

REPowerEU for Energy Citizens Manifesto

The current energy crisis

If the hostilities that have erupted up on Europe's borders have taught us anything, it is that all of us - citizens, public authorities, NGOs and businesses - are addicts to imported fossil fuels. This addiction makes us do irrational things. As a society, we accept everything from a climate crisis to, poor air in our cities for our kids, to illegal invasions and support by our governments of autocratic rulers.

This latest energy crisis did not start with Russia's invasion of Ukraine. It was already driven largely by a fossil fuel supply crisis (mainly imported oil and gas) – likely driven by oil and gas majors trying to make up for lost profits after COVID-19.

The effects of this current fossil energy crisis have hit the cooperative energy sector, just as any other. Yet it is those that drive energy cooperativism – citizens – that are feeling the most pressure. Volatile energy markets have confronted them with soaring gas and oil prices for transport, heating their homes, and for electricity. Before this crisis, many citizens were already confronted with growing energy poverty. Now, this number is bound to rise even further.

What can Europe's energy citizens do in times of crisis?

This is not the first time Europe has been confronted with an energy crisis. In times of crisis, institutional authorities are needed to react. However, in times of crisis the DNA of cooperativism comes alive and citizens can come together to tackle problems in solidarity.

It is clear that citizens are an essential part of the solution to the ongoing energy crisis. We only need to look back to the 1970s when, in response to oil supply shocks, Danish citizens resoundingly rejected their government's plan to invest in nuclear. Instead, they developed their own response, which was to promote and invest themselves in solar and wind, as well as district heating. These actions laid the foundation of Europe's community

energy movement. Indeed, the wind industry would not be what it is today without that popular movement. Furthermore, to this day most Danish district heating networks are either under municipal or direct consumer ownership.

The 1970's oil crisis also spawned behavioural initiatives, such as car-free Sundays across Europe. In cities like Amsterdam and Copenhagen, because of these policies, cycling is now part of the fabric of these cities' personalities. One thing about crises is clear: in order to carry out monumental societal shifts, we need to include citizens as part of the solution.

Community ownership of renewables: a way forward

Fast forward to today, and citizens are still leading by example. Take local renewable electricity production in the Flemish Region of Belgium. In 1991, Ecopower was founded around a kitchen table by a handful of people as a response to the nuclear disaster in Chernobyl. It started with a micro-hydropower plant in a medieval watermill. Now it has grown into a large cooperative with 65,000 members and €58 million equity invested in wind turbines, micro-hydro, wood pellet production, district heating and solar PV. But Ecopower is also supplies green electricity to about 2% of the Flemish households. From its own production, it supplies around 90 GWh/y of green electricity, enough to meet its members' consumption needs. It also assists its members to consume less and to produce energy themselves by installing PV panels. About 50% of its members have done this so far.

Although many cooperative electricity suppliers are suffering at the moment, Ecopower is able to keep its price for green electricity stable and is currently the least expensive supplier. How is this possible? Because Ecopower has been able to achieve a balance between its own production, the green electricity that it sells, and what is bought and supplied to members.

Ecopower's example shows how citizen-led initiatives and ideas can contribute to ensuring local self-sufficiency in meeting consumption needs with renewable energy. Yes, Ecopower still utilises the market. However, it is better protected from high prices and volatility, because it is less dependent on market prices.

Many citizens and local communities are eager to repeat Ecopower's success, and the potential is there. [By 2050, around 45% of renewable energy production could be in the hands of citizens](#), about a quarter of which could come through participation in a cooperative. There is also an estimation that [citizens have the capacity to invest up to 240 billion euros toward the energy transition by 2030](#).

However, if we want to meet this potential, and if we want more initiatives like Ecopower across Europe, a priority must be placed on allowing local communities to build up enough self-owned (e.g. by citizens, cooperatives, local authorities, SMEs, etc) renewable

energy production – in particular through renewable energy communities (RECs) and citizen energy communities (CECs).

The European Commission's REPowerEU Plan

With its '[REPowerEU Communication](#)', the European Commission has laid out a plan to diversify away from Russian gas, which currently makes up more than 40% of Europe's entire gas consumption. In its Communication, the Commission lays out two pillars of its plan:

- 1) diversification of gas supplies; and
- 2) increasing the pace of reducing dependence on fossil fuels.

