

Bringing the energy transition home: energy communities and the EPBD?

The Energy Performance of Buildings Directive (EPBD) and the related national long-term renovation strategies (LTRS) are crucial instruments in achieving the goals of the Renovation Wave and a Climate Neutral Europe by 2050. **A sustainable transformation of the EU's building stock means that 195 million households need to be sustainably renovated and decarbonised.**¹ To make this a success, citizens and communities need to be able to participate in home renovation policies and programs, and be actively engaged and supported by their local and national authorities in doing this. Citizen-led renovation initiatives by energy communities² have a huge potential in both helping increase renovation rates, and in linking energy efficiency and renewable energy policy. Building on the supportive framework created for energy communities in the Clean Energy Package, the revised EPBD can support the role that citizen-led renovation can play towards creating a more just and inclusive energy transition. This is a unique opportunity to **embark on a positive mission with Europe's citizens to make their homes warmer, healthier, safer, and more sustainable.**

What is citizen-led renovation?

Citizen-led renovation is energy communities and/or cooperatives³ undertaking renovation activities for, and with, their members and local communities. This includes renovation, energy efficiency in buildings, and sustainable heating and cooling. Furthermore, these activities are often combined with installing renewable energy systems. Renovation activities range from performing energy audits and providing information to homeowners, all the way to guiding households through the entire

¹ [https://ec.europa.eu/eurostat/statistics-explained/index.php/Household_composition_statistics#:~:text=In%202019%2C%20the%20EU%2D27,\(each%20with%202.0%20members\).](https://ec.europa.eu/eurostat/statistics-explained/index.php/Household_composition_statistics#:~:text=In%202019%2C%20the%20EU%2D27,(each%20with%202.0%20members).)

² Renewable Energy Communities (REC) and Citizen Energy Communities (CEC) as defined in Directive 2018/2001 (Renewable Energy Directive or RED II).

³ Energy cooperatives an organizational form are the 'golden standard' for renewable energy communities.

renovation journey, which includes planning, financing, delivery of measures, and evaluation (a 'one-stop-shop' or 'integrated home renovation' service).⁴

How can energy communities and citizen-led renovation contribute to increasing renovation rates?

From our members working on the ground we know that to increase renovation rates in the residential sector: 1) social marketing is key to convey the urgency behind building renovation to households; 2) we need accessible and trusted advice and support adapted to local conditions; and 3) financial incentives and grant support with additional support for households in energy poverty are necessary if we want to scale-up.

Citizen-led renovation programs can help provide these needs and tackle barriers⁵ to increasing building renovation rates through their unique approach in which:

- *Citizens are involved* in the renovation process and governance of the initiative, and close partnerships exist with local actors such as energy agencies and municipalities;
- Energy communities are a *trusted partner* and are *embedded in community networks*;
- Energy communities provide *independent and accessible technical support*;
- Energy communities can *combine energy savings with uptake of renewable energy for self-consumption*;
- Energy communities support the *development of local businesses and skills* of building professionals; and
- Activities are *adapted to local conditions and needs*.

Opportunities to include energy communities in a revised EPBD

To help unlock the potential of home renovations by citizens, the EPBD should acknowledge the added value of citizen-led renovations, as well as provide support for such initiatives. In particular, the EPBD should build-out **existing national enabling frameworks to support citizen-led renovation initiatives and citizen and renewable energy communities (CEC/REC)**. The LTRS, and provisions on information provision and financing are especially relevant in this respect.

Member States already have a requirement under the Governance Regulation (Annex 1, 3.2 1-4) to describe policies and measures to promote the role of local renewable energy

⁴ For more information see: <https://www.rescoop.eu/toolbox/citizen-led-renovation-report> & <https://www.rescoop.eu/citizen-led-renovation>.

⁵ E.g. low awareness on energy efficiency and renovation, lack of trust in quality, lack of local skills, accessibility of finance and procedures, European Commission, Inception Impact Assessment.

communities in contributing to the implementation of LTRS. However, because there are no references to energy communities in the EPBD, the contribution of energy communities towards home renovations is significantly overlooked. By including energy communities in the EPBD, their role in building renovations will gain visibility and support from renovation policies and measures.

1. Acknowledge added value of citizen-led renovation initiatives in the EPBD

Energy communities are already providing trusted and independent advice and support to households on energy efficiency and home renovation. Depending on the context in the specific Member State, this ranges from doing home audits and helping with grant applications to an integrated service covering the whole renovation journey (one-stop-shop). They are making a big impact by leveraging public grants to unlock private investments by households and renovating hundreds of homes every year in their communities.

Although they are well known for their role in promoting renewable energy production and self-consumption by households, **energy communities are not acknowledged in EU legislation as actors in energy efficiency and home renovation activities**. The lack of recognition at the EU level limits their visibility at the national level and hinders the upscaling and replication of their renovation activities.

Recommendation: the EPBD should *acknowledge the added value of energy communities and citizen-led renovation programs in the recitals and the need to support these activities at national level, and include energy communities in the definitions section of the directive and a future template for the LTRS (article 2a)*.

