Renewables acceleration areas: a fast, but also fair design process

REScoop.eu's response to the call for evidence on

renewables acceleration areas

Introduction

Europe's Green Deal aims to put citizens at the heart of the energy transition by ensuring fairness and inclusiveness. This follows the Clean Energy for All Europeans legislative package (CEP), which acknowledges 'active customers', 'renewables self-consumers', 'renewable energy communities' (RECs), and 'citizens energy communities' (CECs) as distinct market actors in the energy transition. The second generation EU legislation for energy communities, including the REPowerEU Package, the Fit for 55 Package and the revised Electricity Market Design recognize the important role energy communities can play in a lot of different activities in the market, including energy sharing and their contribution to larger projects, such as offshore wind projects.

In addition to promoting equality and a level playing field in the Internal Energy Market (IEM) at the EU level, Member States also need to ensure that their national regulations on planning and mapping of renewables contribute towards the delivery of the Green Deal and that local actors, including energy communities, have a fair chance to develop their projects, including in renewables acceleration areas. The Commission should, therefore, guide Member States so they can comply with their legal requirements under the CEP and specifically the revised Renewables Directive.

The EU has determined that energy communities are indispensable for a successful, fair and accelerated energy transition

The Commission based its proposals for a new EU framework for energy communities on the premise that acknowledgment and support for particular forms of citizen ownership and involvement in the market is necessary to successfully transition Europe to a clean, decarbonised energy system. In doing so, the Commission noted the significant potential of community ownership of renewables to contribute to a clean energy transition in Europe.¹ In its Impact Assessment, the Commission noted in particular that while citizens in a few Member States have had the opportunity to enjoy the benefits of community ownership of renewables, most citizens across Europe have not benefited from such opportunities.²

Directive 2018/2001 (Recast Renewable Energy Directive, or RED II) acknowledges that RECs add value in many different ways, including enhancing local acceptance of new renewables projects, increasing the amount of capital available for local investment, choice for consumers, and greater participation by citizens in the energy transition.³ The Directive also notes that RECs help address socio-economic issues such as energy poverty, and allow groups like vulnerable consumers and tenants to actively participate in the energy transition.⁴

The CEP explicitly acknowledges the unique characteristics of energy communities and the need to mitigate challenges they face operating in the market. Directive 2019/944 (The Electricity Directive) states that "*Citizens energy communities constitute a new type of entity due to their membership structure, governance requirements and purpose.*"⁵ Furthermore, the RED II notes that the specific characteristics of RECs, including size, ownership structure, and their number of projects "*can hamper their competition on an equal footing with large-scale players.*"⁶ It follows by highlighting that measures to offset disadvantages relating to specific characteristics of local RECs include enabling RECs to operate in the energy system and easing their market integration.⁷

Article 22 of the RED II requires Member States to create an enabling framework to promote the development of RECs. These enabling frameworks must include policies

- content/uploads/2021/03/CE_Delft_3J00_Potential_energy_citizens_EU_final_1479221398.pdf.
- ² Commission (EU) (2016). Impact Assessment Accompanying Proposal for a Directive on the Promotion of the Use of Energy From Renewable Sources (Recast). SWD(2016) 418 final, Part 1/4, p 78.
- ³ Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources (recast) OJ
- L328/82, 21.12.2018 (Recast Renewable Energy Directive), Recital 70.
- ⁴ Recast Renewable Energy Directive, Recital 67.

¹ CE Delft (2016). *The Potential of Energy Citizens in the European Union*. This study found that half of EU citizens – including local communities, schools and hospitals – could be producing their own renewable electricity by 2050, meeting 45% of their energy demand. Available at: <u>https://ce.nl/wp-</u>

⁵ Directive (EU) 2019/944 on common rules for the internal market for electricity OJ L158/125, 14.6.2019, (Electricity Directive), Recital 46.

⁶ Recast Renewable Energy Directive, Recital 71.

⁷ Id.

and measures to remove unjustified regulatory and administrative barriers, while also measures that provide fair, proportionate, and transparent registration and licensing procedures for renewable projects of RECs, among other things. Such requirements of the RED II should be taken into account in the context of the design of the renewables acceleration areas at the national level, making sure that energy communities have a fair chance to participate.

Taking it a step further, the Revised Renewables Directive (RED III) aims to shorten and simplify the permitting process for developers of new renewables production projects. Environmental Impact Assessments (EIAs) for individual projects are to be replaced by a single Strategic Environmental Assessment (SEA) conducted as a basis for developing renewables acceleration plans. Afterwards, projects only need to navigate a simplified screening process. Outside acceleration areas, individual projects benefit from an overriding public interest when balancing against other impacts. While this may simplify the permitting process from a procedural perspective, the RED III also acknowledges that this is likely to trigger local acceptance issues. As such, Member States are required to promote public acceptance of such projects through means of directive participation (i.e. ownership of the local community through a renewable energy community (REC)) or indirect participation through other means.

