



# Comparative Assessment of Enabling Frameworks for RECs

## Dutch/German transfer activities

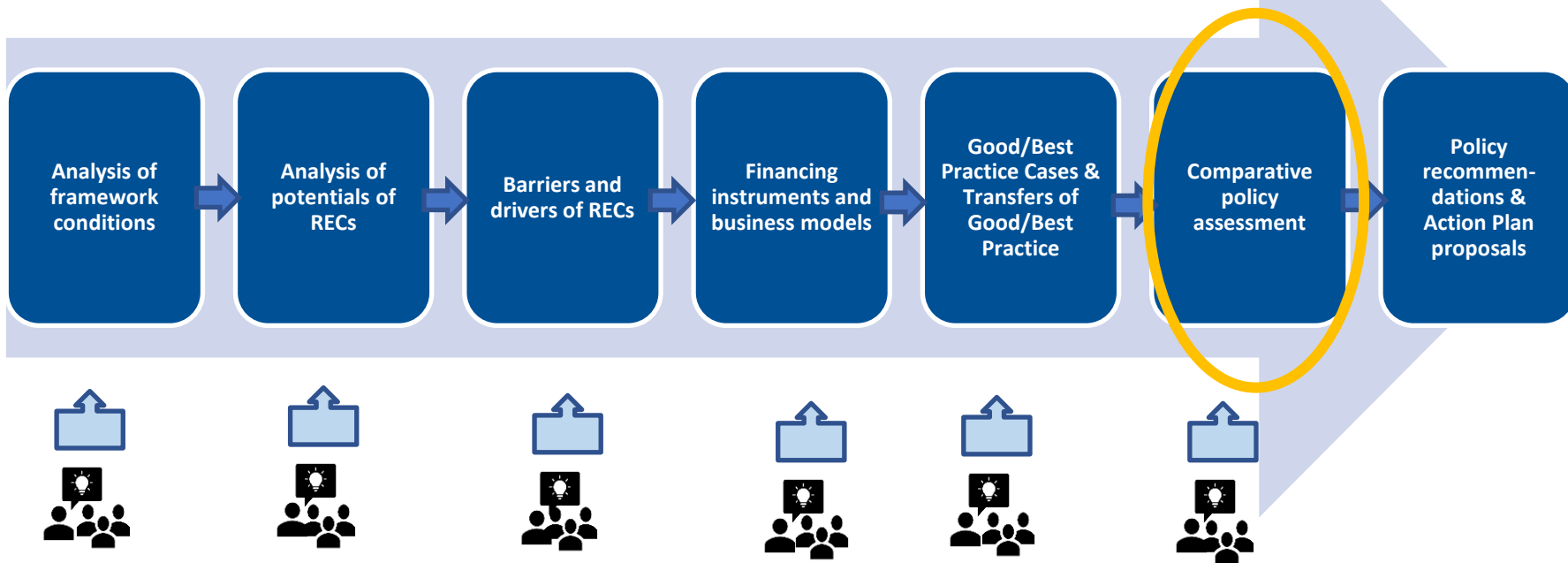
Michael Krug (Freie Universität Berlin)

*Latvian Country Desk Meeting*  
24 November 2022



Advancing Renewable  
Energy Communities

# COME RES: key project activities



**Stakeholder-Dialogues: Country Desks, Thematic Workshops & Round Tables with policy makers**

# Comparative assessment

- Assessment of **key provisions** and **enabling frameworks** for RECs
  - (1) Definition, rights and market activities of RECs
  - (2) Core elements of enabling frameworks RED II (Art. 22(4))
  - (3) Consideration of REC specificities in support scheme designs
  
- Status as of **15 July 2022**
  
- **Qualitative** and **quantitative** assessment of **transposition performance**
  
- **Inform policy makers** at regional, national and EU level



# Key elements of enabling framework (Art. 22,4 RED II)

Member states to ensure that

- **unjustified regulatory and administrative barriers** to RECs are **removed**;
- the **relevant DSO cooperates with RECs** to facilitate energy transfers within RECs;
- RECs are subject to **fair, proportionate and transparent procedures, cost-reflective network charges etc.** (...);
- RECs are **not subject to discriminatory treatment** with regard to their activities, rights and obligations as final customers, producers, suppliers, DSOs, or as other market participants;
- **tools to facilitate access to finance and information** are available;
- **regulatory and capacity-building support** is provided **to public authorities** in enabling and setting up RECs, and in helping authorities to participate directly;
- rules to secure the **equal and non-discriminatory treatment of consumers** that participate in the REC are in place.

