CEER

Council of European Energy Regulators

Fostering energy markets, empowering **consumers**.

CEER 2019 Customer Conference

Self-Consumption and Energy Communities – unleashing the benefits for consumers

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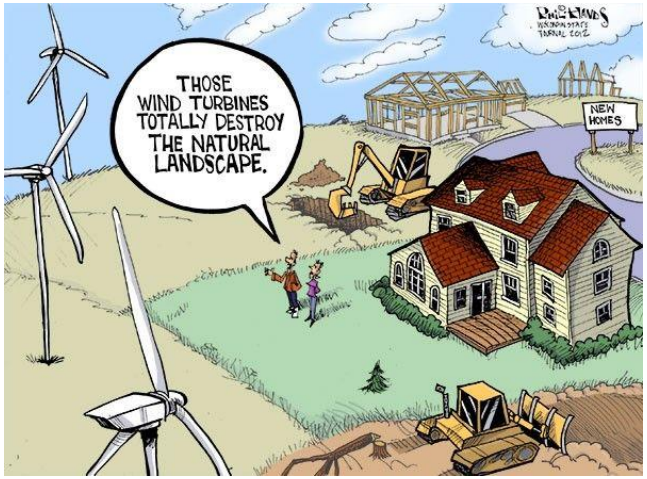
Agenda

1. Purpose, definition and and types of energy communities in the CEP
2. Activities of energy communities
3. Self consumption and energy sharing in the CEP
4. CEER's thoughts on self-consumption and communities

Rationale of energy communities

- Directly engaging citizens is a good way to **increase acceptance** for renewable energy projects
- Energy communities provide an opportunity to citizens to invest **private capital** into RE projects
- Energy communities respond to **current macro-trends**



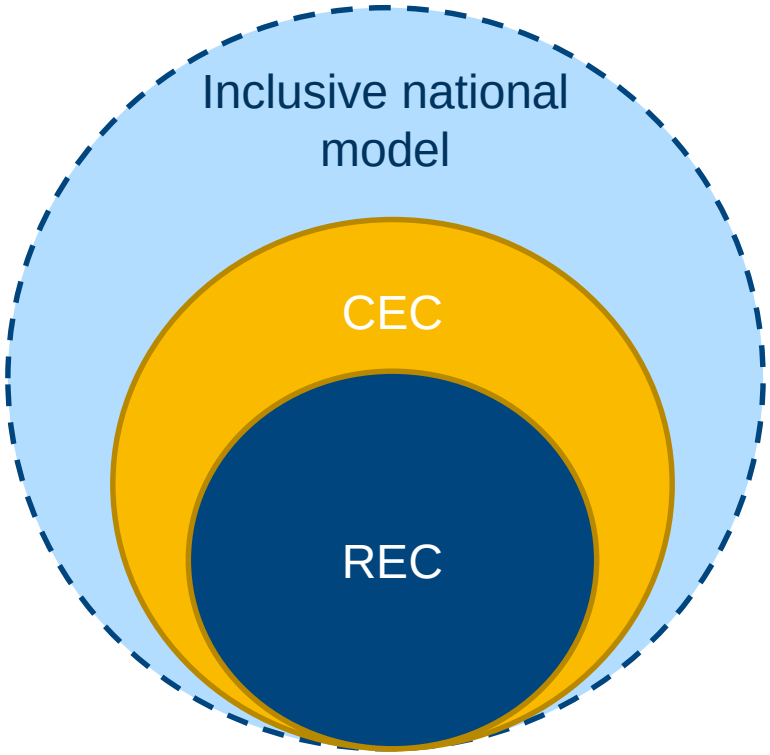
Energy communities in the clean energy package

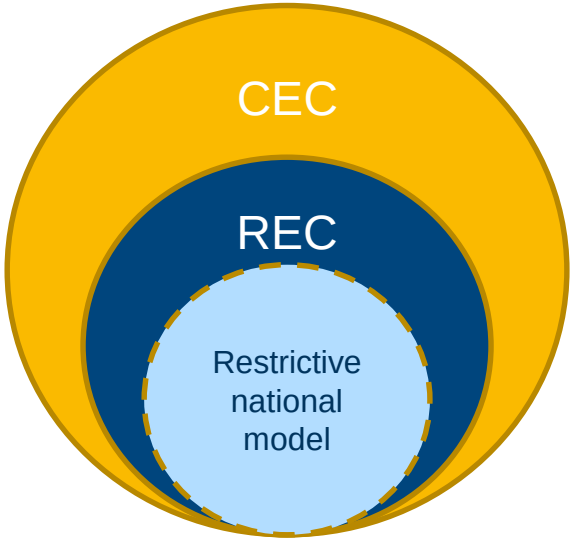
- Art. 16 of the Directive on the Internal Market for Electricity: **Citizen Energy Communities**
  - Recognised as a market player acting on a **level playing field**
  - Defined through **governance structure and purpose**
  - **Electricity** only