At first glance, this seems balanced. However, when looking deeper, much of the priority is on diversifying gas supply, including the use of nuclear to produce hydrogen. There may be two pillars in this plan, but both should not be created equal. You don't fix an addiction by switching dealers. It is vital for the climate, energy security, and - ultimately - Europe's citizens, that the EU prioritises getting off fossil fuels. However, that doesn't seem to be the case right now.

If we are going to take switching away Russian energy seriously, we need to make sure that it doesn't simply get replaced with someone else's fossil energy. Much more ambition and political vision for rolling out renewables and energy savings is needed in the REPowerEU Plan. That is where citizens come in. Unfortunately, the REPowerEU plan does not even mention citizens or even local communities once.

Our REPowerEU for Energy Citizens Manifesto

In light of today's challenge, we would like to propose our own REPowerEU for Energy Citizens Manifesto. This manifesto calls for an inclusive and local community-centred approach to the EU's REPowerEU Plan. Our manifesto consists of a number of actions the EU and Member States should take to empower local public authorities, citizens and community initiatives to enable them to take ownership and responsibility for replacing imported fossil gas with renewable energy.

To ensure an inclusive and local community-centred approach, we recommend that the Commission takes forward the following in its REPowerEU Plan:

- 1) Acknowledge and support local ownership of renewable energy production as a matter of securing energy supply;
- 2) Support energy sobriety and other sustainable behavioural change;
- 3) Prioritise accessibility of renewables for vulnerable, energy poor and low-income households to ensure a just transition;

- 4) Ensure full implementation of EU legislation on renewable energy communities; and
- 5) Clarify the role that gas – including renewable gas – has to play in the energy transition.

1. The EU should acknowledge local ownership of renewable energy production as a matter of securing energy supply

Securing locally-produced renewables is an urgent matter of security of supply. Local communities that can secure renewable energy production are able to shield themselves from the impacts of high and volatile wholesale electricity and gas prices. If we want to ensure consumer-owned suppliers can set up sustainable business models, ownership of production is a fundamental precondition. Otherwise, these suppliers will be completely exposed to the wholesale market. In addition to being able to secure local production, energy communities should also be allowed to participate in off-shore wind tenders, so that they can produce enough to cover their members' energy needs.

Local ownership of renewable energy production can be supported with the following concrete actions:

- National and sub-national objectives for citizen and local community ownership and production of renewables

Member States need to plan how to maximize the potential of exploiting the power of the sun (solar PV and solar thermal) and the wind. In particular, Member States should encourage and support local and regional authorities in establishing similar objectives, and linking them with local community ownership.

In the existing National Energy and Climate Plan (NECP) templates under Regulation (EU) 2018/1999 ([Energy Union Governance Regulation](#)), Member States are encouraged to communicate their trajectories and objectives for renewable energy produced by cities, RECs and renewables self-consumers in both their NECPs and in their reporting. This provides a high level policy basis for strengthening efforts at the national level and subnational level for specific measures to support citizens and energy communities.

Some Member States have already set out objectives for the growth of RECs. In its Climate Plan, Ireland aims to achieve 500 GW of renewable energy production from RECs by 2030. In their Climate Pact, the Netherlands included a policy objective to ensure that all new onshore wind and solar PV projects provide local communities up to 50 percent of ownership. France also recently set an objective to develop 1,000 new locally governed renewable energy projects involving local authorities and citizens by 2028. More Member States should follow these examples and set specific targets for REC projects.

Beyond the national level, local authorities should also be encouraged and supported to set out their own objectives for locally owned production and supply of renewable energy. The Commission should support such national and subnational initiatives, starting with its forthcoming *Solar Strategy*. However, objectives should be broadened to other exploitable renewable energy technologies such as wind and geothermal.

- National and EU support for robust urban, spatial and energy planning

Local authorities, system operators and citizens in their communities are on the frontline of ramping up solar production at the local level. Deployment of renewable energy production and storage needs to be done in a coordinated and planned manner to easily identify suitable areas (e.g. roofs, land available for multiple uses including urban areas, agricultural land, water bodies and brownfields), and to address potential issues around grid infrastructure. Everywhere across Europe, the potential for renewable energy is systematically underestimated, because local resources are not mapped and insufficiently planned. Therefore, Member States should be required to provide support to local governments to:

- 1) undertake an assessment, mapping out all the options to develop local sustainable renewable energy production, supply and system optimization options, which are most conducive to long-term socio-economic development; and
- 2) develop tools that can make it easier for uptake by citizens (transparency, online mapping and other tools, streamlined single contact points for projects, etc).

