Clean Energy Package – Legal Framework for Renewables Self-Consumption

Workshop on renewables self-consumption

Energy Community event, 02 June 2021
Content

• European context – Clean energy for all Europeans package
• The purpose of energy communities in general
• Distinguishing between renewables self-consumers, including jointly acting self-consumers and renewable energy communities
• Setting up an enabling framework for renewable self-consumers
• Distinguishing between Renewable Energy Communities and Citizen Energy Communities
Energy and Climate Objectives 2030

2020

-20 % Greenhouse Gas Emissions
20% Renewable Energy
20 % Energy Efficiency

2030

≤ - 40 % Greenhouse Gas Emissions
32 % Renewable Energy
32.5% Energy Efficiency

The European Green Deal
Climate neutrality
The Clean Energy Package

Energy Union Governance

Energy Efficiency

Renewables

Electricity Market Design

Regulation and Directive on internal electricity market; Regulation on risk-preparedness, ACER regulation

Innovative

Inter-connected

Socially fair

Inclusive

Safe for all

Digital

Investment-friendly
Purpose of consumer empowerment

Empowering citizens

• Energy communities are an effective tool to increase public acceptance of new projects

• Energy communities are a tool to mobilise private capital for the energy transition

• Energy communities could be a tool to increase flexibility in the market
Different types of prosumers

Renewable Energy Directive: all types of renewable energy
### Renewable self-consumers (incl. jointly acting) and Renewable Energy Communities

<table>
<thead>
<tr>
<th></th>
<th>Renewable self-consumers (incl. jointly acting)</th>
<th>Renewable Energy Communities (RECs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geographical scope</strong></td>
<td>Limited to the same building (unless enlarged by MS)</td>
<td>Proximity of RES installations</td>
</tr>
<tr>
<td><strong>Membership</strong></td>
<td>Limited to people living in the same building/apartment block (unless enlarged by MS)</td>
<td>Open as long as criteria of definition are met</td>
</tr>
<tr>
<td><strong>Legal form</strong></td>
<td>Legal entity not required by the directive (contract between individuals)</td>
<td>Legal entity required</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>Not specified in article</td>
<td>Provide environmental, economic or social benefits</td>
</tr>
<tr>
<td><strong>Electricity sharing</strong></td>
<td>Must be possible without prejudice to network charges</td>
<td></td>
</tr>
</tbody>
</table>
Setting up an enabling framework for renewable self-consumers

- address accessibility of renewables self-consumption to all final customers
- address unjustified barriers to the financing of projects in the market
- address other unjustified regulatory barriers to renewables self-consumption, including for tenants
- address incentives to building owners to create opportunities for renewables self-consumption, including for tenants
- grant renewables self-consumers, non-discriminatory access to relevant existing support schemes as well as to all electricity market segments
RECs and CECs - overview

Art. 16 of the Directive on the Internal Market for Electricity
Directive on “Citizen Energy Communities”

Art. 22 of the Directive on the promotion of the use of energy
from renewable sources on “Renewable Energy Communities”
RECs and CECs - overview

Renewable Energy Communities (RECs)
- Promotion of RES
- Favorable conditions for RES support
- Strict governance and participation criteria
- Geographical proximity

Citizen Energy Communities (CECs)
- Recognition as a market actor
- Ensure level playing field and non-discrimination
- Strict governance criteria, but open membership
- No geographical proximity

- Both RECs & CECs aim to provide environmental, economic or social community benefits for members or the local area
- Both RECs & CECs can engage in the activities of generation, storage, selling, sharing, aggregation or other energy services, distribution
RECs and CECs - examples

- **RES other than electricity**
  - Collective heat pump system for heating of a residential building block
  - Farmers jointly investing in a biomethane facility, used to fuel their tractors

- **100% RES electricity**
  - Solar park owned by a community meeting the requirements of Article 22 RED
  - Generation capacity owned by a community only meeting the requirements of Article 16 EMD

- **Electricity other than RES, or not 100% RES**
  - Community providing energy services / aggregation but not limited to RES
  - Community-owned electricity supplier sourcing from a diversified electricity mix
Thank you very much for your attention!