# Rating system/Calibration table (Excerpt)

## Section 1: Definition and rights of RECs (RED II, Art. 2(16) and Art.22(2))

	0	1	2	3	4	5
<p><b>Open participation</b> (Participation in renewable energy projects should be open to all potential local members based on objective, transparent and non-discriminatory criteria)</p>	Legislation ensuring open participation is neither in place nor planned.	Legislation ensuring open participation is in an early stage of development.	Legislation ensuring open participation is in an advanced stage of development/will soon be adopted; legislation addressing open participation is in place, but regulations are not in line with RED II provisions; some barriers still exist.	Legislation ensuring open participation is in place. Regulations are mostly in line with RED II provisions. However, a few barriers may exist.	Legislation ensuring open participation is in place. Regulations are fully in line with the RED II. Participation is open, based on objective, transparent and non-discriminatory criteria.	Legislation ensuring open participation is in place. Regulations are fully in line with RED II provisions. Participation is fully open and based on objective, transparent and non-discriminatory criteria. Complementary guidance/secondary legislation is in place.
<p><b>Voluntary participation</b> (right of members or shareholders to leave the REC or CEC)</p>	Legislation ensuring voluntary participation is neither in place nor planned.	Legislation ensuring voluntary participation is in an early stage of development.	Legislation ensuring voluntary participation is in an advanced stage of development/will soon be adopted; legislation addressing voluntary participation is in place, but regulations are not or only partly in line with RED II provisions; some barriers still exist.	Legislation ensuring voluntary participation is in place. Regulations are mostly in line with RED II provisions. However, few barriers may exist.	Legislation ensuring voluntary participation is in place. Regulations are fully in line with RED II.	Legislation ensuring voluntary participation is in place. Regulations are fully in line with RED II provisions. Participation is fully voluntary. Complementary guidance/ secondary legislation on this issue is in place.
<p><b>Effective control</b> (RECs to be effectively controlled by shareholders or members that are located in the proximity of the RE projects that are owned and developed by that legal entity; not further specified in RED II)</p>	Effective control has not been considered at all in legislation. No legislation is planned.	Legislation ensuring effective control is in an early stage of development.	Legislation ensuring effective control is in an advanced stage of development/will soon be adopted; legislation addressing effective control is in place, but effective control has not been further not specified; regulations are not in line with RED II provisions.	Legislation ensuring effective control is in place. Effective control has been fairly considered and at least partly specified. Regulations are mostly in line with RED II provisions; regulations may create minor barriers.	Legislation ensuring effective control is in place. Effective control has been considered well and has been further specified. Regulations are fully in line with RED II provisions.	Legislation ensuring effective control is in place. Effective control has been considered very well and has been further specified. Regulations are fully in line with RED II provisions. Complementary guidance /secondary

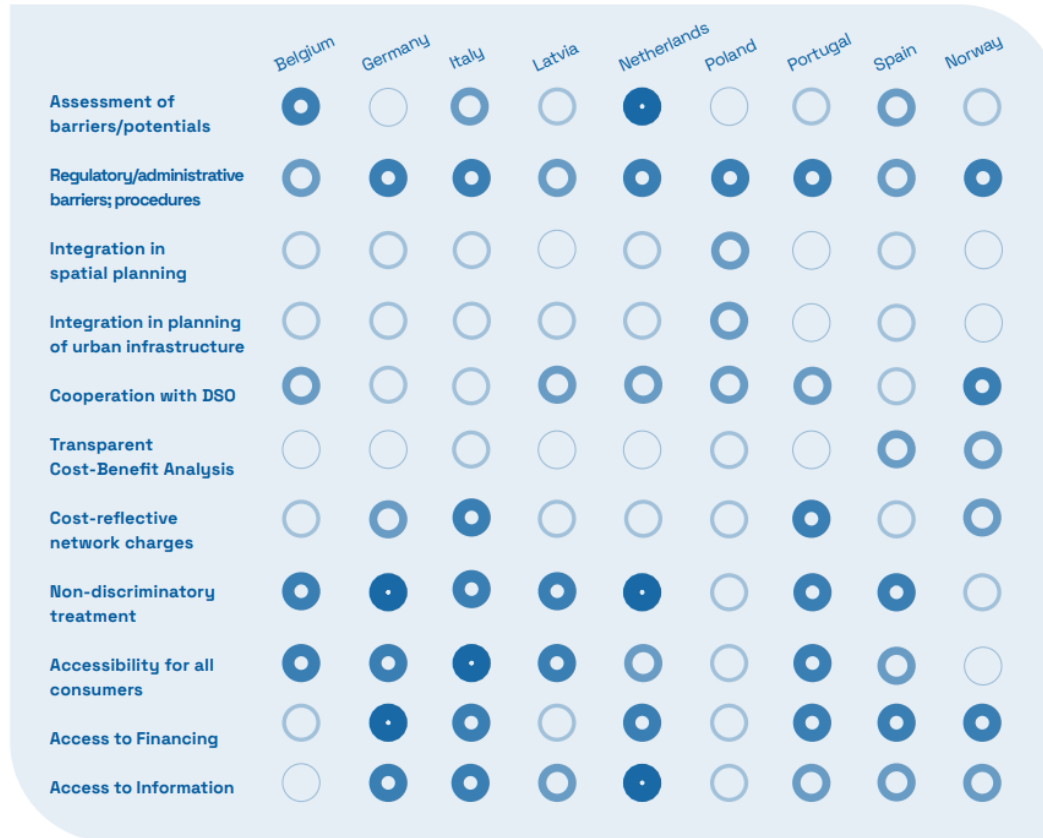
# Definitions, rights, market activities



