing high level support for citizen participation in the energy market. This policy briefing summarises an assessment of all 28 draft NECPs regarding their provisory treatment of renewable energy communities (RECs) and citizen energy communities (CECs).¹

We acknowledge upfront that the draft NECPs were not intended to be finished products, and that these drafts were due before the finalisation of the negotiations on the new electricity market design. Furthermore, this assessment was conducted independently of existing national frameworks, which may already address energy communities. With this in mind, most Member States positively acknowledge RECs in their NECPs and some demonstrate their planned commitment. In most cases however, this acknowledgment is not matched with concrete policies or measures. As they take steps to improve and finalise their NECPs by the end of 2019, there is room for all Member States to improve – in most cases, significantly - the level of detail and clarity of their plans to support energy communities. Below we present a traffic light assessment of the Member States' NECPs, and the main results of our analysis.

Key take-aways:

- Awareness of energy communities is moderate, but actual planning is low.
- There is a lack of clarity regarding the use of terminology, lack of distinction between energy communities as an organisational concept and other technical activities such as renewables self-consumption.
- There is insufficient acknowledgment of the role that energy communities can play in energy efficiency, and addressing energy poverty.
- Several Member States demonstrate strong commitment and can be looked at for best practice (e.g. Greece).
- Several Member States completely disregarded the role of energy communities in their energy system (e.g. Germany, Malta, Sweden).

Main recommendations for Member States:

1. Introduce **quantitative policy targets/objectives** for energy communities.
2. Further **clarify terms and concepts**: distinguish between energy communities and related concepts such as self-consumption.
3. Improve the level of **detail for proposed policies and measures** for enabling RECs and CECs.
4. Better acknowledge **how community energy can** contribute to national energy efficiency objectives and **address energy poverty**.
5. **Facilitate citizens' involvement in further development and finalisation of the NECPs**.

CZ, ET, DE,
LV, MT, SK,
SL, SE (8)

BE, BG, CY,
DK, FI, FR,
HU, IT, LT, LX,
PL, PT, RO,
ES, UK (15)

AT, HR, EL,
IE, NL (5)

¹ The full report is available on [the REScoop.eu website](http://theREScoop.eu/website). It includes a detailed picture with summarised comments in the high-level assessment (section 1). Annex 2 compiles relevant information and comments on the 28 NECPs.

1. Introduce quantitative targets or objectives for renewable energy communities

In their NECPs, Member States are encouraged to put forward policy objectives for supporting RECs, renewables self-consumers and cities. Such policy objectives can play a strong role in helping to guide the development of enabling national regulatory frameworks for RECs. Therefore, we encourage Member States to include quantitative targets or objectives in their final NECPs for the growth of RECs at national level. A handful of Member States already included quantitative targets for capacity detained by energy communities, or related concepts such as (collective) self-consumption.

Examples:

*Targets or objectives could be developed in a number of ways. In their draft NECPs, Greece and Scotland proposed a quantitative target in terms of **installed capacity** for renewable energy communities of 500 MW and 2 GW by 2030 respectively. Member States could also decide to include a **relative target** that is represented as an overall share of community ownership renewable energy projects (e.g. 50% local ownership of new onshore wind and solar PV in the Netherlands).*

2. The need for further clarity: distinguish between organisational concepts such as energy communities and technical concepts such as renewables self-consumption

Our assessment found that generally, there is varying understanding of energy communities among Member States and how they relate to various activities that are covered in the Clean Energy Package. This distinction is important, because RECs and CECs are defined and framed in the Clean Energy Package primarily as a way to organise cooperation between citizens rather than a specific technical activity.

To provide legal clarity and better understanding for decision makers, the energy sector and citizens, a clearer distinction needs to be made between these separate, yet mutually reinforcing, concepts. In the final versions of their NECPs, Member States should provide further clarity regarding different activities such as renewables self-consumption, district heating networks and local energy systems, (specific activities that can be developed by any business model), and how they relate to RECs and CECs as distinct concepts.

