After the transposition deadline: characteristics and needs of energy communities in Eastern Europe.

Date: Friday 2 July 2021 **Event duration: 10.00-11.30 CEST**

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Webinar description

Within 30 June 2021, European Member states are requested to transpose in their national law the recast Renewable Energy Directive 2018/2001/EU (RED II) which introduces the legal entity of Renewable Energy Communities (RECs), while the deadline for implementing the new concept of Citizens Energy Community (as provided in the Electricity Market Directive) was already the end of 2020. Both directives are a stepping-stone that recognize among others, the possibility for citizens, local governments and SMEs to actively participate in the energy market and contribute to achieving the higher EU climate ambition for 2030.

The webinar, happening right after the deadline for transposition of the REDII, wants to offer an overview of approaches across EU member states in transposing RECs and CECs within their national law, with a particular focus on Eastern countries and their recently published regulatory frameworks. Experts from Bulgaria, Czech Republic and Croatia will contribute to the discussion on specific challenges and opportunities for new member states.

EVENT AGENDA

10:00 h **Welcome and general introduction**
Silvia Assalini, ICLEI Europe

The DECIDE project
Lucija Rakojevic, Th!nkE

10:10 h **Overview of the transposition of the EU directives in EU member states**
Andreas Türk, Joanneum Research
Presentation on the status of the transposition of RED II across Europe

10:30 h **An outlook for new member states**

- *Community energy in Bulgaria- public attitudes and prospects for future development*, Prof. Mariya Trifonova, Sofia University
- *Perspectives from the Czech Republic*, Jiří Karásek, SEVEN
- *Emerging regulatory framework in Croatia*, Goran Cacic, Green Energy Cooperative

10:50 h **Open discussion**

11:25 h **Closing**

Regulatory Perspective: the annual regulatory review

Andreas Türk

02.07.2021

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decide4energy.eu

Status of transposition

Country	Renewable energy communities	Citizen energy communities
Austria	draft	draft
Belgium: Wallonia	✓	-
Belgium: Flanders	✓	✓
Czech Republic	✓	✓
Croatia	draft	draft
Denmark	-	✓
Estonia	draft	draft
Finland	-	-
France	draft	draft
Greece	✓	✓
Hungary	draft	
Ireland	✓	-
Italy	✓	✓
Latvia	draft	draft
Lithuania	✓	-
Luxemburg	✓	-
Portugal	✓	-
Poland	draft	-
Slovenia		draft
Spain	draft	-
Sweden	draft	draft

Only in Romania and Bulgaria no legal framework emerging

RECs and CECs

General observations

- Many Member States have a partial transposition in place or underway mostly for RECs
- Some core streams of regulatory developments
  - localisation (geographical – proximity / physical)
  - grid tariffs
  - options for grid managment and ownership
  - other governance provisions (membership rights, autonomy)
- Stronger focus on heating communities in some CEE countries
  - "Village heating plants" as energy communities in Hungary
  - Heating communities planned also in Slovakia and Bulgaria

Localisation- typology of the public grid

...facilitates, e.g., the implementation of local grid tariffs.

- LV transformer: Slovenia,
- LV or MV transformer: Austria, Hungary and Italy
- Wallonia: Reference to one or more transformer stations introducing a local perimeter (“technically, socially, environmentally and economically optimal” section of the grid to promote local self-consumption)

Localisation- typology of the public grid

Country	Approach
Austria	LV/MV
Belgium/Wallonia	LV/MV and distance
Belgium/Flanders	LV/MV and activity
Hungary	MV/HV
Slovenia	LV
Luxembourg	MV/HV
Italy	MV/LV
Croatia	Municipality
Lithuania	Municipality
Greece	Regions
Ireland	Existing sustainable communities
France	Distance (up to 20km)
Spain	Distance (500m, however so far only CSC)
Portugal	Activities (case by case)

Autonomy

The concept of **autonomy** overlaps with membership criteria to the extent that the power of individual members may be limited

- Greek law provides for a cap on the participation rate of each member in the cooperative capital of 20%.
- Lithuania: member cannot have shares of another energy producer of more than 20%.
- Croatia: member cannot have shares of another energy producer of more than 40%.

Energy Poverty

So far, only Greece has embedded the reduction of energy poverty as a prime goal of energy communities in its legal framework, also establishing specific measures.

- Energy poor households can get electricity from the EC even without being member

Other MS mention energy poverty without providing cone options

Incentives and support

RECs are part of the national support scheme	Ireland that allocated subsidies for RECs under its RESS auctioning scheme Italy provides subsidies to KWhs self-consumed energy
Local grid tariffs	Austria, Italy or Portugal
Funds	Czechia that will subsidize RECs under it modernisation fund

- **Setting local grid tariffs proved to be complex**

Range of issues related to national legislation

- Data availability for peer-to-peer trading
  - in Austria and other countries no real-time data from the DSO, no legislative framework
- National legal provisions and regulations
  - In Estonia for example, cooperatives cannot get commercial loans.
  - In Croatia, cooperatives cannot carry out leasing activities as they are no business actors.

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Embedding EnCs in broader frameworks

Need to address consumer engagement and other overarching targets at a broader scale, so far only few accompanying measures, e.g.:

- Greece specifically addressed energy poor households
- Spain has issued detailed guidances for CSC
- Ireland links RECs to existing „sustainable energy communities“

Supportive framework for EnCs tackling additional activities (energy efficiency / infrastructure support)

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Thank you for your attention!

