



Advancing Renewable
Energy Communities

COME RES FINAL POLICY RECOMMENDATIONS

Short-term actions to meet long-term visions

This policy report presents the concluding country-specific and cross-country policy lessons and recommendations of the COME RES project in its final month. For the full overview of general and cross-country recommendations, please consult the project's final policy report.¹

COME RES has been facilitating the market uptake of renewable energy with a focus on advancing renewable energy communities (RECs) in accordance with the EU's recast Renewable Energy Directive (RED II). The project's many activities have provided food for reflection and many important indications for drawing lessons for policy.

The creation of an effective enabling framework for RECs can be regarded as a **multi-level governance task as it requires commitment and actions of policy makers at all levels of government**. Most EU countries represented in COME RES have made average to good progress in transposing the **definitions, rights** and **possible market activities** of RECs although in several cases governments used a literal transposition ("copy and paste" approach).

¹ [D7.3 Final Policy Report and Recommendations](#)

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Based on D7.3 "Final Policy Report and Recommendations" by Michael Krug, Maria Rosaria Di Nucci, Lucas Schwarz (FUB), with contributions by all partners.



None of the nine countries transposed the respective provisions into national law fully and on time. In most countries, there is still a need for secondary/ accompanying legislation further specifying unclear legal terms such as effective control, proximity, or autonomy and other legal and technical details (e.g., related to energy sharing).

So far, none of the nine countries developed an enabling framework for RECs that would fully or largely comply with the minimum requirements listed in RED II. In most countries, these enabling frameworks are still underdeveloped and fragmentary.

Critical bottlenecks include technical restrictions for RECs, lengthy and burdensome permitting/licensing procedures, lack of information, and lack of start-up financing and risk capital.

In most cases, proper regulatory frameworks and incentives for energy sharing are lacking. There is also an urgent need for effective measures to enable cooperation of RECs with Distribution System Operators (DSOs) in order to facilitate energy sharing. Moreover, there is a need for intermediaries, advisory services and one-stop shops providing information, administrative, legal, organisational and financial support to RECs. Also, measures ensuring that RECs are considered in spatial and urban planning are largely lacking. The directive states that Member States must ensure that RECs are accessible to all consumers, including those in low-income or vulnerable households (although it is up to the Member States to clarify the definitions of this target group). For this reason, dedicated activities are necessary to facilitate participation, access to finance and information, for vulnerable and low-income households.

Only a few COME RES partner countries like Germany or Spain take the specificities of RECs into account when designing support schemes for RES. Support schemes and economic incentives specifically targeting RECs are mostly lacking or still under preparation.

Municipalities have a key role to play to support the development of RECs and should be empowered by national and regional governments to effectively fill out this role. For more details, please consult [factsheet #2](#).

In the following, country-specific recommendations are presented:

BELGIUM (FLANDERS)

The transposition of REC definition, rights, obligations and possible activities can be regarded as quite advanced. Compared to most other COME RES countries, Flanders has made progress in establishing provisions for energy sharing. However, the enabling framework for RECs is still weak and fragmentary. Access to information and financing as well as the lack of cost-reflective network charges based on a transparent cost-benefit analysis represent particularly important transposition gaps. Network charges should be based on a cost-benefit analysis, so that cost advantages can be allocated if and where energy communities can offer advantages to the grid. The Flemish government regulator is currently taking steps in this direction.



GERMANY

The full transposition of the provisions of RED II for collective self-consumption schemes and RECs is still pending although **starting from 2022 progress was made under the new federal government**. The legal definition of 'citizens' energy company' which exists since 2017 was amended in July 2022 to comply with the provisions of RED II for RECs. The **definition** considers and specifies the principles of effective control, proximity and autonomy, but has still a rather **narrow scope of application, which is limited to electricity generation based on wind energy and PV**.

