



CENTER FOR
THE STUDY OF
DEMOCRACY

Challenges towards implementation of the CSOP model and policy options for renewable energy communities in Europe

Dr. Radostina Primova

24/06/2021



The new RED II Directive

- ✓ the right of European citizens, local authorities, small businesses and cooperatives to produce, consume, store and sell their own renewable energy, without being subject to punitive taxes or excessive bureaucracy.
- ✓ these activities could be done either individually, that is, households and non-energy small and medium-sized enterprises (SMEs) and collectively, for example, organised as independent legal entities (Art. 22 RED II).
- ✓ the right not to be unfairly charged for energy they produce themselves;
- ✓ the right to access all appropriate energy markets directly or through a third party;
- ✓ protection against discriminatory procedures
- ✓ the right to access appropriate remuneration or support for engaging in renewables production;
- ✓ a right to engage in peer-to-peer energy trading or energy sharing;
- ✓ a right to access the information allowing citizens to know how to exercise these rights

	Support Scheme - Electricity		Support Scheme - Heating & Cooling	Policies
	Solar	Biomass		
DE	- Special schemes for electricity intensive enterprises; - Special schemes for self-consumption; - Compensation for electricity not fed into the grid due to grid-related bottlenecks;			German Renewable Energy Sources Act (Erneuerbare Energien Gesetz); Renewable Energies Heat Act (Erneuerbare-Energien-Wärmegesetz); Tenant Electricity Act (Mieterstromgesetz); Local support programs of individual federal states, districts or communities
	Feed-in tariff	Tendering	Subsidies	Training programmes
	Low-interest loans Supports for the usage of stationary battery storage systems, related to a PV installation	Flexibility surcharge		Certification Programmes for RES installations Exemplary role of public authorities
	Market Premium Tariff	Flexibility premium	Loans	Renewable Energy Standard programme supporting networks and accumulators
	Tenant electricity surcharge			RES-H building obligations
	Tendering: solar projects starting from 750kW			Support of RES-H infrastructure
IT	Net-metering (scambio sul posto)		Price-based scheme	Training programmes
	Reduction in VAT and real estate tax			Standards and certificate of compliance
	Regional renewable energy programmes Premium tariff (ritiro dedicato)			All new buildings and all buildings undergoing major refurbishment are obliged to integrate RES-E and RES-H
	Regional renewable energy programmes Premium tariff (ritiro dedicato)		Tax regulation scheme	Guarantee fund supporting DHN
CZ	Exemption from Real Estate tax /Discounted Investment loans Subsidies (Operational Programme "Environment")		Subsidies (OPs) Exemption from Real EstateTax	Renewable energy use assessment. Certification programme for installers

	Type of intervention	Recipient of incentives	Method of remuneration	Energy domain
DE	Energy efficiency	All users	Tax deduction – discounted investment loans	Electricity, Thermal power
	Energy management optimisation	All users	Tax deduction – discounted investment loans	Electricity, Thermal power
	RES	All users	Premium tariffs / Tax deduction	Electricity
	Energy efficiency + RES	Citizens	Premium tariffs / Reimbursement of investment	Electricity, Thermal power
		Business	Tax deduction	Thermal power
IT	Energy efficiency	All users	Bond issue	Electricity, Thermal power
	Energy management optimisation	All users	Reimbursement of investment	Electricity
	RES	All users	Premium tariffs / Minimum guaranteed prices	Electricity, Thermal power
	Energy efficiency + RES	Citizens, Municipalities	Tax deduction – tax break / Reimbursement of project's investment	Electricity, Thermal power
	RES + Energy management optimisation	All users	Discount on one or more tariff components that make up the bill	Electricity
	Energy efficiency + Energy management optimisation + RES	All users	Tax deduction – tax break / Reimbursement of investment / Premium tariffs / Reimbursement of project's investment	Electricity, Thermal power
CZ	RES	All users	Tax deduction – discounted investment loans	Electricity
	Energy management optimisation	Business	Tax deduction – discounted investment loans	Electricity
	Energy efficiency + RES	Citizens	Tax deduction – discounted investment loans	Electricity, Thermal power

Major challenges

National bottlenecks

- ✓ Different national legal frameworks for the promotion of RES
- ✓ Information gaps
- ✓ Access to finance
- ✓ Discriminatory grid regulations
- ✓ Inconsistencies with national social policies

EU-wide challenges

- ✓ unequal access to ancillary services and capacity markets
- ✓ Different legal forms of RECs
- ✓ Technological challenge related to balancing the geographically dispersed, intermittent RES with demand
- ✓ Transaction costs

Policy recommendations for the transposition of RED II Directive

- Define various categories on proximity based on the spatial recognition of a REC and the local needs
- Support business models like CSOPs enabling partnerships with commercial investments that can scale RECs while limiting incumbent control
- Target support mechanisms for citizen-led projects should be included in the RRP and the Cohesion Policy Funding (Art.25 of the Regulation laying down common provisions in the ERDF, ESF+ and EMFF)
- A framework for vulnerable households in the transposition of RED II
- Energy poverty should be prioritised in the frameworks of the energy and environmental ministries

Recommendations for national policy-makers

- Expand the focus of RES policies from electricity-only to heating and cooling – with the proper incentives for end-users
- Promoting RE “clusters” that support complementarity amongst a range of actors
- Adopt specific measures to promote the role of energy communities in the implementation of energy efficiency policies and measures
- Community-based criteria should be included in the procurement of energy services
- Targeted support schemes for community projects
- Designing a national action plan for jumpstarting investments in small-scale RES plants (with a pilot phase for a support scheme in several municipalities to be followed-up by a nation-wide programme)



CENTER FOR
THE STUDY OF
DEMOCRACY

Thank you

Dr. Radostina Primova
Senior Analyst, Economic Program
radostina.primova@csd.bg

www.csd.bg