Community energy in Bulgaria- public attitudes and prospects for future development

Ass.Prof. Mariya Trifonova
Sofia University "St. Kliment Ohridski"

DECIDE WEBINAR

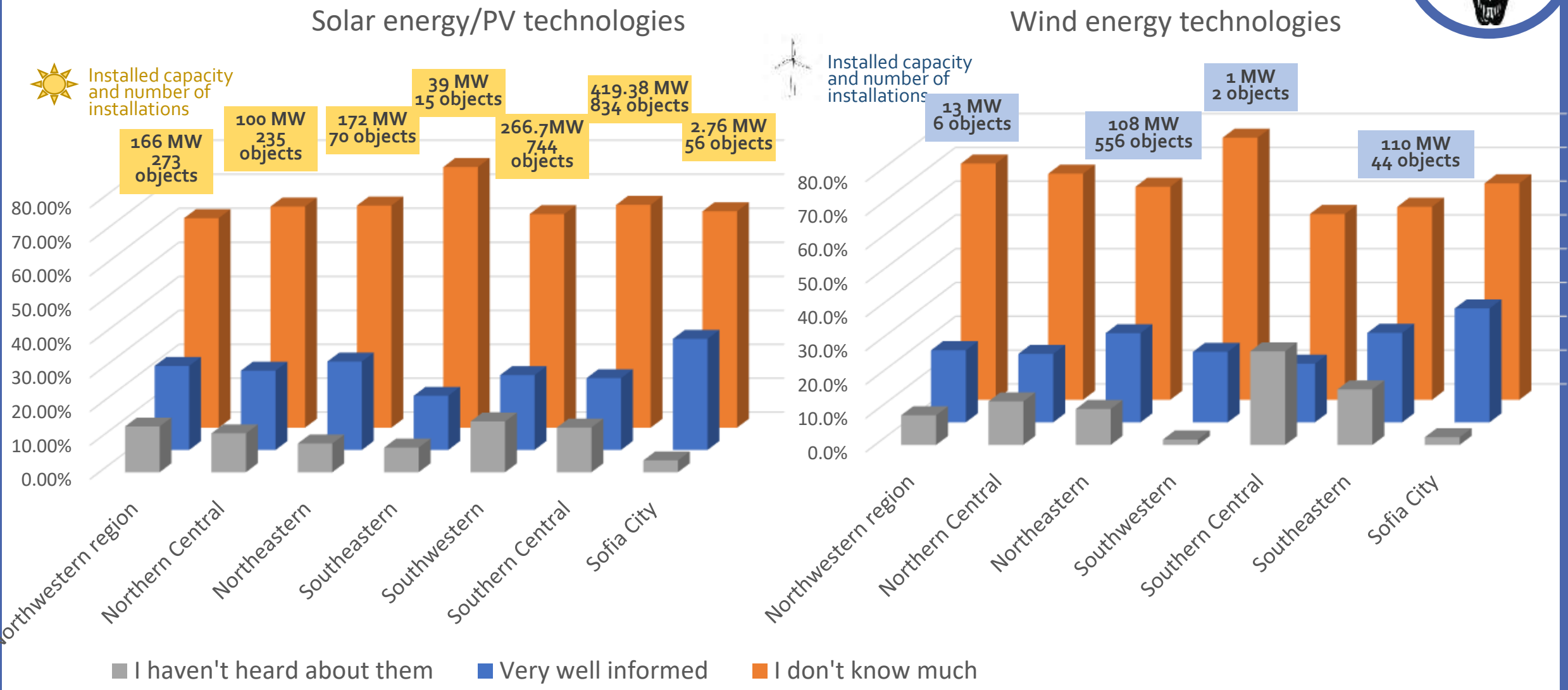
02.07.2021

SELECTED RESULTS FROM NATIONAL REPRESENTATIVE STUDY

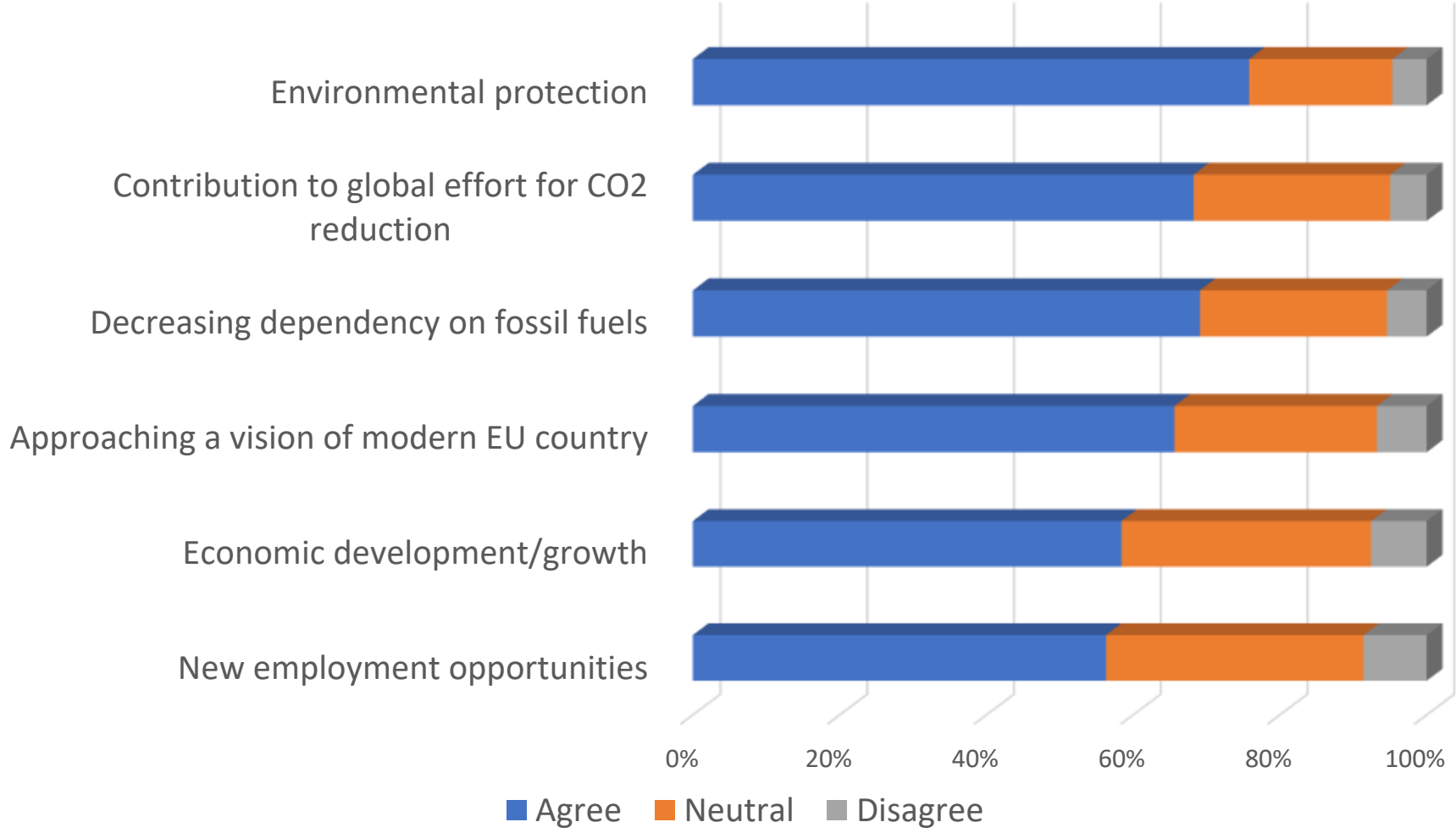
The survey on the social acceptance of RES has been conducted among 1034 respondents in December 2020
Survey's field work: Market Links
Project financed by PURPOSE Climate Lab in cooperation with Sofia University