'Open' and 'voluntary' participation have not been explicitly transposed into national legislation. The same applies for the 'primary purpose' of RECs. Rights, duties and possible market activities of RECs have not been explicitly laid down, although in practice energy communities are engaged in various activities including electricity storage, consumption, aggregation, sales or even operation of distribution grids.



Collective self-consumption and energy sharing represent particularly important transposition gaps.

In 2022, the Federal government decided to **exempt wind and solar energy projects of citizen energy companies below certain capacity thresholds from the obligation to participate in the auctions for financial support**. Furthermore, access of RECs to risk capital and start up financing has been improved.



Inspired by the example of the federal state Schleswig-Holstein, the Federal government has recently set up a dedicated support programme for citizens' energy companies in the field of onshore wind energy.

There is a need to **urgently include provisions that ensure cooperation between RECs and DSOs to enable energy sharing**. The federal government should **introduce a regulatory framework for collective self-consumption and energy sharing**, facilitate their practical implementation, continue to reduce the administrative barriers in spatial planning and permitting as well as extend the support programme for wind energy projects of citizens' energy companies to also include other renewable technologies. Moreover, the government should **accelerate the roll-out of smart meters and the digitalisation of administrative procedures**.

ITALY

In Italy, the last few years have witnessed a decisive evolution in the development of a national and regional framework for RECs. The enabling framework for RECs can be considered to be among the most advanced ones in the EU, thanks to an early transposition of the RED II. In the transposition of the provisions of RED II for collective self-consumption schemes, a decisive step was the definition of RECs and of the criteria relating to openness, autonomy and effective control in line with the RED II criteria. These were legally introduced with the Milleproroghe Decree 2020. **RECs have been defined to be fully in line with the EU definitions**. Italy has initiated a number of support measures and designed generous incentives.

Nevertheless, policy-makers are encouraged to remove the current restrictions RECs are facing in terms of capacity limits and grid connection requirements. They should ensure the conditions for a non-discriminating flow of information and **real cooperation between RECs and DSOs**.



The deployment of RECs in marginal and peripheral areas contributing to overcoming energy poverty, depopulation and supporting small local economies, as stated in the National Recovery and Resilience Plan should be promoted.

LATVIA

In Latvia, general legislation transposing the RED II provisions for RECs was adopted in July 2022, but full transposition is still pending. **Amendments to the Law on Energy define “energy community” as a single concept under which RECs and CECs are subsumed.** An energy community can fulfil either the conditions of a REC, a CEC or both. Amendments to the Electricity Market Law adopted in July 2022 introduced the concept of electricity sharing for collective self-consumption schemes and energy communities while **RECs are introduced as a new electricity market actor, with the same rights and obligations as other market actors.**

The removal of restrictions that might limit engagement of municipalities in RECs is essential.



National-level authorities should enhance proper electricity sharing rules as well as introduce differentiated power grid service tariffs, taking into account the extent to which the public grid (low, medium and high voltage) is used by RECs, thus resulting in a specific tariff regime for electricity sharing.

Financial support schemes for RECs should be adopted and put into operation as soon as possible. Moreover, there is an urgent, need for information, advice and capacity building.

NETHERLANDS

In the Netherlands, legislation transposing RED II and its provisions for RECs was adopted in July 2022, however, full transposition is still pending. **The new Energy Law defines the term ‘energy community’ (merging the EU definitions of REC and CEC into a single concept) as a new legal entity that can be active on energy markets.** RECs can include in their statutes the requirement that **only natural persons, local authorities or SMEs can become shareholders** and effective control belongs to those shareholders located in the proximity of the renewable energy project.

The Netherlands already has a comparatively advanced enabling framework for RECs. A REC potential assessment study was commissioned in 2019 and there is specific operational support (feed-in premiums) targeting energy cooperatives and associations of homeowners. **The enabling framework is mainly developed at the level of the recently established ‘RES regions’,** but with a poor coordination between the regions.