Adapted from Krug et al, 2022  
D7.1 of the COME RES project



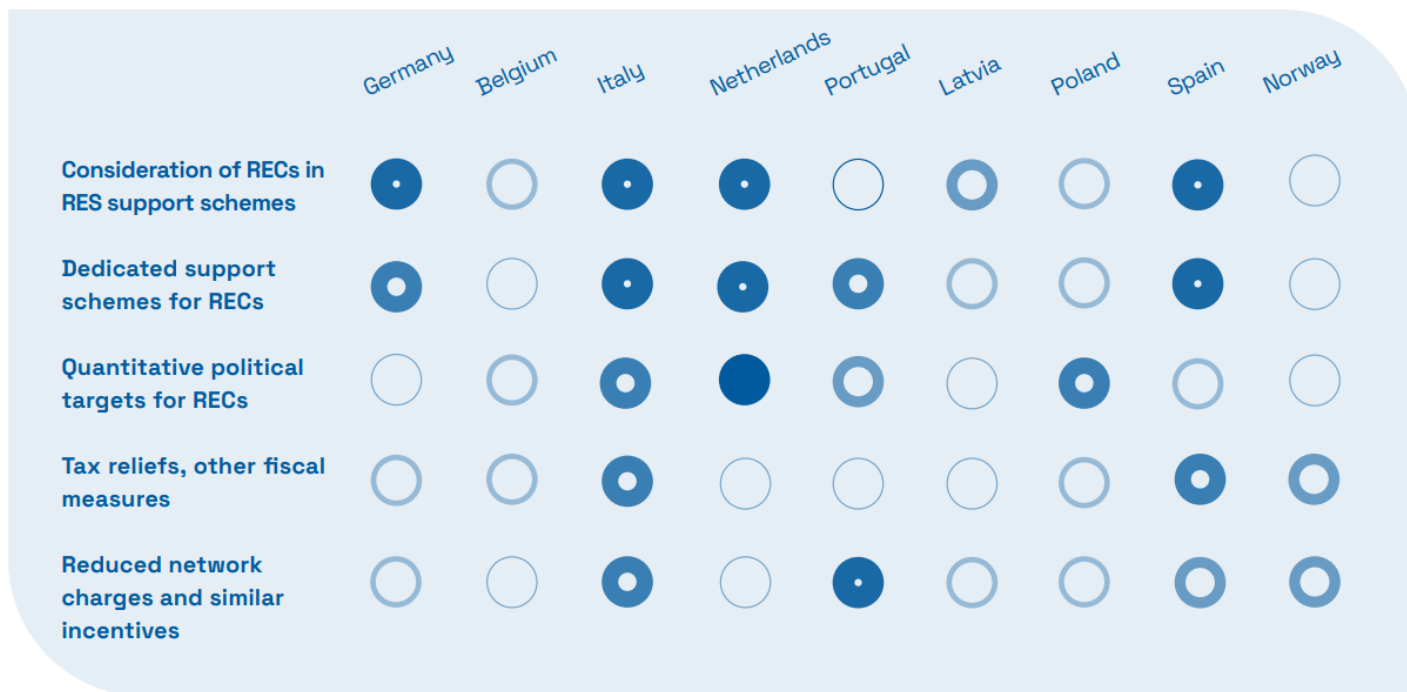
# Enabling framework



Adapted from Krug et al, 2022  
D7.1 of the COME RES project



# Support schemes & incentives



Adapted from Krug et al, 2022  
D7.1 of the COME RES project

SCALE:





# Conclusion (I)

- Progress of transposition varies considerably in the nine analysed countries.
- By 15 July 2022, **BE (Flanders)** and **IT** had made the **most progress** in transposing the definitions, rights, and possible market activities of RECs.
- Literal transposition (“copy and paste” approach) of the definitions is common, but not sufficient.
- **IT, PT** and **BE (Flanders)** are among the **frontrunners** in terms of **energy sharing** provisions.
- Most countries have made **good progress in transposing the REC definition**, but no country has developed an **enabling framework** that would fully or largely comply with the minimum requirements listed in RED II.
- Enabling frameworks are still **fragmentary**, although progress is being made with different commitment and pace (**NL** and partly **IT and SP** among the more advanced countries).

## Conclusion (II)

- **Removal of existing barriers** is crucial (e.g., lengthy permitting procedures)
- **Technical** and other **restrictions** for RECs (e.g., **IT, ES, PL**)
- Key role of **Recovery and Resilience Fund** (e.g., **IT, ES, PL, PT**)
- **Promising measures:**
  - Incentives for energy sharing: **IT**
  - Quantitative targets: **NL, Flanders, PL**
  - Dedicated support schemes/revolving funds: **DE, NL**
  - Consideration in RES support scheme designs: **ES, NL, DE**

➔ **Creation of enabling frameworks is a ,multi level governance‘ task**


 Advancing Renewable  
Energy Communities

Deliverable 7.1

## COMPARATIVE ASSESSMENT OF ENABLING FRAMEWORKS FOR RECs AND SUPPORT SCHEME DESIGNS

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### Policy Brief #03

09/2022


 Advancing Renewable  
Energy Communities

#### ENABLING RENEWABLE ENERGY COMMUNITIES

### Close, but not quite there

The deadlines for transposing the Integrated Electricity Market Directive (IEMD) and the recent Renewable Energy Directive (RED II) into Member State legislation have long passed. In the meantime, tracking the relevant developments is, on the one hand, thrilling, as countries carry out fundamental changes to their energy market designs to accommodate a more citizen-led energy transition. On the other hand, it is also frustrating, because the necessary changes and enabling frameworks continue to develop at very different speeds, with no Member State having achieved the degree of transposition, which would satisfy the European requirements.

Could the deadlines for transposition have been too ambitious considering the political, technical and economic complexities of the national energy markets? Despite all this, Renewable Energy Communities (RECs) continue to develop and citizens, SMEs, public authorities and other energy market actors are waiting (and calling) for the creation of urgently needed enabling frameworks.

