



MISSION CITIES' POLICY BRIEF SUPPORTING ENERGY COMMUNITIES POLICY LAB

This policy brief presents recommendations for EU decision-makers and European national authorities on supporting energy communities formulated by cities participating in the EU Cities Mission (Mission Cities). *These recommendations have resulted from discussions among 7 Mission Cities during the Policy Lab on Supporting Energy Communities facilitated by NetZeroCities.*

NetZeroCities is a consortium consisting of 34 partners from 27 European countries, managing the Mission Platform for the EU Cities Mission "100 Climate-Neutral and Smart Cities by 2030".



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EXECUTIVE SUMMARY

This Policy Brief addresses the EU and Member States' national-level decision-makers responsible for designing the EU legislative framework on Renewable and Citizen Energy Communities (RECs and CECs). Energy communities are expected to play a key role in the transition to more sustainable and inclusive energy systems. With the Clean Energy Package, their role is also defined and recognised. Municipalities play a vital role in supporting these communities, not only as the local authority engaging with energy communities as a competent authority, partner and customer of energy communities but also as a potential member or initiator of the energy community¹.

This Policy Brief details the regulatory and policy challenges regarding enabling energy communities faced by Antwerp, Guimarães and Rome, supported by the insights provided by four other Mission Cities. It provides policy recommendations to EU decision-makers and European national governments.

Empowering Citizen Energy Communities and Renewable Energy Communities to produce, consume, store, share, and sell renewable energy is a key opportunity for Mission Cities to deliver on their EU Cities Mission commitments while combatting energy poverty, increasing energy security, and advancing democratic participation and social inclusion goals.

Citizen Energy Communities and Renewable Energy Communities can be catalysts in simultaneously supporting local green job creation, educational programmes, energy efficiency for households, circular economy, rehabilitation of buildings and electric mobility. **For energy communities to become a systemic engine in the transition to decarbonisation, the needs of cities must be duly considered by EU and national authorities to support their large-scale territorial deployment.**



¹ Article 2.11 of Directive 2019/944

METHODOLOGY

In a city-centric approach, NetZeroCities Policy Labs at the EU level convene city practitioners and policy advisors from Mission Cities, EU Thematic Policy Experts from city networks and NetZeroCities partner organisations. Each online Policy Lab session is designed to create collective learning on specific domains of EU policy by bringing evidence from real-case city challenges and working with other cities to formulate policy recommendations for EU and national decision-makers.

The Brief is based on the presentations and findings from the Policy Lab on Supporting Energy Communities, which took place on 28 May 2024. The session was co-chaired by three challenge owner Mission Cities (Antwerp, Guimarães and Rome) and four challenge solver Mission Cities (Copenhagen, Istanbul, Miskolc and Oslo), and provided the main input for the policy recommendations included below.



CURRENT POLICY CONTEXT

By committing to the EU Cities Mission for 100 climate-neutral and smart cities by 2030, these and other Mission Cities are at the frontline of implementing the European Green Deal (EGD) legislative provisions, including those related to local energy production and energy communities. As such, the regulatory and policy barriers faced by Mission Cities should be prioritised in the EU policy agenda and at the national level when it

comes to implementing the EGD policy framework and may need particular attention within the upcoming EU mandate that follows the elections from June 2024.

In 2019, the EU adopted The Clean Energy for All Europeans Legislative Package (CEP), introducing the concept of energy communities in its legislation. The Renewable Energy Directive (RED II or EU 2018/2001) and the Electricity Directive (EMD or EU 2019/944) recognise Renewable Energy Communities (RECs) and Citizen Energy Communities (CECs) as entities that are an integral part of a future-proof energy system by bringing together individuals, households, business, or organisations to share, generate, and manage energy resources. Energy Communities enable environmental impact, energy security, community empowerment, economic benefits, lower energy costs, and educational opportunities that extend beyond energy distribution. The directives also grant citizens the right to develop all kinds of energy activities, including owning and participating in the development of energy assets, supplying community members and participating in aggregation schemes.

Despite being recognised by law, energy communities are still very new entities in EU energy policies. Before the adoption of the CEP, only some countries in the EU had frameworks supporting energy communities, and, in many cases, energy communities did not exist until CEP spurred action and national frameworks started to emerge². Exceptions could be found in North and West Europe, such as in Germany or Denmark, where a stronger culture of energy cooperative system was already in place.