Citiation: Trifonova, Mariya (2021): Social acceptance of renewable energy sources and the technologies for their utilization. Available at https://www.uni-sofia.bg/index.php/bul/content/download/248293/1637967/version/1/file/Report_RES.pdf

Low level of public awareness of renewable energy technologies



Benefits associated with decentralized clean energy



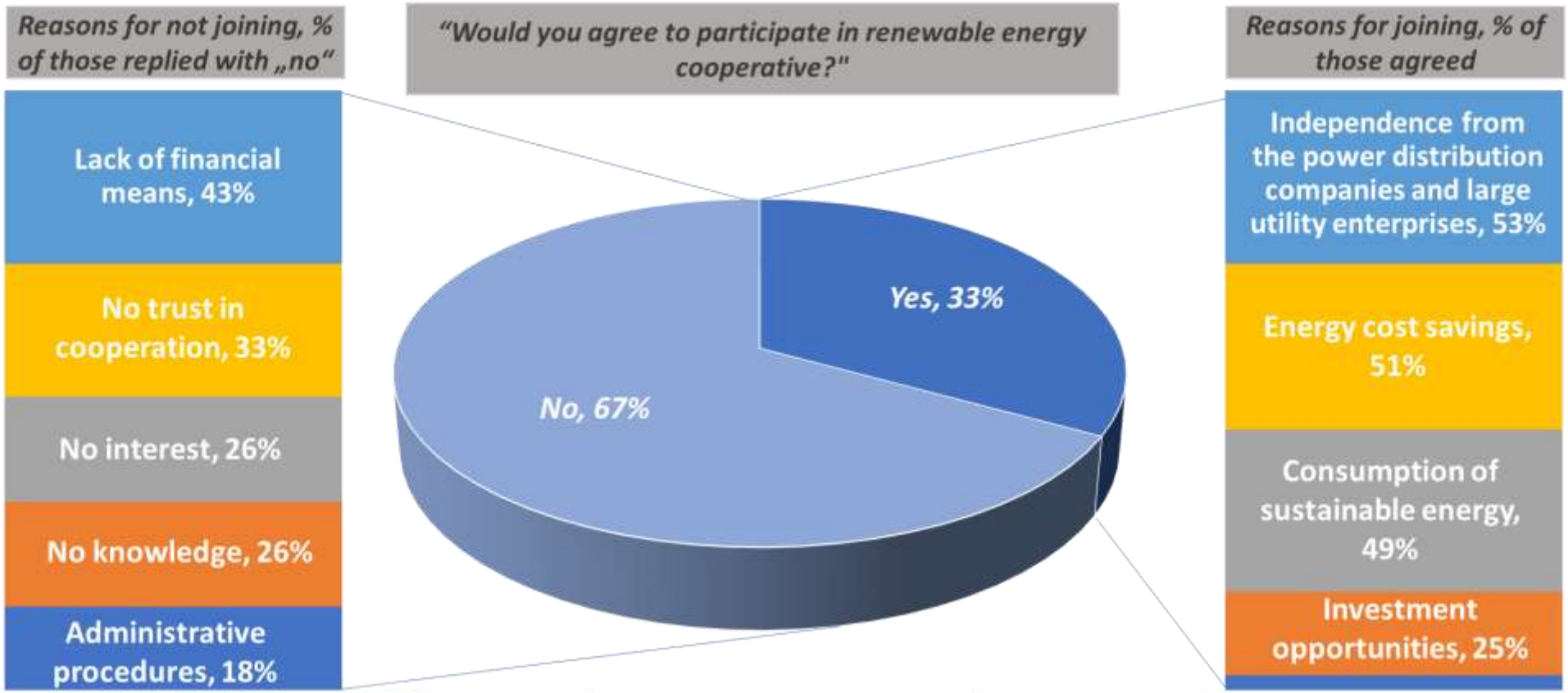
However, only 6 to 10% of the respondents are planning to invest in RES for various energy consumption needs (electric power, heating, mobility)