As the COME RES Report "[Comparative Assessment of enabling frameworks for RECs and Support Scheme Designs](#)" puts it, "The question of whether a country is on the right track cannot be measured by a literal

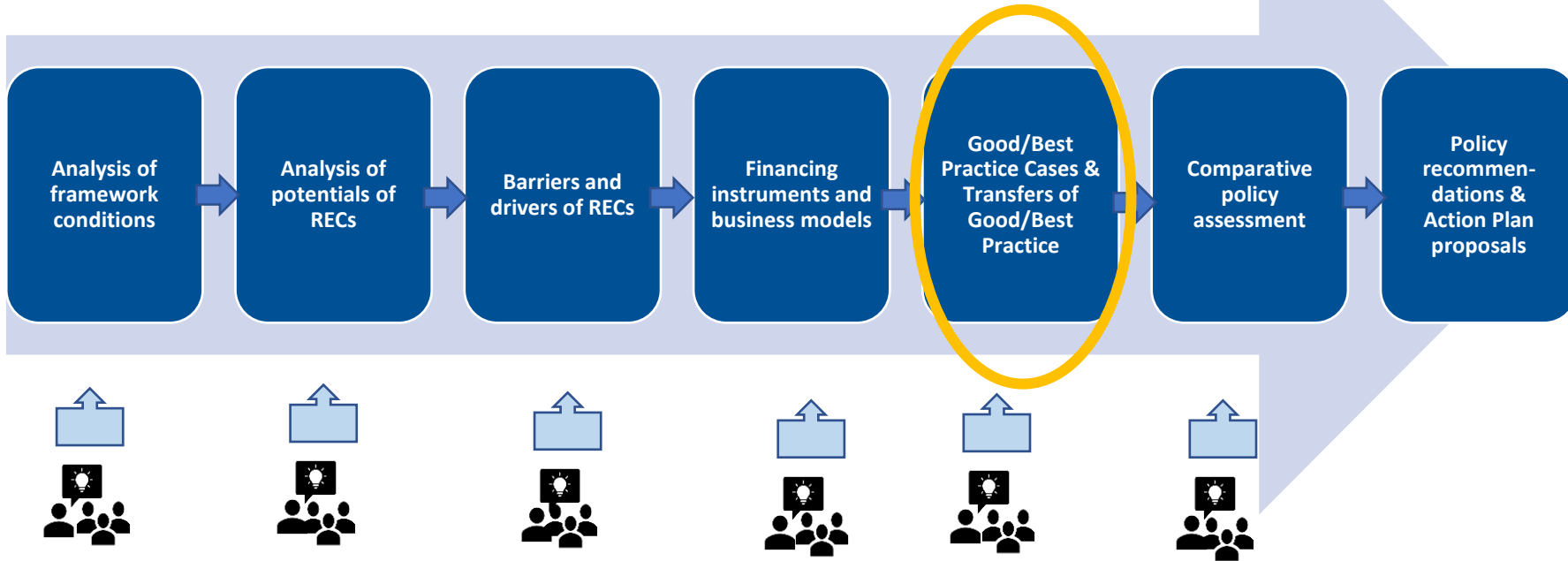
implementation of the relevant articles of RED II, but rather by a conducive market environment, a successful embedding in the national context and by the establishment of suitable and supporting framework conditions."

This brief, therefore, presents a snapshot of the progress on these elements since February 2021 pertaining to Art. 2 and Art. 22 of the RED II. It provides

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**Editor:** Lucy Russell, ICLEI Europe

**Based on Deliverable 7.1 "Comparative Assessment of Enabling Frameworks for RECs and Support Scheme Designs"** of the COME RES project by Michael Krug and Maria-Rosaria Di Nucci, Freie Universität Berlin

# COME RES: key project activities



**Stakeholder-Dialogues: Country Desks, Thematic Workshops & Round Tables with policy makers**

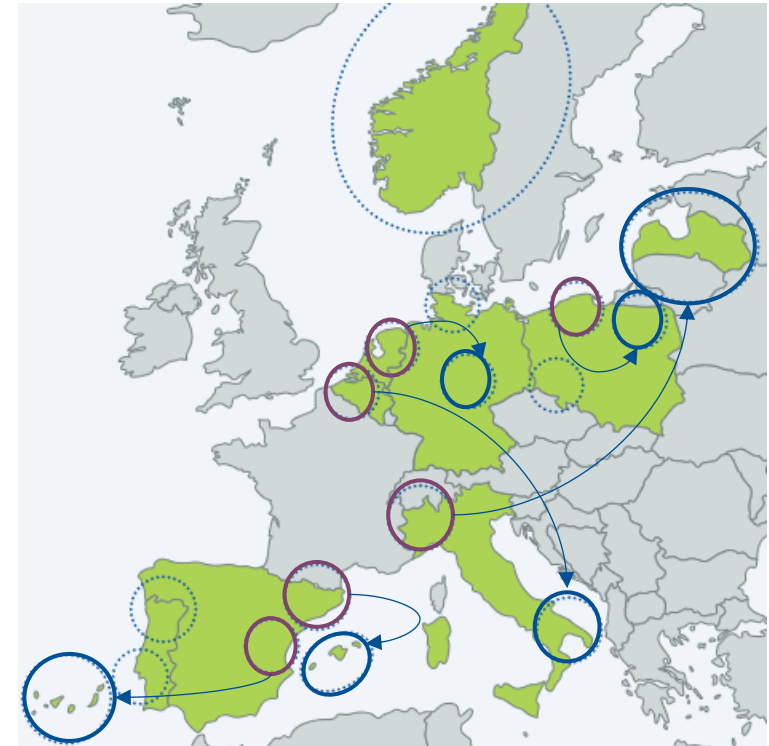
# Transfer activities in COME RES

Initiating **3 transnational** and **1 internal** Best Practice Transfers

Transfer processes

NL	➔	DE
BE	➔	IT
IT	➔	LV
ES	➔	ES

- Setting up **transfer teams** (project partners, experts from learning regions, mentors) and **transfer management plans**
- **Twinning/Mentoring activities with site visits, trainings and workshops**
- **June 2022:** Site visits, workshops, trainings in „Mentoring regions“
- **October 2022:** Follow up workshops in the „Learning regions“
- Joint development of **Transfer Roadmaps**
- **Memoranda of Understanding**