Examples:

- *Some countries still use the term '**local energy community**' (Lithuania, Poland, Portugal), which no longer has any regulatory significance and has officially been replaced by the term '**citizen energy community**'. This new terminology needs to be reflected in the final NECPs.*
- *Some countries (e.g. France, Luxemburg, Austria, Finland, Denmark) described policies and measures that are meant to apply to **activities such as renewables self-consumption** and establishment of local energy systems/neighbourhoods or district heating, without properly **distinguishing whether they apply specifically to energy communities** or traditional market actors, or both.*

3. Include detailed policies and measures planned

Due to the fact that the Clean Energy Package was still under negotiation while the draft NECPs were being prepared, the lack of concrete planned measures was justified. Now that this process is finalised, Member States should identify specific policies and measures which should give effect to new rights of RECs and CECs, and put in place an enabling national framework for their development (namely, under Article 22 of the Renewable Energy directive and Article 16 of the Internal Electricity Market Directive). These should include, inter alia:

- Removal of regulatory and market barriers, including simplification and streamlining of administrative procedures so RECs can generate, supply, store and aggregate renewable energy, and access different markets;
- education and capacity-building for citizens, local authorities and energy communities;
- measures to ensure RECs can access financial support schemes;
- establishment of frameworks to enable renewables self-consumption and energy sharing by RECs;
- measures to ensure vulnerable and energy poor households can participate;
- ensure support for RECs in single contact points designed to streamline permitting for renewable energy projects.

Examples:

*The most common measures related to **education and capacity-building** (e.g. Croatia, Finland, Ireland, Italy, Poland, Spain, Sweden, United Kingdom) **simplification of administrative procedures** (e.g. Bulgaria, France, Greece, Hungary, Ireland, Italy, Spain etc.) and **investment aid and support in tendering procedures** (e.g. France, Greece, Poland, Ireland).*

4. Acknowledge the contribution of RECs in achieving energy efficiency objectives and addressing energy poverty

Member States should acknowledge the potential synergies between support for RECs and CECs and investments or actions that result in behavioural change around energy efficiency and building renovations. While many existing energy communities currently focus on energy savings as one of their activities, this is overlooked by many Member States.

Member States should also consider supporting the role energy communities play in driving energy savings, including under their Energy Efficiency Obligation Schemes, particularly where they prioritise alleviating energy poverty, around education and public outreach, public procurement, and buildings renovations.

Examples:

*Austria, Czech Republic, Greece, Hungary Ireland, Lithuania, the Netherlands, Romania, Slovakia acknowledged that **energy communities have a role in energy efficiency and/or poverty**. For more information on existing initiatives being undertaken by energy communities and how to potentially integrate them in Member States' NECPs, see a [Report on Best Practices and legal barriers for supplying REScoops and promoting energy efficiency](#).*

5. Facilitate citizen's involvement

The Governance Regulation also establishes governance principles² that Member States should apply in developing their NECPs. While this report does not assess the extent to which citizens and civil society were involved in drafting phase (section 1 of the template), some Member States did describe whether they organised public consultations on energy communities or prosumers and if energy communities were consulted. Considering that energy communities also play a role in education and capacity-building of citizens, their participation in decision-making should be taken into consideration.

² According to its first recital, "the [Energy Union governance regulation](#) sets out the necessary legislative foundation for reliable, inclusive, cost-efficient, transparent and predictable governance of the Energy Union and Climate Action".

And finally a “best of” community energy champions...

A small number of Member States stood out in their intent to support energy communities. These NECPs could be regarded as detailed, precise and concrete, both in terms of objectives and policies and measures. These NECPs also went beyond what is required or suggested by the template.

Greece stood out in particular, having the most comprehensive plan out of any other Member State. In particular, it includes a quantitative target of 500 MW installed capacity for renewable energy communities by 2030. Greece also provided a summary table of measures for energy communities under the enabling framework.

...and laggards!

Article 22(5) of the recast Renewable Energy Directive requires Member States to put in place an enabling framework to support the development of renewable energy communities, which is monitored through binding reporting provisions in the NECP. Therefore, it was particularly surprising that four plans (Estonia, Germany, Malta and Sweden) either omitted or explicitly rejected the development of energy communities.

Two Member States' NECPs stand out in particular. First, Germany, who has historically been a front-runner in the development of energy communities, completely omitted any reference to energy communities. It did not even reference any of the existing measures that could be considered supportive of energy communities. In its final NECP, Germany will not only need to revisit its existing policies and measures, but it will also need to propose new policies and measures as it has fallen behind in its support of energy communities in recent years.

Second, Malta's NECP explicitly rejects the development energy communities, which it attributes to the lack of a market (i.e. a monopoly) for supply of energy. Although Malta's energy system benefits from regulatory exemptions, those do not cover the development of energy communities.

*** ENDS ***

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