- Art. 22 of the Directive on the promotion of the use of energy from renewable sources: **Renewable Energy Communities**
  - Recognised as a market player subject to an **enabling framework** with respect to the promotion of RES
  - Defined through **governance structure, purpose and geographic proximity** of the controlling members/shareholders
  - Can use **different forms of energy**

Member States can go further: Different types of community

- The CEP does not prevent MS to develop or keep concepts of «communities» that are wider or more restrictive





Possible roles of communities

Investor

- Collective investment in RE assets
- No active role in energy markets

Generator

- Operating generation assets
- Selling energy into the markets directly or through a supplier

Supplier

- Fully licenced or «supplier light»
- Implies taking on the responsibilities of an equivalent commercial supplier

Market actor engaged in aggregation

- Aggregation of flexibility of community assets and members

Sharing organiser

- Enabling community members to share energy generated within the community
- New role in the electricity sector

Distribution system operator

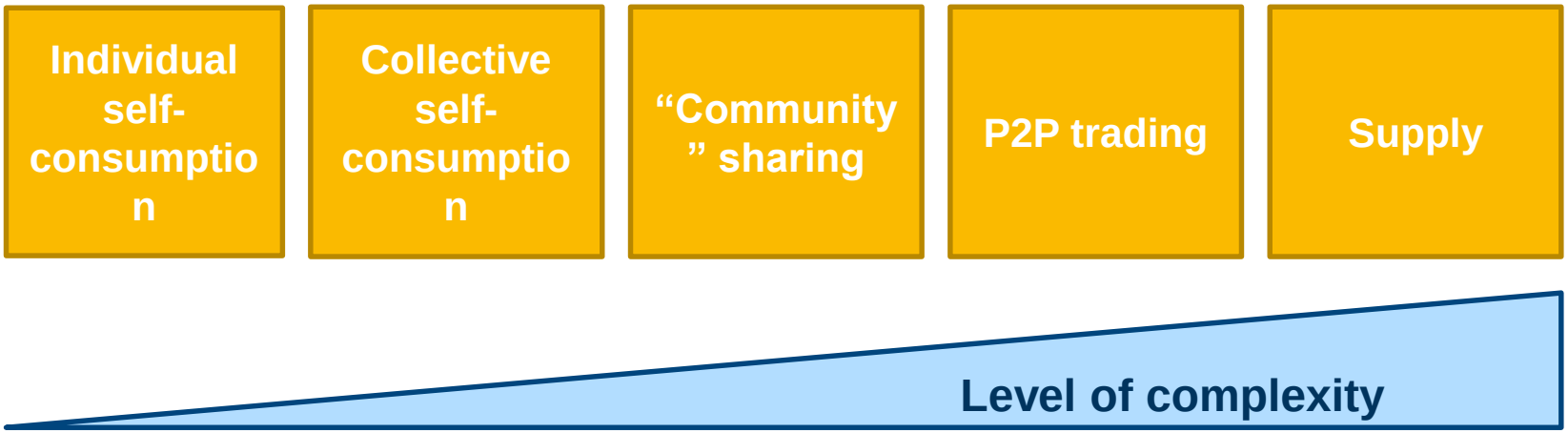
- Member States may provide a framework for CECs to act as DSOs
- Member States may apply exemptions of closed distribution networks

Other service provider

- e.g. energy efficiency service provider, EV charging infrastructure operator,…

Energy sharing – the true novelty?

- The CEP introduces energy sharing in the **EU framework** for the first time
- Sharing is **not limited to CECs and RECs**, but explicitly mentioned as a community activity
- «Sharing» is enabled **at different levels** – the practical implementation will be defined through national transposition



Implications for consumers – relationship with the supplier

- Participation in a sharing scheme or community should not impact **the consumer's right and obligations**
  - When **combining sharing and supply**, the consumer needs to remain **well informed** about his overall cost and contractual conditions
  - Right to **choose and switch** supplier needs to be safeguarded
  - The framework needs to ensure participation is **truly voluntary and open to all**
  - (When) does out of court settlement apply to communities?

- Consumer participation in sharing has an impact on the supplier's business:
  - **Less energy sold** to customer by supplier
  - Reduced predictability of customer consumption can lead to **higher balancing risk & cost**
  - Obligation to offer the same conditions to all residential customers?

Implications for consumers – community grids

- **CEER sees a number of challenges with community owned and operated grids**:
  - **Non-discriminatory access and tariffs** for community members/shareholders and non-members need to be ensured
  - Sustained **high quality of supply** for consumers can only be ensured **through adequate long term planning** and grid development
  - **Adequate access for third-party suppliers** is needed to safeguard free choice of supplier
  - Uncertainty in case the community ceases operations
  - Efficient **access to data** is crucial for consumers to interact with markets

The vast majority of benefits of community grid management can be achieved in DSO connected communities **provided there is a good cooperation with the DSO**

Thank you for your attention!

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