There are relevant proposed amendments in the European Parliament discussions on the *Revised Renewable Energy Directive*. These proposals should be taken forward and supported by the Commission and Member States. Furthermore, the Commission should include support for local planning through its forthcoming *Recommendations on Permitting for Renewables*.

There should also be stronger efforts to make sure grid operators, especially at the local level, create grid development plans so that there is transparency around grid capacity, options for system optimization, and clarity for stakeholders around suitable sites to install production.

The Commission's forthcoming *Recommendations on Permitting for Renewable* also should include recommendations on how to carve out special grid access rules and procedures for citizen and community projects. It should be possible to allow RECs to apply for a grid connection outside the normal procedure used by commercial developers. Furthermore, Member States should consider ringfencing a certain amount of grid capacity for REC and other citizen-led projects. Grid connection costs for RECs and other small projects should also be modified so the financial burden of grid reinforcements do not fall squarely on their shoulders. Article 22 of the Renewable

Energy Directive provides a legal basis for such measures, while respecting the legal principle of equality.

- Support for collaboration between local authorities and citizens

Public authorities and citizen- and community-led initiatives are natural allies when it comes to the fight against climate change. Local governments have no shortage of motivation when it comes to scaling up decentralised renewable energy solutions. However, they face in-house capacity challenges to navigate State aid, competition and public procurement rules when designing tenders (or other dedicated support schemes) that pursue policy objectives to include or promote citizen and community led projects using public space.

The Commission and Member States have a role to provide further legal clarity, as well as resources to local authorities, so that they can move forward with collaborative processes using public procurement to achieve social (e.g. public participation and acceptance, social inclusion, energy poverty, circular economy, social innovation, etc.) and climate objectives. Such support is needed not just in renewable energy production (e.g. wind, solar PV), but also in areas of energy savings and building renovations. While such issues could be clarified in relevant legislation such as the Renewable Energy Directive and Energy Efficiency Directive, *EU Public Procurement legislation* needs to be amended to provide legal clarity around social procurement.

- Development of local markets for renewable energy and flexibility

It is clear there are flaws in the design of wholesale electricity and gas markets. In the existing market context, it makes little sense to encourage energy communities to become suppliers. With highly volatile wholesale market prices, the financial risk – and associated guarantees required to maintain a supplier's license – is simply too high.

Furthermore, the regulations and rules around collective self-consumption and energy sharing make it almost impossible to establish a business case for such innovative activities. In particular financial incentives are focused on the energy component of consumers' bills, while there is very little willingness from system operators or governments to provide sufficient incentives for sharing in the form of reduced taxes, levies or grid fees. Due to more generous incentives for individual self-consumption and high wholesale market prices, it makes more sense to export renewable electricity to the grid, rather than to share it. When factoring in other bureaucratic procedures (e.g. data collection) and rules that are being imposed on these activities (e.g. balancing responsibility, restrictions on a common grid connection), it is hard to see how a sustainable business case for these activities emerges in the short-term.

To address this problem, the Commission should increase its support for the development of local markets for trading renewable energy, flexibility and other distributed energy resources (DER). This should take the form of an *'Integrated DER*

Strategy, which focuses on different business models and platforms that can empower citizens and SMEs, including but not limited to energy communities, to bypass the wholesale market.

This strategy should also properly delineate between technical activities and more organizational concepts, such as energy communities. This will help ensure there is not a misunderstanding of the role energy communities can play in the deployment of flexibility and other DERs in a more decentralised energy system.

2. Promote and support energy sobriety and lasting behavioural change to save energy

Until Europe installs enough renewable energy production, there will be no easy fix for dealing with the gap that cutting fossil gas from Russia would create. Therefore, the best short-term options for both small and large consumers are to adopt 'energy sober' consumption behavior. Households will need strong support to make these changes.

Citizens are best reached through other citizens, for instance citizen-led initiatives and energy communities. This goes especially for vulnerable households, as they are often very weary of government initiatives. An example of this is the ['Jungle Amsterdam'](#) initiative in the Netherlands, where local residents, trained as energy coaches, are installing small energy saving measures in homes of mainly social tenants for free. On a larger scale, in the Netherlands 5,000-6,000 local residents have been trained as energy coaches throughout the country over the past 10 years. In this way, citizen-led initiatives can play a big role in providing a supportive structure to help promote energy savings in the local community.