Statistically significant factors for higher public engagement with activities supporting RES

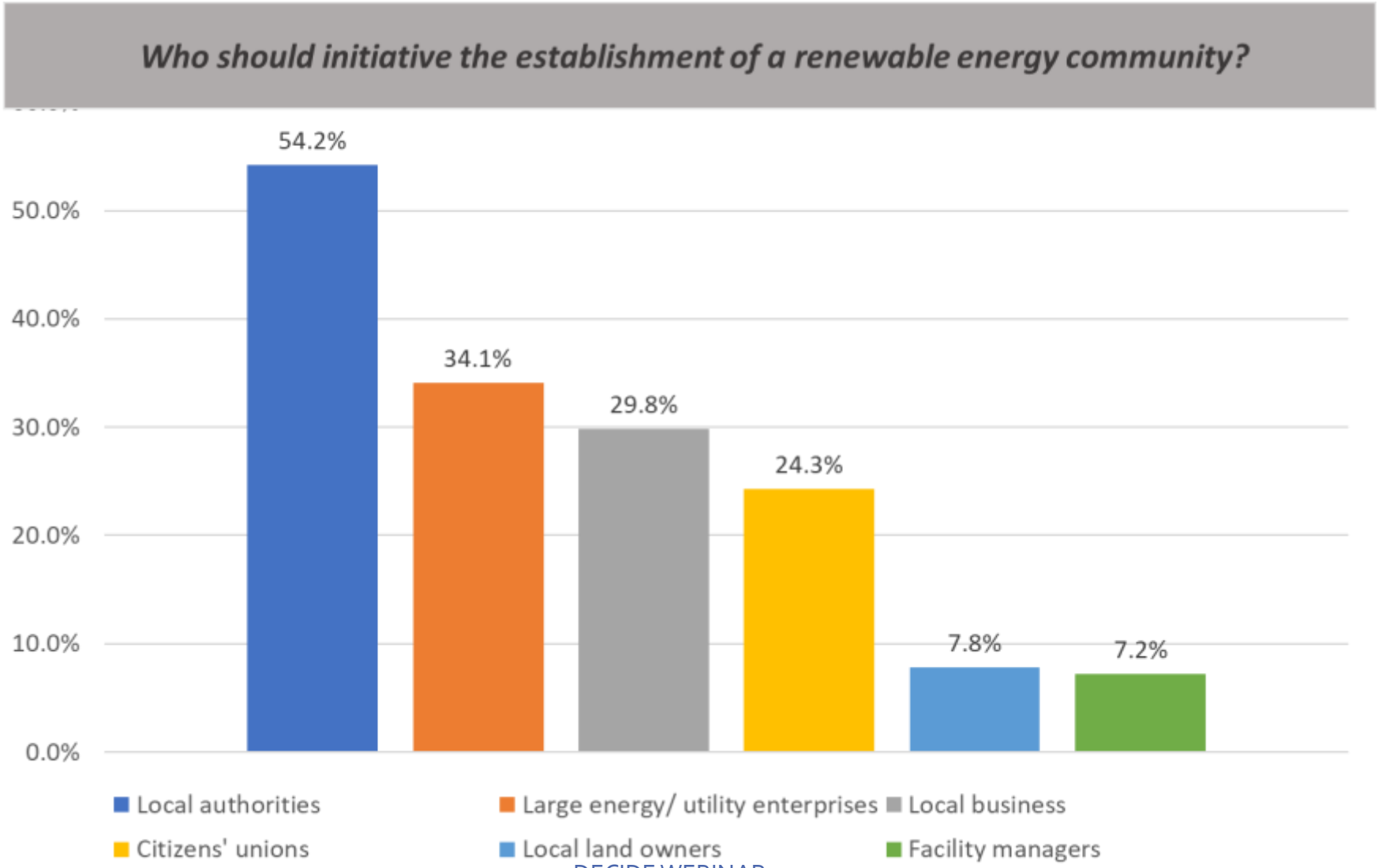
	B	S.E.	Wald	df	Sig.	Exp(B)
Benefits associated with RES: Environmental protection (A)	0.326	0.119	7.530	1	0.006	1.386
Benefits associated with RES: Vision of modern state (B)	0.230	0.117	3.877	1	0.049	1.258
Benefits associated with RES: Contribution to climate change mitigation (c)	0.269	0.127	4.493	1	0.034	1.309
Consciousness about the climate change (D)	0.291	0.080	13.118	1	0.000	1.338
Education (E)	0.225	0.058	15.203	1	0.000	1.252
Age (F)	-0.233	0.050	21.692	1	0.000	0.792
View of the energy transitions as engaging and transparent (G	0.289	0.077	13.961	1	0.000	1.335
Trust in the institutions (H)	0.162	0.083	3.823	1	0.050	1.176
Constant	-6.459	0.665	94.311	1	0.000	0.002

