New actors on the electricity market: aggregators and energy communities

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Content

✓ Energy policy context
✓ Provisions on energy communities and aggregators
Energy and Climate Objectives 2030

2020
-20% Greenhouse Gas Emissions

2030
≤ - 40% Greenhouse Gas Emissions

20% Renewable Energy

32% Renewable Energy

20% Energy Efficiency

32.5% Energy Efficiency

The European Green Deal
Climate neutrality
The Clean Energy Package

Enabling Framework

- Energy Efficiency: 32.5%
- Renewables: 32%
- Electricity Market Design:
  - Regulation and Directive on internal electricity market;
  - Regulation on risk-preparedness, ACER regulation

Innovative
- Socially fair
- Digital

Inter-connected
- Safe for all
- Investment-friendly

Inclusive

Regulation and Directive on internal electricity market; Regulation on risk-preparedness, ACER regulation.
Purpose of consumer empowerment

Empowering citizens

- Energy communities are an effective tool to increase project acceptance

- 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
Existing models, e.g. BE, ES

Set up cooperative and invest

Profits reinvested in local community

Cooperative

with supplier licence

Use money to build RES

Profits reinvested in RES

Buys electricity and proves origin with own GOs

Sells electricity

Electricity
Existing models, e.g. DE, DK

Cooperative

- Set up cooperative and invest or legal partnership
- Use money to build RES
- No supply licence
- Proceeds from electricity sales go to investors (or feed in tariff goes to investors)
- Sells electricity
Additional possibilities due to CECs and RECs

- **Innovative**: energy sharing and peer-to-peer possibility
- **Challenge**: redefining consumer/supplier relationship and regulate new configurations appropriately
Citizen Energy Communities


Renewable Energy Communities

Art. 22 of the Directive on the promotion of the use of energy from renewable sources on “Renewable Energy Communities”
Conceptual overview

All sources of energy

100 % RES-E

Electricity
<table>
<thead>
<tr>
<th></th>
<th>CEC</th>
<th>REC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>Electricity</td>
<td>Renewable energy</td>
</tr>
<tr>
<td><strong>Membership</strong></td>
<td>Any entity</td>
<td>Natural persons, local authorities, SMEs</td>
</tr>
<tr>
<td><strong>Control</strong></td>
<td>Effective control by natural persons, local authorities, small enterprises</td>
<td>Effective control by natural persons, local authorities, SMEs located in the proximity of the projects</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>Primary purpose to provide environmental, economic or social community benefits for members of the local area</td>
<td></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td>Generation, storage, selling, sharing, aggregation or other energy services, distribution</td>
<td></td>
</tr>
</tbody>
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Art. 22 of the Directive on the promotion of the use of energy from renewable sources on “Renewable Energy Communities”

Art. 2 on definitions: makes clear that both citizens and renewable energy communities are a social concept, rather than for financial profits
ACTIVE CONSUMERS ARE KEY TO DELIVERING A MORE FLEXIBLE ENERGY SYSTEM...

- Active customers are: **Final customers**, or jointly active customers within confined boundaries
- Active customers can: Consume, store or sell self-generated electricity or participate in flexibility or energy efficiency schemes
Aggregators

- MS to develop framework for independent aggregators (Art 17)

- Consumer can contract independent aggregators without consent of their supplier (Art 13)
Next steps

Transposition deadlines:
- Electricity Directive: 1 January 2021
- RED II: 30 June 2021
Thank you for your attention