THE CLEAN ENERGY FOR ALL EUROPEANS PACKAGE

The CEP legislation introduced two important concepts: the Citizen Energy Communities (CECs) and Renewable Energy Communities (RECs). These are social concepts: they are meant to put citizens at the heart of the energy system and give them the right to produce, store, sell, share, and

² [c6990021-e30c-4b29-9dd9-147989a1869b_en \(europa.eu\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:6990021-e30c-4b29-9dd9-147989a1869b_en)

consume energy. The CEP tries to level the playing field for social enterprises/entities in the electricity market. All Member States must develop an adequate legal framework enabling RECs and CECs and build local authorities' capacities in this field³.

The CEP framework allows RECs to unlock a set of benefits such as access to financial instruments and information, customised support schemes, removal of unjustified barriers, and regulatory and capacity-building support to public authorities to enable, set up and participate in energy communities. The mentioned benefits only apply to the RECs, as Figure 1 shows. At the same time, any entity can participate in CECs (e.g. regional authorities, municipal companies, public schools/hospitals – although the effective control is limited to certain members); the same does not apply for the RECs, where only households, small and medium enterprises (SMEs) and local authorities can take part. In addition, RECs allow their members to exercise more control and ultimately have a higher decisive influence on the composition, project development and implementation phase⁴.

Also, the participation structure for the RECs differentiates slightly in that it has a specific responsibility to allow for participation by low-income households. The fact that RECs should allow low-income household participation asks for an additional requirement for Member States to put in place an enabling framework to make sure that citizens, households and low-income consumers can be part of the Renewable Energy Communities, while this does not apply to the Citizen Energy Communities. Lastly, the autonomy requirement (internally and externally) from RECs brings a democratic angle for these entities.

One of the activities that energy communities can engage in is energy sharing. Energy sharing is an activity that was introduced in the Electricity Market Directive (2019/944) and the Renewable Energy Sources Directive (2018/2001) as an activity that could be developed by energy communities and jointly acting renewable self-consumers.

Renewable Energy Communities (REC)



- Households, SMEs, local authorities can participate.
- Control limited to those in proximity of renewable energy projects owned by the community.
- Open and accessible for household and low-income consumers.
- Autonomy individual members or shareholders.

Citizen Energy Communities (CEC)



- Any entities can participate (regionities, municipal companies, public schools/hospitals etc.)
- Control limited to households, small enterprises, local authorities.
- Open.

Figure 1. Electricity Market Design Reform. Source: adapted from the presentation given by a representative of DG Energy during the policy lab on 28 May 2024

³ Article 22(4)(h) of RED II [L_2018328EN.01008201.xml \(europa.eu\)](#), see also chapter 7 of [REScoopEU-Briefing-on-Enabling-frameworks-for-RECs-final.pdf](#) for reference on the regulatory capacity-building for public authorities.
⁴ Presentation given by representative of DG Energy, during the policy lab on 28 May '24

Due to a need for more clarification on what energy sharing is, the recently adopted reform of the electricity market design (2024/1711)⁵ energy sharing includes a definition and a separate article on energy sharing.

In the new definition, energy sharing is self-consumption by active customers of renewable energy that is either generated or stored offsite or on sites between them by a facility they own, lease, rent in whole or in part, or the right to which has been transferred to them by another active customer. This can be done for a price or free of charge, art. 2 (10a). In practice, this means that, for example, neighbours can share energy with a neighbour that does not produce RES. The neighbours are free to agree upon a price or can choose to share for free. Another example could be a public body investing in solar PV and sharing surplus electricity with neighbouring individuals and enterprises (without the need for those neighbouring individuals and enterprises to co-invest).

Sharing can be done between individuals, enterprises, or public bodies based on private agreements, but it can also occur in an energy community context.⁶ The EMD contains a specific article on energy sharing that includes certain requirements for energy sharing. For example, energy can only be shared during the imbalance settlement period. This is to ensure that there is an incentive that the energy is consumed at the moment when it is fed into the grid. Another important requirement is that energy sharing can be done independently of the energy supplier that is connected to the connections. Also, neighbours with different supplier contracts should be able to share energy.

Different forms of energy sharing have been implemented in Member States. However, with the recent update, some of these implementations may require further amendments in order to fulfil these new requirements.

Energy sharing is just one of the activities energy communities can develop. In addition to energy sharing, energy communities can engage in supply and aggregation schemes and energy efficiency services.

