

Renewable Energy Communities, an instrument for democratic and just energy transition

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Key questions

- What is a Renewable Energy Community?
- What can a Renewable Energy Community do?
- Why can represent a democratic instrument for energy transition?
- What we need to improve in Spanish legal system?

Actual situation

- Climate emergency.
- Global need for energy transition.
- Increase of energy price.
- Dependence of fossil fuel.
- Lack of materials.
- Concentration of power and non democratic energy transition.
- Repetition of the fossil fuel energy system, but with renewables.



What is a Renewable Energy Community?

It is an association, cooperative, or any other legal entity that is controlled by local members (citizens, companies, local public administration) for profit and dedicated to activities in the energy sector (production, distribution, aggregation, etc.). The main objective is always the local benefit. (Source: IDAE)

It is about an organizational mechanism that allows different local actors to participate actively and jointly in the energy transition.



What is a Renewable Energy Community?

Some advantages:

- High potential for the energy transition.
- Public-cooperative-community model.
- Reduces the investment cost for self-consumption photovoltaic installations.
- Democratizes the use of energy resources, with the decision-making capacity of the community.
- Ability to provide services to gain energy sovereignty (energy saving, mobility, energy poverty reduction, etc.).





What can a Renewable Energy Community do?

- The production and generation of energy with all kinds of renewable sources.
- The promotion, design, installation and management of all types of projects for the generation of energy from renewable sources, energy saving and efficiency.

What can a Renewable Energy Community do?

It will be a initiative with economic activity that will offer goods and services. So we will have to manage invoicing, collections and payments, keep an accounting or declare taxes.

Key aspects:

- **Good project definition:** what do we offer?
- **Good economic and financial planning:** forecasting income and expenses, necessary investments, financing, etc.
- **Good governance model:** decision-making, planning and evaluation, delegation of responsibilities, etc. it must meet the criteria of democracy, transparency, participation and efficiency.

Why can represent a democratic instrument for energy transition?

- Participatory democratic decision-making, with the possibility of real participation, while co-responsibility of members in relation to the governance of energy activity.
- Social and ecological objectives.
- Linked to the territory and the bordering territories, and / or intercooperation with other nearby energy communities.



Why can represent a democratic instrument for energy transition?

- Provide all kinds of **energy services**.
- Develop activities of **promotion, sensibilisation** and **citizen participation**. That will contribute to promote the energetic and ecological transition.
- Obtain the **financial resources** that allow to make sustainable the projects and the set of the activities that are carried out from the cooperative.

Why can represent a democratic instrument for energy transition?

- Decentralized.
- Participatory and cooperative.
- Integrated
- Consumption reduction and energy efficiency.
- Economically fair and encouraging.

What we need to improve in our legal system?

Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, determined that the renewable energy communities must have the purpose of "providing environmental, economic or social benefits to its partners or members or in the local areas where it operates, rather than financial gain".



What we need to improve in our legal system?

The application of **Directive (EU) 2018/2001** must guarantee:

- The right to produce, consume, store and sell renewable energy, in particular through contracts for the purchase of renewable electricity;
- The right to share in the renewable energy community the renewable energy produced by the production units owned by the community, while maintaining the rights and obligations of the members of the renewable energy community.
- Access to appropriate energy markets, both directly and through non-discriminatory aggregation.



What we need to improve in our legal system?

Directive (EU) 2019/944 on common rules for the internal market for electricity

- Based on voluntary and open participation, effective control is exercised by members (individuals, local authorities, including municipalities or small businesses).
- The main objective is to offer environmental, economic or social benefits to its members or to the locality, beyond generating financial profitability.
- Participates in the generation, including from renewable sources, distribution, supply, consumption, aggregation, energy storage, the provision of energy efficiency services or the provision of recharging services or energy services to its members.



What we need to improve in our legal system?

- Spanish legislation must transpose both Directives.
- Nowadays, with the actual legislation, there are hundreds of Renewable Energy Community projects starting in all Spain. But there are a high level of uncertainty.
- Breaking with some mono(oligo)polies in the Spanish energy system is, probably, the main obstacle to develop this new democratic energy model.