Perceived benefits, trust in the institutions and sociodemographic factors, such as education and age, are found statistically significant , but not income

Willingness to participate in a renewable energy community and reasons for (not)joining

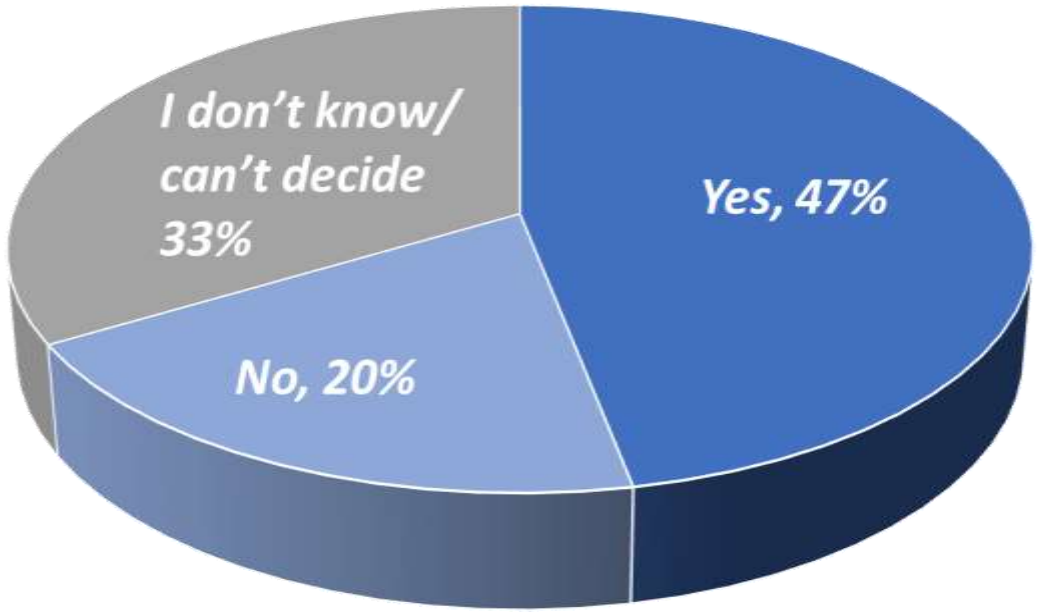


Perceived key actors/ initiators



Opportunities for coping with energy poverty/ vulnerability

Do you approve your local authorities to develop and support renewable energy projects for the benefit of energy poor and vulnerable consumers?



Current challenges and opportunities for energy communities

CONTACT DETAILS

Emerging regulatory framework in Croatia

Goran Čačić mag.ing.mech

Program coordinator

Green Energy Cooperative

Citizen Energy Community (CEC) within new Electricity Market Act (to be adopted by the end of 2021)

- According to the given description within law proposal, **the CEC (internal market directive) is closer to the Renewable energy community** – REC (as per RED II Directive), and REC is a narrower term than CEC.
- The proposed CEC is **limited by spatial parameters** and defines that the members must be **connected to the same low voltage transformer station** (10 (20) /0.4 kV).
- CEC is defined as a legal entity established to realize the benefits of the **exchange of energy produced and consumed in a particular spatial area of the local community**. This significantly limits the CEC as internal market directive CEC should be a legal entity that can participate in production, including from renewable sources, distribution, supply, consumption , aggregation, energy storage, energy efficiency services or charging services for electric vehicles or provide other services to its members or shareholders, which is a much larger area of activity.
- The new law **should define the broader concept of CEC, and not unnecessarily limit it**.

Citizen Energy Community (CEC) within new Electricity Market Act (to be adopted by the end of 2021)

- CEC is an entity that **operates under the law governing the financial operations and accounting of non-profit organizations**.
  It is unclear whether this definition requires an CEC to be established under the rules for non-profit organizations or only to conduct financial operations and accounting under the laws for non-profit organizations.
  The internal market directive does not prohibit the creation of financial gain but is not the primary purpose. It is important to clearly define what the legal form of the ECG can be and how its business is conducted.
- It is **not clear how it will be controlled and who will control** whether all the conditions that the CEC as a legal entity must meet and are in a fact met, as well as how the ownership shares are disposed of. It is also important to define how it will be monitored whether there has been a change in the membership of the CEC, which would possibly stop meeting the conditions that the CEC should meet

Citizen Energy Community (CEC) within new Electricity Market Act (to be adopted by the end of 2021)

- CEC is **limited to participation "in the production of electricity for the needs of shareholders or members of the energy community of citizens**." This is a significant limitation, and participation in the production of electricity for the sale of electricity outside the community as well as in other activities in accordance with EU Directive 2019/944 Article 2, paragraph 11, point c should be allowed
- In general, CEC services should not be limited to members of the community, but can be defined as the primary, ie. majority activity of CEC.
- the **total connection power** in the direction of electricity transmission to the network at metering points of CEC members **may not exceed 80%** of the total connection power in the direction of taking electricity at those metering points. This is very limiting and puts the CEC at a disadvantage in the market compared to other actors..
- The connected power in the direction of power transmission for the EZG must be limited only by the technical characteristics of the network.