To support the development of renewable energy communities, the RES directive demands that all Member States set up an enabling framework for RECs and actively remove unjustified barriers. The RePowerEU package⁷, published by the European Commission as part of the European response to increasing energy security after Russia's invasion of Ukraine, also puts a significant focus on renewable energy and citizen energy communities, calling on Member States to establish appropriate incentives and remove barriers to their further development, ensure social equity in renewable energy projects, and simplify permit-granting procedures.



CHALLENGE OWNER CITIES

ANTWERP - HOW CAN THE EU ENSURE THAT LOCAL AUTHORITIES CAN BECOME PIONEERS IN MORE EQUITABLE ENERGY REDISTRIBUTION?

Antwerp has a high economic and energy potential due to the Port of Antwerp-Bruges and its industry, which translates into PV potential. It also deals with high poverty rates, with +/-28% of residents living in poverty; this is reflected in its housing stock, with a high percentage of apartments (70%) and low house ownership. From these conditions, the city derives three main energy transition ambitions:

⁵ Directive (EU) 2024/1711 of the European Parliament and of the Council of 13 June 2024 amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union's electricity market design

⁶ Article 15a: based on private agreements or through a legal entity. Recitals 23 of the directive says that a legal entity incorporates the criteria of a renewable energy community or a citizen energy community.

⁷ RePowerEU (europa.eu)

1. Climate Plan 2023: An increase in renewable energy capacity in the City of Antwerp.

2. Lokaal Energie en Klimaat Pact (Local Energy and Climate Pact) 2.1: Access to an energy community for 1 in 500 inhabitants.

3. Social Inclusion: Direct positive impact on vulnerable citizens through sustainable energy.

Actions Already Undertaken

In alignment with the Climate Plan 2030, the Energy Department of Antwerp has tried to initiate a project where energy generated in the city of Antwerp could be shared with vulnerable families. They also explored how to add the municipality's assets, provide access to this service for everyone, and how this could be an opportunity within the new obligations.

This approach has proven to be challenging due to the need to establish an energy community, extra administration costs, innovative data solutions and the requirement to comply with public procurement laws to be achieved in one project, necessitating another approach based on three different initiatives to improve inclusivity in Antwerp's energy transition. These initiatives are the following:

- The Solar Broker (Zonnemakelaar⁸): an intermediary organisation activates, supports and facilitates owners of large rooftops (> 1000m²) to realise PV.

- Extra investment support for large PV installations⁹, with an emphasis on local and social distribution, prioritizing households in Antwerp at risk of energy poverty (Regulation for Local and Social Use of Photovoltaic Systems).

- Climate Fund Call for Climate-Neutral Left Bank: seeking ambitious projects with broad local impact that accelerate the climate and energy transition on the Left Bank, with a focus on inclusive projects that address challenges and leverage synergies between different themes.

Barriers to Enabling Energy Communities

Barriers encountered by the City of Antwerp can be divided into the following thematic clusters:

Framework and Policy Integration

The frameworks for energy sharing and energy communities in Flanders exhibit several deficiencies and uncertainties:

- Multiple frameworks exist¹⁰, but integration with existing processes at the local level is lacking.

- Limited integration of energy-sharing policies results in energy suppliers passing on costs to end consumers, rendering energy-sharing impractical for small-scale consumers.

Engagement of Vulnerable Groups

- Engaging vulnerable groups (e.g. social housing renters, people that suffer from energy poverty) requires intensive support, which currently exceeds the City of Antwerp's capacity. Furthermore, **national support schemes are not specifically targeted at these groups**, leading to their predominant use by groups more adept at navigating the regulatory system. A national-level recommendation is to enhance the inclusivity of support schemes.

- Enhanced local support, such as from municipalities, could also improve the engagement of vulnerable social groups. Local communities often excel at outreach, neighbourhood-level work, and have greater capabilities to engage these groups.

Regulatory and Administrative Challenges

- Uncertainty surrounds the energy performance certificate regulations for non-residential buildings (EPC-NR).

- The complexity of addressing a diverse array of target groups.

⁸ De zonnemakelaar begeleidt organisaties met een groot dak | Antwerpen voor Klimaat

⁹ Steun voor projecten die de energietransitie versnellen | Antwerpen voor Klimaat

¹⁰ Belgium (Flanders) - REScoop

- The impending elections impose a limited timeframe and reduce political support.
- **Taxes on energy sharing** between buildings negatively impact the business case for energy communities.