The REPowerEU plan counts heavily on savings from lowering thermostats in buildings. This will require large scale campaigns and programmes on energy sobriety. In the immediate-term, this means reaching out to households and provide them with support and advice on what measures to carry out over the next year to 18 months, in order to get through the next winter. To make this happen citizens, energy communities, and local municipalities need to be involved in their development and receive targeted support to engage with households.

In the medium-term, these behaviour changes need to be supported by carving out structured resources to fund training programmes for energy coaches, so that energy communities can more easily engage with households. Stronger efforts, including through the Recast of the Energy Performance of Buildings Directive (EPBD), are also needed to support the establishment and operation of one-stop-shops for home renovations with involvement of energy communities. This should be linked with single contact points for renewable energy projects under Article 16 of the Renewable Energy Directive, in order for citizens to have one place where they can go to receive advice on integrated solutions.

3. Access to renewable energy for energy poor, vulnerable and lower-income households should be a priority – not just a side measure

It is fine and good to say that no one should be left behind in the energy transition. However, it is clear that the poorest will be disproportionately impacted by higher energy prices. As a matter of equity, it is not enough to ensure these people are not left behind. Rather, this should be reframed as a need to prioritize access to solar energy for vulnerable, energy poor, and lower-income households. This can be done by providing policy and financial support to local authorities and RECs that want to prioritise activities on energy solidarity and tackle energy poverty.

We must also make sure that we do not forget citizens that, while they may be well enough off not to fall into the category of energy poverty, are still struggling significantly. It is important to ensure that those in the middle class do not fall into poverty as a result of being stuck on gas and in poorly insulated homes. Taking preventive action and improving resilience through technical assistance on energy savings and home renovation is key in this. Furthermore, this should include access to solar thermal, which can help households improve efficiency and reduce gas in heating by up to 50%.

Article 22 of the Renewable Energy Directive already requires Member States to ensure that their enabling frameworks for RECs guarantee that low-income and vulnerable households are able to participate. However, implementation of this requirement is severely lacking at the moment. The Commission and Member States need to double their efforts to develop policies and measures, both for households and RECs, to make sure renewable energy access is more inclusive and not contingent upon capacity to invest.

- A strategic approach to distributional impacts of the energy transition

More generally, efforts to get the most vulnerable households off of gas should be coupled with a stronger emphasis on ensuring that they are shielded from distributional impacts of the energy transition. To date, EU and Member State efforts to address distributional impacts of the energy and climate transition have remained scattered. This has led to a lack of clarity around the strategic role and value of new initiatives, such as the Just Transition Fund and the Social Climate Fund.

How do all existing and proposed measures to 'ensure a just transition' connect to each other? The [Commission's initiative for a Council Recommendation on ensuring a fair transition towards climate neutrality](#) is a step in the right direction to envision and create meaningful connections. It recognises the need for comprehensive policy efforts and is designed to complement the Green Deal's efforts to take everyone on board, by providing policy guidance to Member States on how to address employment and social aspects of the transition. But it is questionable whether recommendations or

encouragements are enough to address the urgency for coherence and social safeguards.

Both at EU and Member State level, climate policies should address justice issues by design, striving to create evidence-based just transition policies – not by reaction. We support the Commission's efforts in the proposed Council Recommendation to further develop and mainstream the use of employment, social and distributional impact assessments as part of climate, energy and environmental policy. However, such methodologies should apply to both national and EU policy making and ideally even go beyond the Fit for 55 Package, taking into account gender, racial and other intersecting grounds of discrimination. Moreover, such measures should be binding for Member States to implement and not just an invitation for them to consider.

4. Ensure full implementation of the Clean Energy Package's provisions on Renewable Energy Communities

Full implementation of existing EU legislation on RECs is a precondition for empowering citizens to achieve their full potential in contributing to Europe's move away from fossil energy. Ever since the Clean Energy for all Europeans Package (CEP) was finalised, the community energy movement has been working hard to arm citizens across Europe with knowledge and resources, and to make sure EU rules on energy communities are well written into national law.

As a legal concept, energy communities are new in many countries, particularly in Eastern Europe. Already, the transposition process has been slow and arduous. The translation of the community energy definitions into national law has created significant legal complexity for national decision-makers across Europe. Energy communities, which are inherently a social and organizational concept, are often confused with technical concepts like renewables collective self-consumption and energy sharing.