Renewable energy Community (REC) within new law on RES and high-efficiency cogeneration

- Defines „**Consumers of own energy from renewable sources**” and „**Consumers of own renewable energy who act jointly**” – a group consisting of at least two consumers of own renewable energy acting together and located in the same building or residential complex
- **REC definition is basic** - copy from RED II directive without any additional clarifications or guidelines.
  Legal entities that meet the following conditions: which, in accordance with applicable national law, is based on open and voluntary participation, independent and effectively supervised by shareholders or members located in the vicinity of renewable energy projects owned or developed by that legal entity, whose shareholders or members are natural persons, SMEs or units of local or regional self-government, and whose primary purpose is to provide environmental, economic or social benefits to the community for its shareholders or members or for the local areas in which it operates, and not financial gain.

Renewable energy Community (REC) within new law on RES and high-efficiency cogeneration

Limitations:

- **the total connected power** of all production facilities at one billing metering point or several metering points on an apartment building or a REC in the case of several billing metering points **does not exceed 500 kW**
- **the connected power of the end customer** with its own production or the user of the self-supply plant in the direction of electricity supply to the network **does not exceed 80%** of the connected power of the end customer with its own production or the user of the self-supply plant in the direction of taking electricity from the network
- Law states the possibility consumer participation in support programs under equal conditions with other participants.
- Law mentions general options such as: provision of information, technical and financial assistance, the reduction of administrative requirements, including community-based bidding criteria, the setting of appropriate bidding periods for RECs or the provision of direct support to RECs through direct support **when they meet the requirements for small plants**.

Thank You !

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Green Energy Cooperative

PERSPECTIVES FROM THE CZECH REPUBLIC

INITIATION OF ENERGY COMMUNITIES IN THE CZECH REPUBLIC, CONGREGATE

Jiří Karásek, senior consultant
SEVEn, The Energy Efficiency Center

SEVEn THE ENERGY EFFICIENCY CENTER, z. ú.

12/17/2021

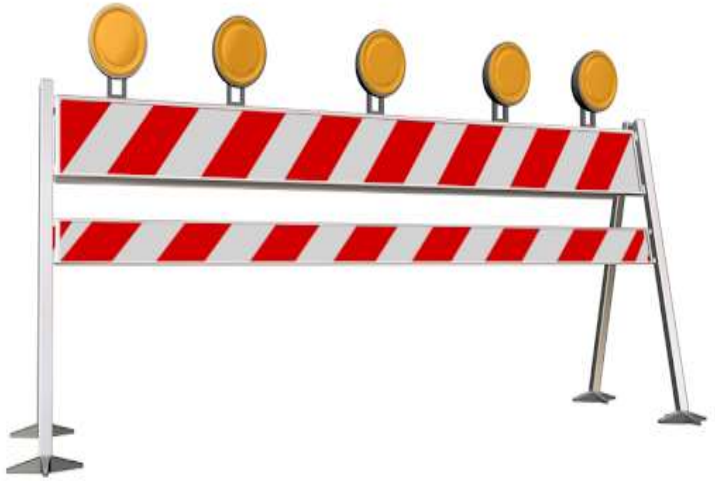
CONTENT

- Introduction to Energy communities
- National barriers
- Overview of CONGREGATE project
  - Objective of the project
  - Renewable energy cooperatives
  - Project achievements
  - Carried out study
- Practical examples – Přeštice
- Practical examples – The capital city of Prague

NATIONAL BARRIERS

National legal Framework & policies

- Legislative for consumer **protection**
- **Ownership of technology** – operation and development
- **Sharing** energy and community ownership principles



Correct and effective use of technology

- Energy **production**, **storage**
- Energy **efficiency**
- Demand response

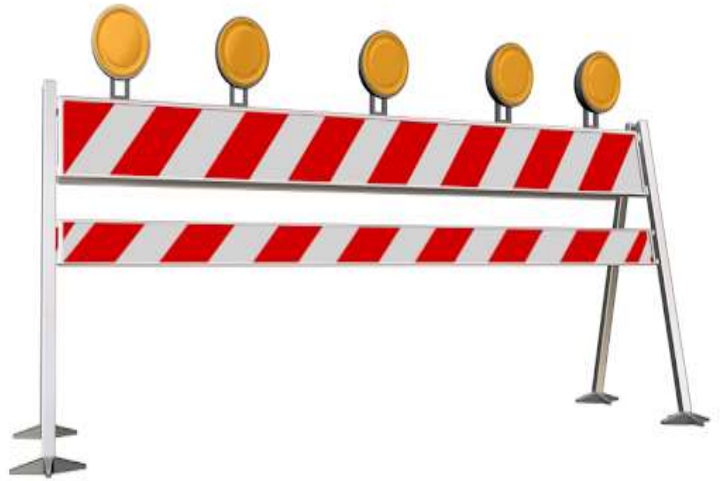
NATIONAL BARRIERS

So far, no any official draft of amended legislation yet

Several working groups established / legislatory works underway

Major discussions related to:

- whether to introduce lower distribution tariffs for „Mieterstrom“ models
- which stipulations put into law and into decrees
- how to incorporate new legal entities into electricity market (which is to be „upgraded“ by central datahub from 2024 onwards)