2. Provide targeted support for the upscaling and replication of citizen-led renovation programs.

To harness the potential of citizen-led renovation programs in activating households (homeowners and tenants), unlock private investment, and increase renovation rates **Member States need to develop targeted support policies and measures for energy communities**. Although most Member States offer some form of support to households and/or renovation services, easily accessible, coherent, and stable support policies are often lacking. Moreover, while some Member States provide support for the development of integrated renovation services,⁶ very few Member States provide specific support for citizen-led renovation programs run by energy communities.

- **Introduce a new provision in the EPBD requiring Member States to develop targeted policies and measures to promote citizen-led renovation in their enabling frameworks for RECs and CECs.** Member States are required to provide an enabling framework for (renewable) energy communities through the Renewable Energy Directive (Art. 22-4, 2018). Including this requirement in the EPBD would be a great opportunity to build-out existing national enabling frameworks for energy communities, while also creating synergies across the EU legislative framework.
- **In the LTRS (Art. 2a), require Member States to describe the policies and measures they have put in place to promote the development of citizen-led renovation programs and energy communities** and connect this to their roadmap. As there is already a requirement for Member States to elaborate on this in their NECPs under the Governance Regulation (Annex 1, 3.2 1-4), this would again be a great opportunity to increase coherence within EU legislative framework.
- **The EPBD should require Member States to ensure their support policies for energy efficiency and building renovation are connected to their policy for renewable energy systems and self-consumption in buildings** supporting Art. 15a of the revised Renewables Directive. With a 49 percent renewables in buildings target for 2030 it is crucial that policies and measures on energy efficiency and renewable energy in buildings are coherent and mutually supportive.

Recommendation: introduce a provision *requiring Member States to develop targeted policies and measures to promote citizen-led renovation programs such as those being run by energy communities and link this to the LTRS.*

⁶ See for example the Irish 'National Home Retrofit Scheme'

3. Ensure financing and public procurement is accessible to citizen-led renovation programs

Access to financing and public procurement processes is crucial in upscaling and replicating citizen-led renovation programs. Citizen-led programs are often smaller in project size than commercial or government run renovation schemes. As such, high administrative burdens and costs, increased investment risks, and limited access to capital and markets are barriers energy communities face. Criteria on financing for building renovation and public procurement procedures should take this into account. Solutions include providing opportunities with longer lead times, lower administrative burdens, and accepting smaller project amounts and sizes.

For the EPBD this means:

- As part of the LTRS (art. 2a), Member States should be required to **describe measures taken to ensure accessibility of financing policies and mechanisms to citizen-led renovation programs and local actors and consult local actors including energy communities on barriers in financing and public procurement they face.**
- As part of the LTRS (art 2a 3-4), Member states should be required to **ensure energy communities can access appropriate mechanisms for project aggregation.** Furthermore, the **Commission should collect and disseminate best practices on financing and aggregation schemes.**
- Relating to Art. 10, the Commission should **evaluate the effectiveness and accessibility of EU funds and public banks, including the EIB, in supporting energy communities and citizen-led renovation programs** as these differ in their needs from government and/or commercial renovation programs or one-stop-shops.
- Ensure the EPBD supports Green Public Procurement to facilitate collaboration between local authorities and civil society, including energy communities, on renovation programs. For example, the EPBD could **require the Commission and Member States explore, and where relevant, remove barriers local authorities face in implementing Green Public Procurement.** This could also include the provision of guidance, in particular through green public procurement criteria.

Recommendation: *include requirements for the Commission and Member States in articles 2a and 10 to ensure access for energy communities and citizen-led renovation programs to financing and aggregation policies and mechanisms, EU funds and investments from public banks, and public procurement procedures.*

4. Embed the citizen-led renovation model in renovation advice and one-stop-shops.

Ensuring easy access to technical information and support is crucial in activating homeowners. Social marketing, using existing social networks within communities, is one of the most effective ways to reach households. As citizen-led renovation programs are run by people embedded in existing community networks and in cooperation with local actors they are well positioned to engage households on these topics. To accelerate the uptake of sustainable home renovations, **the EPBD should promote and embed the citizen-led renovation model in its provisions on advisory tools and assistance instruments** such as renovation advice and one-stop-shops.

Expand provisions on information provision to owners and tenants in Art. 20(2) and Art. 2(a) (revised EPBD) to include targeted engagement programs, such as the citizen-led renovation model, for households in partnership with local actors (energy communities, energy agencies, local authorities) and existing services such as one-stop-shops to ensure information provided is tailored to local needs, accessible, and energy efficiency measures in their homes.

Moreover, **Member States should be required to link information provision on enhancing energy performance of buildings, such as provided by one-stop shops to the single administrative contact points for renewables production** (as required by articles 15 and 16 of the recast Renewable Energy Directive).

***Recommendation:** include energy communities in provisions on information, advisory tools, and assistance instruments in articles 2(a) and 20(2) and of the revised EPBD, and require Member States to actively engage local actors to provide accessible technical support.*

REScoop.eu: representing energy communities

REScoop.eu is the European Federation of Citizen Energy Cooperatives. Our members are recognised as 'citizens energy communities' (CECs) and 'renewable energy communities' (RECs) by the Clean Energy for All Europeans (CEP) Legislative Package (energy communities). We currently represent around 2000 of these energy communities across 14 different Member States operating 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 flexibility activities. Increasingly our members are linking up renewables production with other activities such as the sustainable renovation of homes and energy efficiency services.