Furthermore, most Member States have yet to put in place enabling frameworks to promote the growth of RECs at the national level. Almost no Member States have undertaken an assessment of the potential and barriers for the development of RECs, which is a requirement of the Renewable Energy Directive. If we want energy communities to grow enough to meet the scale of the next decade's renewable energy production needs, national enabling frameworks need to be put in place as soon as possible.

Member States also need to revise their national support frameworks, so that RECs are not prevented by tenders and other burdensome administrative procedures from receiving operational support for renewable electricity production. The new [Climate, Energy and Environmental State aid Guidelines \(CEEAG\)](#) provide Member States with options for tailoring support schemes for RECs, including discretion to exempt 100% REC- and SME-owned projects up to 6 MW (18 MW for wind). To help Member States

effectively use the CEEAG to promote a level playing field for RECs, the Commission should develop guidance for national and subnational authorities (including local authorities) on how to design national support schemes for RECs.

5. Putting gas – even renewable gas – in its place

While the EU may need to secure gas supplies in the short-term, in the medium- and long-term, the EU and Member States need to put in place credible gas phaseout plans. At the same time, while renewable gases, such as biomethane, can help to decarbonize existing gas supply, such resources need to be exploited with caution.

In its REPowerEU Communication, the Commission stated that it aims to achieve 35 billion cubic meters (bcm) of biomethane by 2030. While this may be supported by industry prognostications, for instance from the European Biogas Association, the potential role of biomethane is a lot more complicated. Biomethane production is quite localised and can be produced from a number of different sources, not all of which have environmental or climate benefits. According to the [International Council on Clean Transportation \(ICCT\)](#), if we discount unsustainable resources used to produce biomethane, the total technical potential of biomethane in the EU-27 could replace only 8% of natural gas demand in 2030, while the cost-viable potential for biomethane is much lower.

Europe should not sacrifice environmental and climate objectives simply for the sake of replacing fossil gas with unsustainably produced biomethane. Local production and supply of biomethane and other renewable gases can help promote a circular economy, decarbonization of energy supply, and even system integration. However, more strategic consideration is needed on how to responsibly exploit different sources for biomethane, so that they do not undermine environmental and climate objectives. Strong sustainability criteria, which are governed by the Renewables Directive, are needed in order to qualify biomethane as a renewable energy source. Everything should be done to ensure that the Renewable Energy Directive remains exclusively focused on sustainable renewable energy. The promotion of bio-methane should not be used to greenwash existing fossil fuel supply or be used as an excuse to prolong decommissioning of gas infrastructure at customer expense.

At the same time, the EU and Member States should prioritize getting citizens off gas – not simply switching them to biomethane. The EU and Member States should begin to mandate the integration of solar on all new buildings, and banning the installation of gas/oil boilers in new buildings. In the short, medium and longer term, energy communities and citizen-led initiatives should be supported to assist neighborhoods in switching to heat pumps, installation of solar thermal, and develop sustainable small-scale district heating systems. The use of renewable gases and renewable hydrogen should be focused on hard to abate sectors, but not in heating for homes. Furthermore, integration of biogas into the energy system should respect the efficiency first principle.

Lastly, the Commission should ditch its proposal to mirror 'active customers' and 'citizen energy communities' into the *Gas Directive*, which [will create more problems than solutions](#). [Green NGOs, local authorities and their EU networks](#), as well as consumer groups, do not want this. Instead, the EU and Member States should prioritize local ownership of biomethane production, storage and supply through RECs, while also promoting local energy system integration.

Conclusion

The climate and energy crisis is only going to get worse until we systematically remove fossil energy from our society. The decision to delink Europe from Russian gas and oil represents a significant societal challenge. The Commission's REPowerEU plan, and the concrete actions that result from it, represent an opportunity to take serious first steps towards an organised exit from gas. We cannot afford to switch from one fossil energy dealer to another. For this endeavor to be a success, citizens and local communities must be brought along and allowed to play an active role.

The RepowerEU for Energy Citizens Manifesto presents a vision on how the EU can support citizens and communities play a role to help ensure that the REPowerEU plan is a success. This will not only help Europe rid itself of Russian gas and oil, but it will also help create a more just, inclusive and democratic energy transition for Europe's citizens.