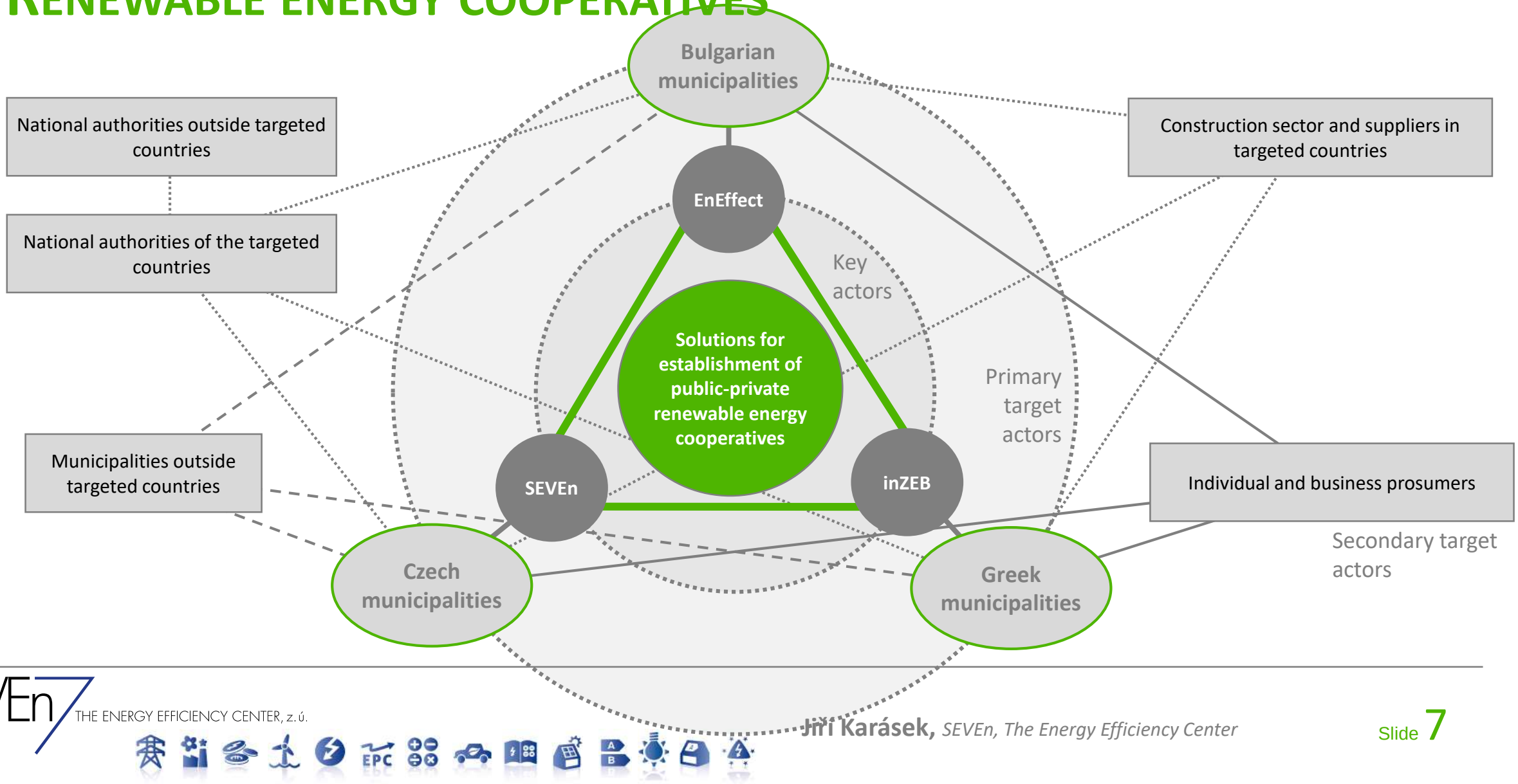
OBJECTIVE OF THE PROJECT

Enable and motivate municipalities to develop **public-private partnerships** in order to increase the share of renewable energy in the local energy mixes

- **National models** for systematic multi-level communication and an engagement campaign in support of building renovation are developed.
- **Policy recommendations** and **feasibility studies** for renewable energy cooperatives are developed

Support the implementation of national **long-term renovation strategies**

RENEWABLE ENERGY COOPERATIVES



PROJECT ACTIVITIES

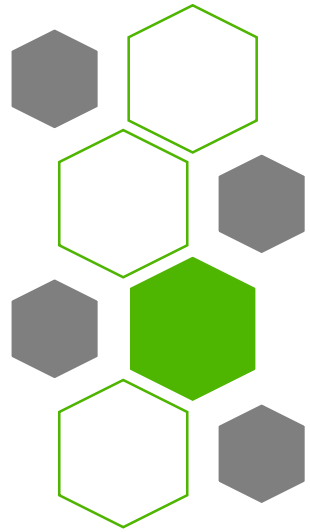
Developed set of **technical and socio-economic surveys** in support of **building renovation**

Promoted communication **model** on **deep energy renovation** to be exploited by national, regional and local authorities and community

Developed set of solutions for renewable energy cooperatives

Promoted solutions and recommendations for **establishment** of **public-private renewable energy cooperatives**

PROJECT ACTIVITIES



- Developed **set of solutions** for **renewable energy cooperatives**
  - Development of feasibility studies for the establishment of public-private renewable energy cooperatives
    - **Elaboration** of a set of general solutions for renewable energy cooperatives
    - Establishing **partnerships** with **municipalities**
    - Collection and **analysis** of data about the building stock in the pilot municipalities
    - Elaboration of suitable solutions for establishments of public-private renewable energy cooperatives at **concrete locations**.