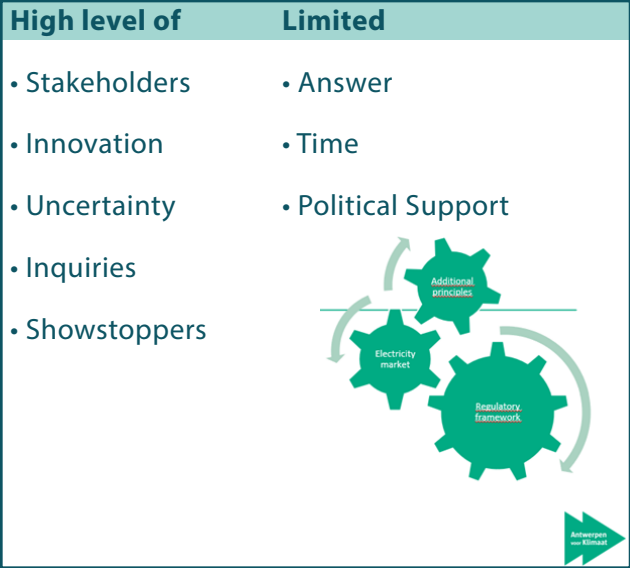
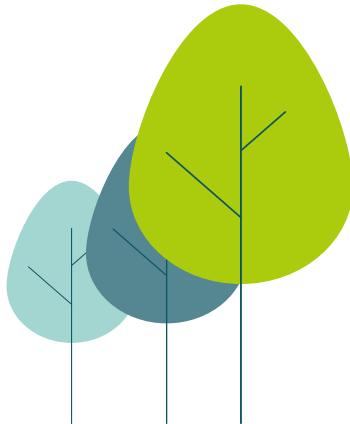


Figure 2. Overview of summarised barriers experienced by the City of Antwerp, as presented in the policy lab on 28 May 2024.

GUIMARÃES - HOW CAN THE MUNICIPALITY EFFECTIVELY INTRODUCE THE CONSUMPTION OF RENEWABLE ENERGY IN BUILDINGS LOCATED IN WORLD HERITAGE AREAS?

Guimarães aims to increase its share of renewable energy solutions. However, city centre has the status of World Heritage recognised by UNESCO; this entails the need to preserve the building envelope to maintain its aesthetic quality. This provides the added complexity for the municipality to intervene without impacting its built environment heritage.



Actions Already Undertaken

The challenge presented by this Mission City is related to its NZC Pilot Project - District C: A Zero Carbon Commitment¹¹, on the implementation of PVs to reduce emissions. A key action is to establish an energy community revolving around PV projects to enhance renewable energy sources, which are lacking in the historic district.

The pilot initiative examines strategies to enhance private sector involvement in establishing an energy community. This model proposes a public-private partnership in which a service company would develop the community on government-owned land, with a contractual agreement to supply energy at favourable rates to both the municipality and residents. **The city aims to generate renewable energy outside its district boundaries and import it into the urban core**, thereby increasing the proportion of renewable energy sources in Guimarães. Two key strategies are under development:

1. A large-scale photovoltaic array installed on the local fairground can supply 100% renewable energy to municipal buildings within the district.

2. The deployment of multiple smaller production sites, primarily utilising school buildings, to facilitate distributed energy generation.

The city is currently studying the framework for the **public procurement procedure** to be launched to implement the planned project with 100% external funding. A model like an ESCO is being discussed (without the energy efficiency component, only PV production).

The aim is to ensure the supply and installation of electricity generation PV systems under an operational lease arrangement combined with a Power Purchase Agreement (PPA) by having the private company implement the energy community while the municipality would lease the space to do so. This arrangement allows the municipality to consume clean energy at more attractive prices than the market while also

¹¹ [Energy Community Platform | Community Energy Municipal Guide - Energy Community Platform](#)

enabling other consumers to establish agreements with the promoter to purchase energy under the PPA. The PPA will provide long-term stability and sustainability benefits to all parties involved.

- **Detailed solutions for integrating renewable energy:** Use of solar panels in RES to preserve historical aesthetics.

- **Implementation strategies:** Step-by-step plans including stakeholder engagement, pilot projects, and phased rollouts over the next decade.

- **Expected outcomes and benefits:** Enhanced sustainability, preservation of historical integrity, reduction in carbon footprint, and serving as a benchmark for other heritage sites.