At the national level, **energy sharing within energy communities should be defined and regulated.** National legislation should also consider supporting energy communities that help with **congestion management through ‘smart’ energy sharing** (i.e. by balancing electricity demand and supply).



Provide loans for necessary planning and development activities which would later be repaid if the REC project proves successful (cf. the so-called ‘development fund’ used in the provinces of South Holland, Utrecht, Limburg and Drenthe). Other provincial governments could set up similar funds.

Municipalities could also play a more active role in stimulating RECs, e.g. by subsidising the start-up of local RECs, making available public spaces for renewable energy projects (for example, on the rooftops of municipal buildings or on municipal land) or by making the lease of municipal land or rooftops conditional on the developers’ adherence to a set of minimal guidelines for citizen participation.



NORWAY

In Norway, the concept of RECs is rather new and is not generally understood as limited to the definitions in the RED II (concerning e.g., who are entitled members/shareholders, rules on proximity and social, environmental or economic benefits). Furthermore, Norway is not an EU member, but part of the European Economic Area (EEA), so that the process of implementing RED II is not politically urgent. RECs have not been legally defined and an enabling framework for RECs or energy communities in general is underdeveloped. The main development on the policy side is the proposed extension of the 'plus-customer scheme' that grants households rights as prosumers. If implemented, this will facilitate joint electricity production and consumption within the same property and thus open up for condominiums to become energy communities.

However, the new regulations, originally, planned to be in place by the end of 2022 are still pending. Once they are in place, these will enable low-income households to reduce their energy costs and raise the value of their homes. In addition, if combined with storage solutions, this may reduce peak demands related to the vast increase of electric vehicles for private transport in urban areas.

The reduction of regulatory and bureaucratic burdens, access to systematic learning from pilot projects, support for capacity development from national or local government is essential.

Support schemes, considering the specifications of RECs, need to be implemented. A change towards more decentralised supply will require that **important actors such as local authorities and grid companies take on new roles and need new resources for such tasks.** At present there is no formal process for providing resources, incentives or guidelines for this to happen.



The involvement of vulnerable households and the implications of community energy for the mitigation of energy poverty to enable a just and inclusive energy transition needs to be given policy attention.

The present energy crisis with unprecedented high electricity costs in Norway (Southern and Western part) have shown that local energy models are becoming increasingly relevant for local actors, but there is uncertainty in terms of framework conditions and how to best integrate such models into the existing power system which is based on national cost-efficiency and public ownership.

Interest in community-based energy solutions in Norway are not mainly driven by potential REC members/owners or grassroots actors.

In order to promote RECs and the related social, economic and environmental benefits to local communities there is a need to **specifically provide enabling frameworks for grassroots actors as well as define rights and responsibilities for relevant institutions (e.g. RECs, grid companies, local authorities) as well as necessary support to take on new roles and responsibilities.**



POLAND

In Poland, the provisions for RECs contained in the RED II have not been transposed yet. However, the Polish Law on Renewable Energy Sources includes provisions for energy cooperatives and so called “energy clusters”, which to some extent reflect the idea of RECs. **Energy clusters are not a legal entity, but a civil law contract and they do not comply with the EU definition of RECs.** For a proper transposition, the recommendation is to **take the existing concept of “energy cooperatives” as a basis.** Draft legislation transposing elements of the RED II mentions neither RECs nor energy cooperatives. However, in 2022, collective self-consumption (CSC) schemes in multi-family buildings were introduced, but to date, no collective prosumer installations have been established.

Municipal authorities show generally great interest in forming energy communities, but **local communities and municipalities often fear losing the money invested in collective energy projects** given the lack of a proper business case and enabling framework.



It is of utmost importance to create an effective enabling framework for RECs as well as attractive support mechanisms, and, above all, attractive business models. This also requires urgent investments in the modernisation and development of transmission and distribution grids. Furthermore, there is a need to make the energy transition, including the development of energy communities a priority goal of provincial development strategies. Designing appropriate financing instruments for RECs is of utmost importance. Moreover, it is recommended to support the establishment of “municipal energy officers” to promote the development of RECs and identify possibilities of cooperating with energy communities.

