

EU Policy Framework and funding opportunities for energy communities

Interreg Europe Policy Learning Platform

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EU policy framework



Clean Energy Package

Citizen Energy Communities

 Article 16 Electricity Market Directive 2019/944

Renewable Energy Communities

 Article 22 Renewable Energy Directive 2018/2001

Art. 2 on definitions: makes clear that renewable energy communities are a social concept, rather than financial profits



Differences



Electricity (technologyneutral)

Public bodies and large enterprises may participate

Natural persons, local authorities, or small enterprises in effective control

No decision-making power for large energy companies

REC

RE based heating and electricity

Natural persons, local authorities or SMEs may participate

Those located in the proximity of the renewable energy projects in effective control

"Autonomous", i.e. shared control by members



Enabling framework REC & CEC

State aid guidelines

Possible exemption bidding procedures and/or eased participation requirements

Privileges:

Access to financial instruments and information

Customised support scheme

Removal unjustified barriers

Regulatory and capacity-building support to public authorities

REC

Rights and responsibilities:

facilitating market integration (procedures, tariffs and activities)

CEC



Key REPowerEU policy instruments



EU Save Energy Communication with recommendations for how citizens and businesses can help save around 13bcm of gas imports in the short term

Shared political objective of at least one energy community in every municipality with a population higher than 10 000 by 2025



EU Solar Strategy with measures to accelerate the roll out of solar energy to increase capacity to 600 GW by 2030



Electricity market design Communication to accelerate energy transition and ensure access to low-cost renewables



Biomethane Action Plan to save up to 35 bcm of natural gas by 2030



Permitting Recommendation to simplify and ease permit granting, grid connection and production licensing procedures



REPowerEU Guidance and Recommendations

Recommendation on the design of renewable energy auctions

- Non-price criteria
- Eased pre-qualification requirements
- Separate adapted auctions

Recommendation on speeding up permit-granting procedures for renewable energy projects

 Simplified and proportionate permit granting procedures and requirements, including production licensing and grid connection permits



Fit for 55 Package

RED

(Renewable Energy Directive)

EED

(Energy Efficiency Directive)

EPBD

(Energy Performance of Buildings Directive)

SCFR

(Social Climate Fund Regulation)

- Potential role in offshore wind, public procurement, heat production, and the development of district heating and cooling networks
- Tailored information in single points of contact for permitting
- Fast track permitting procedures for small-scale RES installations
- Simplified registration processes and reduced registration fees for guarantees of origin
- Assessment and promotion of role in tackling energy poverty and achieving energy saving obligations
- Assessment of role in helping deliver local heating & cooling plans
- Accessible information on energy efficiency improvement measures
- Renewable energy communities can contribute to zero emission buildings
- Accessible information on methods and practices that serve to enhance energy performance
- · Building renovation plans should report energy communities

Social Climate Plans may include energy community related measures to target vulnerable households, micro-enterprises, and transport users



Electricity Market Design

Art 15a

Right to energy sharing

- Empowers **public bodies**, **SMEs and households** to co-finance RES installations, to use the produced electricity themselves, or to sell surplus electricity within the same bidding zone or more limited geographical area.
- An administrative model to match off-site produced electricity with consumption, based on:
 - a deduction of shared electricity from total metered consumption within imbalance settlement period;
 - free choice of supplier, allowing energy sharing between active customers with different suppliers linked to their connection point.
- Amending Directive EU/2024/1711 (adopted). Transposition deadline: 17 July 2026.



Other key policy documents

- Commission guidance on RRPs in the context of REPowerEU:
 Member States may decide to support and promote energy communities to address energy poverty in Recovery and Resilience Plans
- Commission guidance on NECPs update: empower energy consumers via energy communities, with special focus on vulnerable groups
- <u>Commission Recommendation to tackle energy poverty</u>: collective self-consumption schemes, including those managed by energy communities or municipalities.