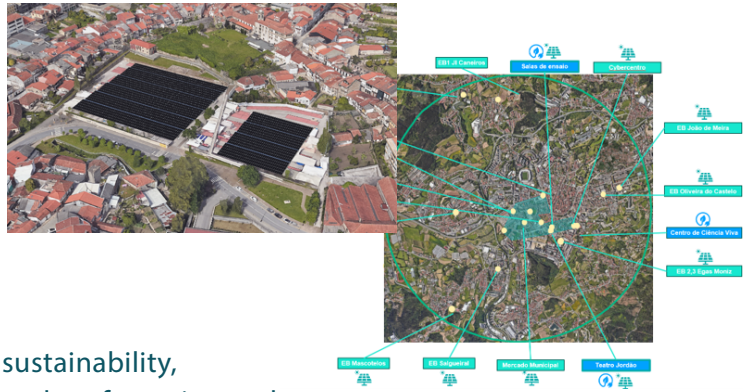


Figure 3. Energy community solution proposed by City of Guimarães, as presented in the policy lab on 28 May 2024

The City of Guimarães has encountered several significant challenges in implementing its pilot project.

1. Despite developing two strategic plans for solar panel implementation in Guimarães' historical city centre, incorporating renewable energy technologies and enhancing energy efficiency in heritage buildings remains a complex issue.
2. **The inclusion and framing of appropriate criteria within Portuguese procurement law to facilitate the establishment of energy communities presents a regulatory hurdle.**
3. The existing regulatory framework and availability of capital at the national level limit the city's capacity to implement comprehensive energy transition strategies, emphasising **the importance of multi-level governance** in achieving local sustainability objectives.
4. **Mobilising citizens and local enterprises to participate in forming energy communities** has proven to be a substantial challenge.

ROME - HOW CAN ROME SUPPORT ENERGY COMMUNITIES THAT INVOLVE NGOS ON SOCIAL PROJECTS AND TACKLE ENERGY POVERTY?

The City of Rome wants to create the conditions to use and share the opportunity that it has for clean production of solar energy with all of its community. It recognises energy communities as a way to tackle both heat stress and energy poverty in its more vulnerable districts. **In December 2022, the City of Rome's Assembly reached a resolution to prioritise social objectives when establishing energy communities around public buildings.** This includes, for example, reinvesting energy savings achieved through the project to finance other initiatives and actions promoted by the organisations occupying or owning the buildings (e.g. schools, associations, social residential units). Currently, energy communities are part of the mitigation strategy plan of the city and part of the CCC as well. The city also aims to support private sector initiatives with a social objective where they can.

Actions Already Undertaken

Using the [NextGenerationEU](#) resources, Rome will install 240 PVs in public buildings (schools) over the following years.

In addition, **the new municipal regulation (which will be approved this summer, '24) provides NGOs access to install PVs and to build new PV plants on the roofs of schools or other public buildings for projects with social and environmental objectives.** As such, Rome recognises NGOs as essential partners to 1) understand the complexity of roles within energy communities (consumer, prosumer) and 2) have more sensitivity to the exact place-based conditions of each energy community (Rome covers a large spatial area and 15 districts/municipi). This puts them in an excellent position to enable the social targets Rome envisions.

The involvement of NGOs in Rome is more on an interest-based basis, different from private investors, and involves an auction procedure. Either the municipality reaches out to the NGOs directly, or they proactively express interest to the municipality in creating a Renewable Energy Community on a public roof. For example, the City of Rome has recently granted the NGO Save the Children the opportunity to set up a REC based on a school roof. The project combines the school's energy efficiency and social purposes for the extra energy being unused during school holidays. The municipality of Rome has recently opened the procedure for taking additional NGOs onboard.

Barriers to Enabling Energy Communities

The City of Rome has encountered several barriers in implementing energy communities.

1. The municipality faces challenges in delineating and operationalising its various roles in establishing renewable energy communities. This encompasses the need to clarify administrative, regulatory, and facilitative functions.

2. It is a complex task to integrate social justice considerations into the energy community framework, particularly for vulnerable populations. This involves identifying and mapping districts or neighbourhoods where energy poverty is most prevalent.

3. The city must address the intersection of climate adaptation and energy community development, particularly in areas prone to heat waves. The recently presented adaptation strategy has highlighted specific zones requiring targeted support, which must be aligned with energy community initiatives.

4. Regulatory uncertainty at the national level presents a significant obstacle. The shallow transposition of EU regulatory frameworks in the built environment sector, including provisions for renewable energy communities, creates a challenging policy landscape for local implementation.

5. Financial barriers impede the development of renewable energy communities. The establishment of solar and building renovation projects relies mostly on private investors and residents, including NGOs, due to **the lack of public guarantees to access loans from financial institutions.** However, these stakeholders, particularly vulnerable households, often lack the requisite financial resources to undertake such projects.