There are already a number of national examples of policy measures aimed to ensure that local communities can directly participate in professional developer-led projects. The Netherlands' National Climate Pact (Klimaatakkoord) contains a non-binding policy objective of including 50% ownership in all new onshore wind and PV projects. The objective has been given to the municipalities to interpret and implement, providing them with the basis for integrating criteria in planning permitting to include citizen participation in the process with project developers that want to build a project in the municipality. In the Belgian Region of Wallonia, the Regional Government recently adopted a Wind Agreement that will require new wind projects to be open for at least 24.999%, respectively, between citizens and municipalities. These policies are intended to ensure that local citizens enjoy the benefits of local production potential, helping to ensure public acceptance and speed up the energy transition. Local authorities have also integrated such requirements in public tenders for siting projects on public land. In the Belgian Region of Flanders, 10 municipal councils agreed together to require all renewable production installations on municipal land to offer 50 percent of its capital to investment by citizens.

How the res acceleration areas can align with the Green Deal

In determining renewables acceleration areas, it is imperative to have a holistic, participatory, and an integrated approach encompassing several essential elements, in line with the requirements of RED III:

- Local, regional and national decision makers should adopt framework policies to ensure that **local communities have the right to participate** economically, ideally through ownership, in order for citizens, SMEs and local authorities to be able to benefit from the development of local production of renewables. More specifically, in renewables acceleration areas, priority can be given to projects owned by the community, or a mandate of a certain percentage of community ownership could be implemented through legislative measures in national and regional spatial planning regulations, or through renewable energy targets specifically set for community projects. A concrete proposal on this regard is that every renewable go to zone should earmark at least 10% of the total capacity of projects to citizens, municipalities, and energy communities. Therefore, in its guidance document, the Commission should clarify how Member States can ensure direct and indirect participation of local communities in renewables production projects both inside and outside of renewables acceleration areas.
- Effective public participation and community engagement in planning and mapping must be more than a "box-ticking" exercise. Stakeholder involvement in acceleration area designation needs to go beyond the designation process and should be continuous, as part of the wider multi-level stakeholder dialogues required by the Governance Regulation. Public engagement and community benefit sharing can also provide special criteria in auctions. Citizens, civil society, and energy communities should be provided with ample opportunities to share feedback and help co-design the selection of the renewables acceleration areas, while clear grievance mechanisms should be foreseen in case conflicts arise, in line with the Aarhus Convention. "Gray" sites, such as (peri)urban areas, highways, landfills, etc. should be prioritized over natural areas to reduce impacts on biodiversity and protected landscapes, while also the potential of multi-use spaces should be leveraged.
- Local governments should be involved in a meaningful way in the identification of such areas and collaborate with the local communities. Member States must allow sufficient time for them to do so, but municipalities should also be provided with the necessary tools and resources to carry out this exercise. Capacity should be ensured at local level also to enable permitting processes in those areas to run smoothly.
- Member States should ensure that practical information on the renewables acceleration areas and the related processes are publicly available and accessible to enhance **transparency**. For instance, they should conduct awareness raising campaigns to provide adequate and timely information on renewables

acceleration areas and opportunities for membership in relevant projects. National and Regional One Stop Shops, in line with the Renewable Energy Directive, can be utilized to offer such information.

- Member States should guarantee the availability of energy infrastructure including grids, storage and other flexibility tools and demand response, to support and maximise the integration of growing solar and wind energy, while determining the need for modernisation or infrastructure expansion in cooperation with DSOs and TSOs.
- The design of renewables acceleration areas should be part of the **overall coordinated planning and mapping exercise for renewable energy**, not a substitute to it. This would ensure a holistic approach to renewable energy development, where acceleration areas can complement the larger strategic framework.
- Member States should **periodically review and update their spatial planning and mapping**. This ongoing process can ensure the effective identification and implementation of areas suitable for renewable energy development, aligning with evolving scientific knowledge, technological advancements, environmental considerations, and local community needs.
- Last but not least, **the role of heat networks should not be overlooked** in this process. The decarbonisation of heat is one of the biggest challenges to face in reaching Net Zero. Heat networks play a crucial role in the success of the energy transition in the heating sector. The use of renewable heat sources on site and the local distribution of renewable generated heat through local heat networks are particularly climate-friendly, make entire communities fit for the future and create regional value. Therefore, European law should further support the ramp-up of citizen-owned heat networks, while also areas with accelerated permitting procedures should also be applied to heat networks. This includes the entire network from the heating system over the distribution network up to the transfer stations delivering the heat into the connected buildings. We urge the Commission to take further steps into this direction.