- - Mentoring Region
- - Learning Region

# Transfer of Multifunctional Energy Gardens from the Netherlands to Germany

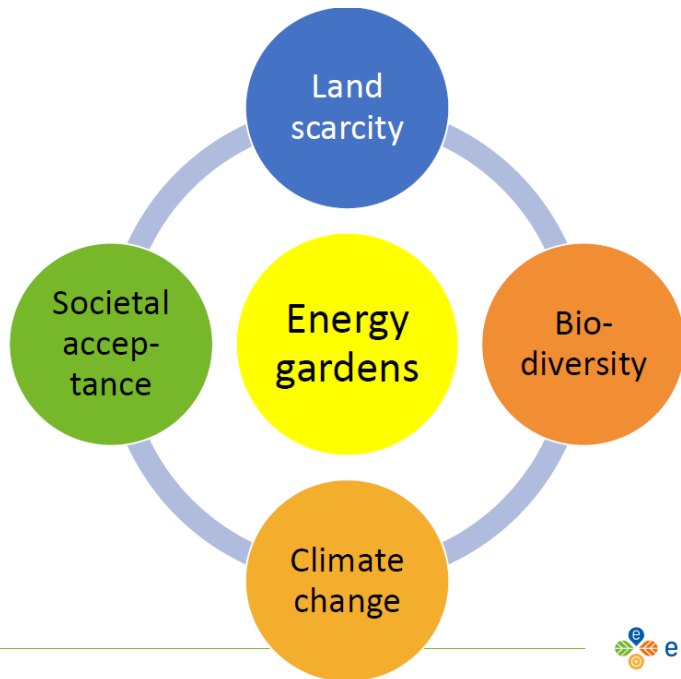


# What are ,Multi-functional Energy gardens‘?

- Concept developed by the Dutch Nature and Environment Federations
- Financial support by the Dutch **postcode lottery**
- **Multi-use of space**
- **Purpose:** create **synergies** between renewable energy generation, **nature and species conservation, recreation and education**
- **Co-creation process:** Local communities are involved in the design process from the very beginning
- **Financial participation of local communities**
- Different roles and organisational models of energy communities



# Adressing multiple challenges





## First Energy Gardens in the Netherlands

- Mastwijk, Utrecht
- Wijhe, Overijssel
- Assen, Drenthe
- Zelhem, Gelderland

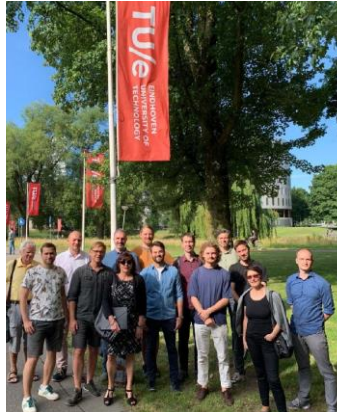


	Surface Area	Solarfields	% Societal Functions	Power	# Households
Mastwijk, Utrecht	20 ha.	12 ha.	40%	10,9 MW	3.000
Assen-Zuid, Drenthe	53 ha.	23 ha.	56%	21,3 MW	6.000
Wijhe, Overijssel	25 ha.	8 ha.	68%	7,8 MW	1.900
Zelhem, Gelderland	+/- 20 ha.	Max 1,5 ha.	92,5%		

1. Setting up a **transfer team** (partners, experts from learning region, mentors) + **Transfer Management Plan**

## Dutch-German Transfer Team

- FU Berlin, ICLEI, Becker Büttner Held, TU Eindhoven
- Thuringian State Parliament, Thuringian Energy Agency, Thuringian Citizen Energy Association, Alliance for Citizen Energy
- Mentors: Natuur en Milieu Gelderland, Solar farm Kwekerij



2. **Site visits, transfer workshop & trainings** in Eindhoven (6/2022)



3. **Transfer workshop** in Erfurt + **Transfer Roadmap** (10/2022)

4. **Info brochure** published by Thuringian Energy Agency (1/2023)



5. **Memorandum of Understanding**  
(signing at final conference)



# Lessons

- **Conversion areas** seem particularly suitable areas for Energy Gardens
- **Challenge:** accept lower financial returns and create funding for the maintenance of societal/environmental functions in Energy Gardens
- Interest in Thuringia from ThEGA, NGOs, policy making  
(**opportunity**→renaturation of contaminated sites)
- **Reference/lighthouse project** existing
- **Follow up activity:** Information Brochure on multi-use concepts
- **Municipalities** have a **key role to play** in promoting and facilitating the concept – as landowners, planners, permitting authorities, potential investors and shareholders, financiers, facilitators and awareness raisers.