PORTUGAL

In Portugal, the transposition of the legal framework for RECs is relatively advanced. RECs are explicitly entitled to produce, consume, store and sell renewable energy. Energy sharing among members is also allowed. Nonetheless, most of the provisions for RECs have been literally transposed from the RED II and some legal terms remain unclear. Moreover, the transposition of the enabling framework for RECs is still lagging behind. The most relevant barriers refer to **lack of information, poor access to financing and the burdensome and lengthy licensing procedures.** While some concrete steps have been taken towards overcoming these barriers, namely through the simplification of procedures, the launch of a dedicated support scheme and the development of dedicated webpage and an illustrated guide to support the implementation of RECs, these are by no means sufficient.



There is a need for the national government to further simplify the licensing procedures and guarantee a direct contact point with the licensing authorities, and to disclosure and disseminate information on ongoing pilot projects, in order to increase awareness and trust in the concept. Moreover, as local authorities are seen as a key enabler of RECs in Portugal, there is also a need to empower them for this role, with specialised training courses. The establishment of local one-stop shops by local governments and other local entities (as energy agencies) could also mitigate the lack of information and capacity of citizens and SMEs.



SPAIN

In Spain, concrete steps for the development of an enabling framework for RECs have been taken within the timespan of the COME RES project. The definition of Renewable Energy Community was introduced in the regulatory framework, although it lacks concrete elaboration on what each element of the definition implies (autonomy, effective control, voluntary participation, proximity). As such, **stakeholders interested in developing RECs continue to face regulatory uncertainty and often resort to the legal framework for renewable collective self-consumption**, which has been known to be limiting in certain conditions, given the grid capacity and distance limitations it establishes.

Furthermore, there is no concrete delimitation of the types of legal entities that could be used to develop RECs, and **no regulatory authority has been given powers to oversee the compliance with the definition of REC**. Thus, the national government is encouraged to **fully transpose the RED II and develop an elaborated normative framework, so that regulatory uncertainty for RECs is reduced**.

Moreover, unlike most of the countries examined, the government has taken important steps to comply with the RED II requirement for Member States to develop a cost-benefit analysis for distributed generation. Similarly, the Spanish government has also taken steps to consider the specificities of RECs in the design of its renewable electricity auction system.



Other Member States could benefit from using the Spanish support schemes as a benchmark for developing their own.



Regional governments ought to promote the further simplification of existing administrative procedures for collective self-consumption projects with power over 100 kW, adapting regional regulations to national resp. state regulations. On the other hand, specific support schemes covering different phases of REC development have been or are being developed, which constitutes a milestone for the creation of an enabling framework.

Spain can be seen as an example for the development of an integrated and holistic approach to support RECs. 100 million EUR will be mobilised to promote, support and develop RECs through the Recovery, Transformation and Resilience Plan.



KEY EU-LEVEL RECOMMENDATIONS

Based on transposition progress (or lack thereof), the following main recommendations directed at the European Commission are suggested. These are further specified in the [full policy report](#).

The **European Commission** is encouraged to follow up closely the transposition and implementation of the provisions for RECs in the different countries and **provide guidance to the Member States**, clarifying some elements of the EU provisions. This included the requirement of proximity, the autonomy and effective control in the EU definitions as well as references to

RECs and non-price criteria in tenders in the state aid legislation. The Commission is encouraged to make the **promotion of energy communities through public procurement a key part of the activities organised by the GPP Helpdesk** especially in relation to the GPP (Green Public Procurement) Criteria for Electricity. In the context of the current energy crisis and the upcoming Electricity Market Design revision, the Commission needs to **acknowledge and support local ownership of renewable energy production as a matter of securing energy supply**, making sure that RECs are part of the solution.

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Partners