SELECTION OF RENEWABLES

- Systems based on renewable energy technology
  - **Photovoltaic panels**
  - Solar thermal collectors
  - **Heat pumps**
  - Wind turbines
  - Small water power plant
  - **Biomass**
  - **Biogas plants**

Commonly used in CZR

Focus on Combined heat and electric power generation

- Other technical solutions:
  (Waste) Heat recovery

PROJECT ACHIEVEMENTS

Completed set of general solution for renewable energy cooperatives (Czech republic)

- National legal Framework & policies
- Legal structures for energy communities – cooperatives
- Current status
  - Statistical data on existing energy communities – cooperatives
  - RES technologies adopted
  - Energy sectors
- Case studies
  - The capital city of Prague
  - The municipality of Lioměřice

PRACTICAL EXAMPLES - PŘEŠTICE

Southern Bohemia Population of 8,000

No Energy Management at the beginning

Achievements:

- ✓ Energy consumption **data consolidated**
  - ✓ Heat and Electricity sources
  - ✓ Renewable energy – usage level
  - ✓ Energy management administration
- ✓ Energy **savings potential calculated**
  - ✓ Number of city buildings
  - ✓ Experiences in energy management
  - ✓ Potential opportunities for RES installation
  - ✓ Potential public-private partnerships

Meeting the mayor and vice-mayor

On-site visit in elementary school

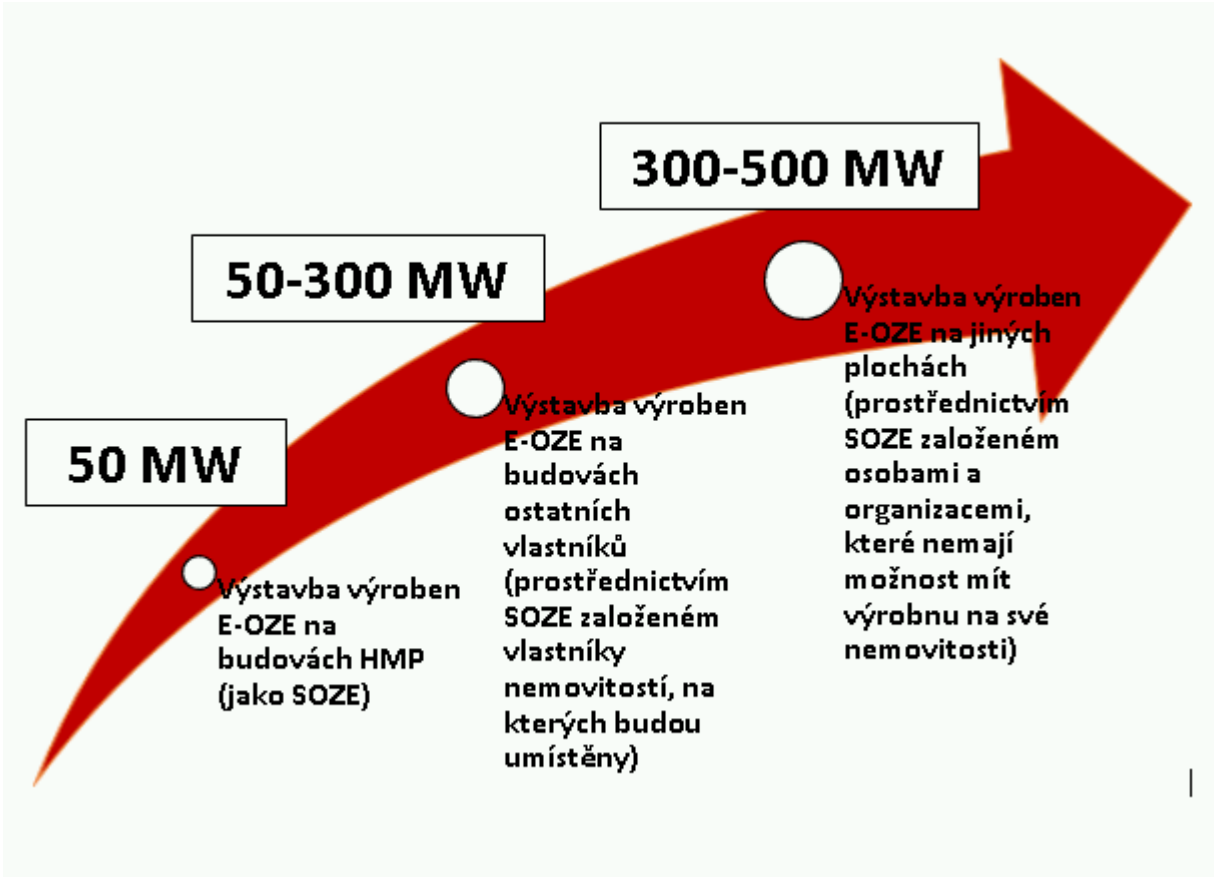
✓ Energy efficiency **action plan** adopted

EXAMPLES OF CONCRETE INITIATIVES

Prague plans major expansion of EC concept (esp. In the form of „Mieterstrom“ model on apartment buildings) in the city as part of its Carbon Mitigation Strategy by 2030); in 2022, first projects are to be operational, number shall increase steeply (goal: 500 MW of installed capacity in E-RES installations, mostly owned by ECs)

Special nation-wide investment subsidies shall be introduced for establishing energy communities from Modernization Fund – strong impetus for market growth (estimate: several hundred of new ECs)

LONG-TERM VISION OF ECS CONCEPT IN PRAGUE



THANK YOU FOR YOUR ATTENTION

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