# Paldies! Thank you!

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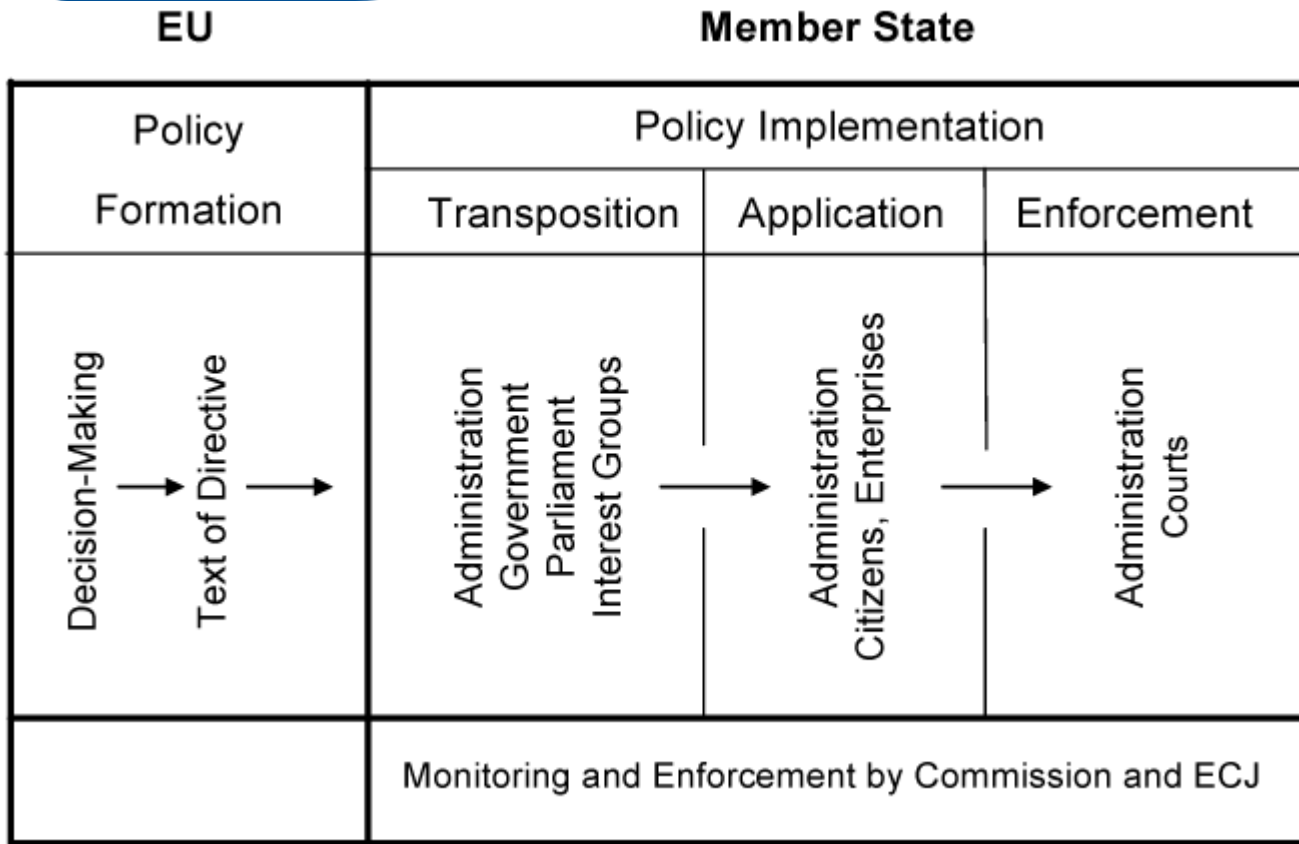
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Foto: Rosaria Di Nucci



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Source: Treib 2008

# Template (excerpt)



## 1. Introducing definitions, rights and duties of RECs; corporate governance

Have RECs and CECs been formally introduced in the national legal framework? Please, indicate the respective legal acts.	
How have the following items been transposed? Is the legal definition of RECs in compliance with the RED II? (Art. 2.16 RED II) In which fields do you see transposition gaps?	
Type of legal entity	
Open and voluntary participation	
Eligibility to participate/Membership	
Effective control	
Proximity	
Autonomy	
Primary purpose	
Does the definition of RECs also cover the heating/cooling sector and renewable gases?	
Are RECs legally entitled to <b>produce, consume, store and sell</b> renewable energy?	
Are RECs legally entitled to <b>act as DSO</b> ? Do you know of any practical examples in your country?	
Do the rights of RECs refer both to electricity and heating/cooling and RES based gases?	
Is <b>collective consumption</b> as defined in Art. 21 REDII <b>within buildings/building blocks</b> (without using the grid) possible? Where do you see the main barriers for <b>jointly acting self-consumers</b> ?	
Are RECs legally entitled to <b>share, within the REC, renewable energy</b> that is produced by the REC (using the grid)? Is there any <b>definition/regulatory framework for energy sharing</b> already in place? How is energy sharing regulated/promoted (e.g. exemption of fees, charges etc.)?	
How is energy sharing regulated/promoted (e.g. exemption of fees, charges etc.)?	
Which <b>institutional body</b> is responsible for registering RECs/CECs? Briefly explain.	
How many RECs (pursuant to RED II) have been officially registered in your country?	