Outlook: Energy communities Action Plan

Key pillar of the 'Citizens Energy Package':

"develop a **Citizens Energy Package** to increase citizens' participation in the energy transition and strengthen the social dimension of the Energy Union" ... and to "propose further measures to address energy poverty".

 List of actions European Commission and EU Member States can take to further increase the development of energy communities



Funding opportunities



EU assistance for energy communities

Citizen-led renovation initiative

Citizen Energy Advisory Hub Energy Communities Facility Energy communities in the Western Balkans

Pilot action ENER – Support energy communities to engage in building renovation services Preparatory action
ENER – Support
active engagement of
citizens in energy
projects and
dialogues

LIFE project- Grant support for business plan development and employment → first call in June 2025

Pilot action REGIO – Support to the development of energy communities in IPA countries



Relevant EU funding programmes

Funding programmes

Recovery and Resilience Facility (723.8 billion EUR) + REPowerEU (approx. 300 billion EUR)	Annex to the Commission guidance on RRPs in the context of REPowerEU: Member States may decide to support and promote energy communities to address energy poverty in Recovery and Resilience Plans
Cohesion Policy Funds , in particular Just Transition Fund, European Regional Development Fund, Cohesion Fund (369 billion EUR) and Interreg (9 billion EUR)	Output indicators for ERDF and CF: - Policy Objective 2: a greener, low carbon transitioning towards a net zero carbon economy - PO 2.2 (RCO 97) funding for renewable energy communities - Policy Objective 5: Europe closer to citizens. JTF Regulation (EU) 2021/1056, Article 8 (2) (e): scope of support includes investments in renewable energy and energy efficiency, which may include energy community related measures with the aim to increase investment in RES and EE, including for the purpose of addressing energy poverty.
Common Agricultural Policy Funds (386.6 billion EUR), in particular European agricultural fund for rural development – based on co-financing (95.5 billion EUR from EU budget)	Two relevant CAP 2023-2027 objectives that could be included in National CAP Strategic Plans: SO4 promotes sustainable energy; SO8 promotes the sustainable development of the bioeconomy, including bioenergy.
Modernisation Fund (2 – 2,5% ETS revenues)	At least two relevant priority investment areas in field of energy: energy efficiency and renewable energy
Social Climate Fund – based on co-financing (86.7 billion EUR from revenues ETS and ETS2)	Social Climate Fund Regulation (EU) 2023/955, Article 8 (1) (c): scope of support includes energy community related measures to target vulnerable households, micro-enterprises, and transport users
Connecting Europe Facility - Energy (5.84 billion EUR)	A new category of eligible projects has been introduced in the energy part of the revised Connecting Europe Facility (CEF) programme: cross-border projects in the field of renewable energy.
Interreg Europe programme (379 million EUR)	
Horizon Europe - Cluster "Climate, Energy and Mobility" (95.5 billion EUR)	Dedicated calls with focus on innovation & technology
LIFE - Clean energy transition (5.43 billion EUR)	Dedicated calls with focus on market integration of energy communities

LIFE CET Call 2025



- Open for applications: April 2025 (tentative deadline in September 2024)
- c. 100 million EURO
- Apply electronically via the EC's
 Funding & Tender opportunities portal
- Info day presentations in the LIFE Programmes YouTube channel



Social Climate Plans



- Funding for Member States for the period from January 2026 to December 2032
- address challenges linked to energy poverty for vulnerable households and micro-enterprises and support vulnerable transport users
- Member States should submit their final Social Climate Plans to the Commission indicatively by 30 June 2025



Connecting Europe Facility - Energy



- Cross-border projects in the field of renewable energy
- 2024 call is open with deadline in January 2025 to obtain cross-border RES status
- Contact Points in Member States



Useful data



Relevant outputs from COM assistance projects

- Rural Energy Community Advisory Hub
 - Overview of cases and case-studies
 - Guidance documents (municipalities, farmers, citizens, third parties etc.)
- Energy Communities Repository
 - Overview of national policy developments under March 2023
 - Overview of cases and case-studies
 - Barriers and action drivers report
 - Implementation roadmap report.



Thank you



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