## 2. Assessment of enabling frameworks

Which are the <b>key policy actors and public authorities</b> responsible for developing an enabling framework for RECs in your country? (e.g. national/regional ministries, national/regional public authorities, public/state agencies)?	
Which are other <b>key actors</b> (non-public) promoting the development of RECs? (e.g. community energy associations, etc.)	
What have been <b>key driving forces and enablers of community energy</b> in your country so far? (before RED II was adopted)?	
Has the national or regional government(s) carried out any <b>assessment of the existing barriers and potential of development of REC</b> ? (Art.22,3 REDII)? What are the <b>main findings and recommendations</b> ? To what extent have these been considered by the government?	
Do competent authorities at national, regional and local level include <b>provisions for the integration and deployment of renewable energy</b> , including for RECs in the field of <b>spatial planning</b> ?	
Do competent authorities at national, regional and local level include <b>provisions for the integration and deployment of renewable energy</b> , including for RECs when designing, building and renovating <b>urban infrastructure</b> , industrial, commercial or residential areas and energy infrastructure? (Art.15,3 REDII)	
In which areas do you identify key <b>regulatory and administrative barriers</b> for RECs? Have national/regional governments recognized and addressed these barriers as well? Have they undertaken measures to remove those barriers (Art.22,4 RED II)?	
Are RECs subject to <b>fair, proportionate and transparent procedures</b> , including <b>registration and licensing procedures</b> ? (Art.22,4 RED II) Where do you see shortcomings? Are there any procedures tailored specifically for RECs?	

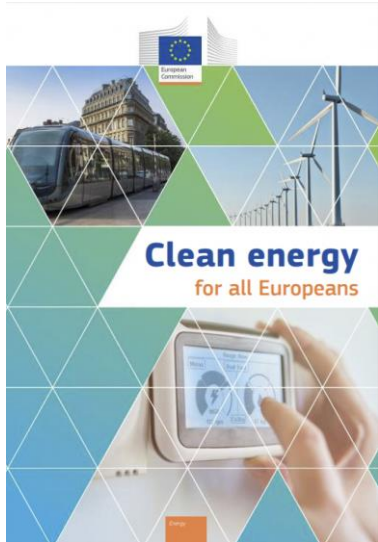
## 3. Assessment of RES support scheme designs

What are the <b>key existing support schemes for renewable energy</b> in the field of electricity? (e.g. Investment support via cohesion funds and ESIF, resilience and recovery funds; operational support via feed in premiums, competitive bidding/auctions etc.) Are there any modifications to existing support schemes/new support schemes planned in the future?	
To what extent do national and regional governments <b>take into account the specificities of RECs</b> when designing support schemes for RES-E? (e.g. special rules, preferential treatment)	
If <b>auctions</b> represent the key support scheme for RES-E in your country: have any of the following measures been implemented or are such measures planned? Please briefly describe.	
<i>Exemptions for RECs from taking part in auctions/ Use of the de minimis rule?</i>	
<i>Special bidding windows/categories for RECs within the auction system (e.g. like in Ireland)</i>	
<i>Special REC related pre-qualification criteria all bidders have to fulfil in order to take part in the auctions (e.g. minimum number of shares offered to RECs/local communities, existence of a community engagement plan)</i>	
<i>Multi-criteria assessment for selection of successful bids (i.e. selection not only based on the offered price/remuneration level, but also on social criteria, e.g. community co-ownership etc.)</i>	
<i>Special pricing rules for RECs (e.g. uniform pricing)</i>	

<sup>1</sup> In accordance with Art.2 of RED II **support scheme** means any instrument, scheme or mechanism applied by a Member State, or a group of Member States, that promotes the use of energy from renewable sources by reducing the cost of that energy, increasing the price at which it can be sold, or increasing, by means of a renewable energy obligation or otherwise, the volume of such energy purchased, including but not restricted to, investment aid, tax exemptions or reductions, tax refunds, renewable energy obligation support schemes including those using green certificates, and direct price support schemes including feed-in tariffs and sliding or fixed premium payments.

<sup>2</sup> The new **Climate, Energy and Environmental State Aid Guidelines (CEAAG)** ([https://ec.europa.eu/competition/policy/sectors/energy-and-environment/legislation\\_en](https://ec.europa.eu/competition/policy/sectors/energy-and-environment/legislation_en)) provide additional flexibility for RECs, allowing Member States to exempt REC projects and SME-owned projects below 6 Megawatts (MW) of installed capacity from the competitive bidding requirement. RECs and small and micro enterprises may also develop wind projects up to 18 MW without competitive bidding. More generally, where competitive bidding does apply, the CEEAG enable Member States to design tenders in a way which enhances the participation of energy communities, for example by lowering pre-qualification requirements.

# Citizen empowerment in the EU Clean Energy Package



## Internal Electricity Market Directive (EU) 2019/944

- Art. 15 Active customers
- Art. 15 Jointly acting active customers
- Art. 16 Citizen energy communities



Transposition into national law by 31.12.2020

## (Recast) Renewable Energy Directive (EU) 2018/2001

- Art. 21 Renewables self-consumers
- Art. 21 Jointly acting renewables self-consumers
- **Art. 22 Renewable energy communities**



Transposition into national law by 30.06.2021

# Renewable energy communities (I)

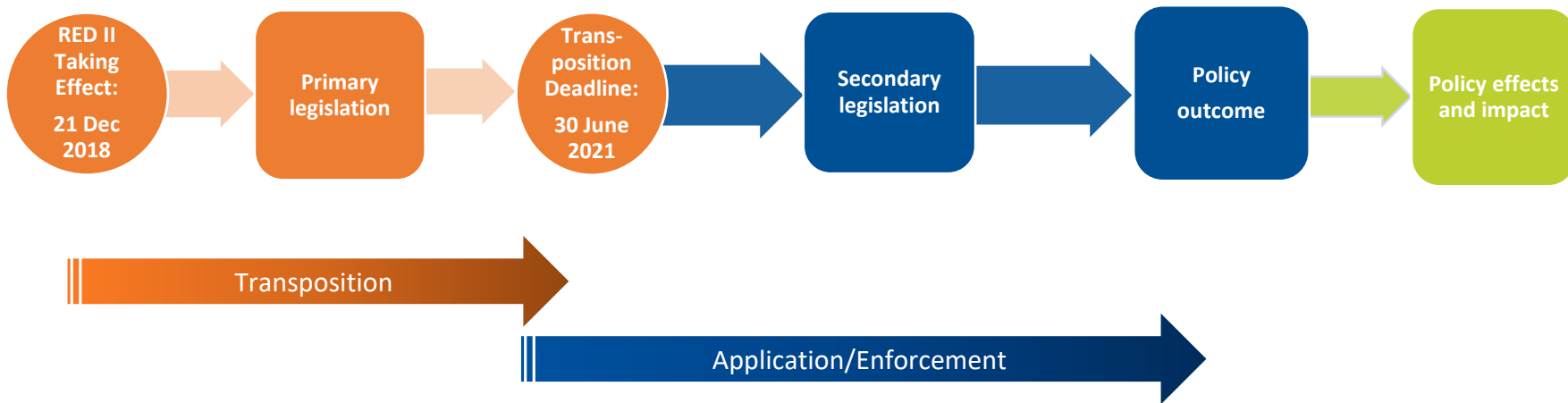
- **Definition** of RECs (Art. 2,16 RED II)
  - Legal entity
  - Open, voluntary participation
  - Shareholders/members: **natural persons, SMEs, local authorities**
  - Autonomous
  - **Effective control** by shareholders/members located in the **proximity of the RE projects** owned and developed by the entity
  - **Primary purpose**: environmental, economic, or social community benefits for shareholders/members or local areas where it operates, rather than financial profit



# Renewable energy communities (II)

- **Rights** of RECs (Art. 22,2 RED II)
  - Produce, consume, store and sell renewable energy
  - Share, within the REC, renewable energy that is produced by the production units owned by that REC (...)
  - Access all suitable energy markets both directly or through aggregation in a non-discriminatory manner
- MS to carry out **assessments of existing barriers and potential** (Art. 22,3 RED II)
- MS to provide **enabling frameworks** for RECs (Art. 22,4 RED II)
- MS to **take into account specificities** of RECs when **designing support schemes** in order to allow them to compete for support on an equal footing with other market participants (Art. 22,7 RED II)

# RED III: Implementation in the Member States



## Key differences between CEC and REC (I)

	Citizen Energy Community (CEC)	Renewable Energy Community (REC)
<b>Legal act</b>	Internal Electricity Market Directive (Art. 2, Art. 16)	Renewable Energy Directive (Art. 2 , Art. 22)
<b>Sub-sector</b>	Electricity only	Electricity, heating/cooling, transport
<b>Technology</b>	Technology-open (fossil and RES based)	Only RES based technologies
<b>Legal form</b>	Any	Any
<b>Membership</b>	Open, voluntary (→ <b>any actor</b> , as long as members/shareholders engaged in <b>large scale commercial activity</b> and for which the <b>energy sector constitutes a primary area of economic activity</b> do not exercise any decision-making power)	Open, voluntary (→ only <b>natural persons, local authorities</b> and <b>SMEs</b> whose participation does not constitute their primary economic activity. Participation accessible to all consumers including <b>low-income</b> and <b>vulnerable households</b> )
<b>Control</b>	Effective control by natural persons, local authorities or small enterprises	Effective control by shareholders/members <b>located in the proximity</b> of the RE projects owned and developed by the legal entity
<b>Autonomy</b>		Autonomy from individual members and other traditional market actors

## Key differences between CEC and REC (II)

	Citizen Energy Community (CEC)	Renewable Energy Community (REC)
<b>Primary purpose</b>	Social, economic and environmental benefits for members/shareholders or the local area in which the entity operates	
<b>Activities</b>	Generation, distribution, supply, consumption, aggregation, energy storage, <b>energy efficiency services, charging services for EV</b> , other energy-related services	Generation, distribution, consumption, storage, sale, aggregation, supply and sharing of renewable energy, energy-related services (commercial)
<b>Enabling framework, support schemes</b>	<p>MS to provide an <b>enabling regulatory framework for CEC</b></p> <ul style="list-style-type: none"> <li>• Participation is open and voluntary</li> <li>• Members/shareholders entitled to leave</li> <li>• Members/shareholders do not lose their rights and obligations as household or active customers.</li> <li>• DSOs cooperate with CECs to facilitate electricity transfers within the community</li> <li>• Non-discriminatory, fair, proportionate and transparent treatment</li> <li>• Transparent, non-discriminatory and cost-reflective network charges</li> </ul>	<p>MS to provide <b>enabling framework</b> to promote and facilitate the development of REC</p> <ul style="list-style-type: none"> <li>• Remove unjustified regulatory/administrative barriers</li> <li>• Fair, proportionate and transparent procedures</li> <li>• Non-discriminatory treatment</li> <li>• Tools to facilitate access to finance and information;</li> <li>• Regulatory and capacity-building support to public authorities in enabling and setting up RECs</li> <li>• Equal/non-discriminatory treatment of consumers that participate in a REC</li> </ul> <p>MS to take into account <b>specificities of RECs</b> when <b>designing support schemes</b></p>