SUMMARY OF BARRIERS ACROSS CASES

The barriers to establishing effective energy communities in Antwerp, Guimarães, and Rome reflect a complex interplay of regulatory, financial, and social challenges. Each city faces unique circumstances that influence their energy transition efforts, yet common themes emerge across the three cases:

• **Regulatory challenges:** Antwerp expressed how they experienced fragmentation in energy sharing policies between the EU-national-local levels, leading to uncertainties that hinder small-scale consumers from participating in energy communities. The lack of integration of various frameworks hinders the



operational landscape for energy sharing. Furthermore, the ambitious goals set by the city government, such as including municipal assets in energy projects, create a high complexity level that complicates implementation. Additionally, the upcoming elections limit political support for initiatives. For Guimarães, its UNESCO World Heritage status imposes strict regulations on modifying historical buildings, making integrating renewable energy solutions without compromising aesthetic values more difficult. And similar to Antwerp, Guimarães experiences the difficulties faced by community-based entities to access public procurement opportunities, due to competitive requirements that tend to favour larger, already established, players in the market. This may not adequately support the establishment of energy communities, limiting local initiatives. Rome grapples with vague national regulations that hinder the establishment of energy communities. The shallow transposition of EU directives into local law creates confusion and slows progress. A similar example regarding the vagueness in national regulations found in literature is that it is still unclear if third parties can directly claim revenue based on their contributions to the shared energy of the REC or if this revenue must remain within the REC¹² (REF). While third-party assets must meet technical standards similar to those of REC members, the ambiguity leaves room for third parties to potentially prioritize profit over REC's goals of achieving environmental, economic, and social benefits, even allowing them to access financial incentives without committing to these broader objectives.

- **Community mobilisation and inclusivity:** Engaging citizens and local businesses to form energy communities presents a significant hurdle, as it requires effective communication and mobilization strategies that are currently lacking. It also requires sufficient capacity to engage vulnerable groups effectively.

In Antwerp, national support schemes are not tailored to assist these communities, resulting in missed opportunities for inclusivity. There is a need for clarity on how to integrate social objectives within energy communities. Identifying and mapping areas most affected by energy poverty is crucial for targeted interventions, yet this remains a complex task.

- **Economic and financial constraints:** In Antwerp, taxes imposed on energy sharing between buildings negatively impact the financial viability of energy communities, further discouraging participation. The financial landscape for developing renewable energy projects is challenging, particularly for NGOs and vulnerable households who often lack the resources to invest in solar installations. This financial barrier limits the potential for community-driven energy solutions.

European energy regulations, not only those stemming from the Clean Energy Package (CEP) but also the recent updates to the Electricity Market Design, which include the new definition and rules on energy sharing, have created an incredible number of new opportunities.

However, the transition from policy to practice presents significant operational challenges for European municipalities. **The primary hurdle lies in the practical application of these regulatory innovations at the local level.** Municipalities are now tasked with the complex process of translating these opportunities into tangible projects. This transition raises a multitude of operational questions:

¹² [Monitoring the Italian transposition of the EU regulation concerning renewable energy communities and the relevant policies for battery storage - ScienceDirect](#)

POLICY RECOMMENDATIONS

1. How can municipalities effectively establish energy communities and ensure the inclusion of low-income households? This question touches on issues of social equity and the need for targeted outreach strategies.

2. What mechanisms can be employed to support and facilitate citizens in independently initiating and managing energy communities? This involves considerations of capacity building and knowledge transfer.

3. How should the dynamic between energy communities and municipal authorities be structured to ensure mutual benefit and adherence to regulatory frameworks?

4. Are there legal pathways for municipalities to grant tenders directly to energy communities, and if so, under what conditions?

5. What forms of state or municipal support are permissible within the current regulatory landscape, and how can these be optimised to foster the growth of energy communities?

Of course, the interpretation and implementation of EU directives can vary significantly across Member States, adding another layer of complexity to local-level implementation.

The following policy recommendations represent the scope of the policy lab workshop and the challenges and views expressed by its participants – as such, the list of recommendations is not exhaustive. The current European Union policy framework for energy communities offers a robust foundation for their support and development, with numerous facilitating regulations already established. However, the practical implementation of these policies at the municipal level presents significant challenges, particularly in operationalising key concepts such as Renewable Energy Communities (RECs), Citizen Energy Communities (CECs), and Renewable self-consumers and Active customers.

Additionally, there is a notable lag in the translation and adaptation of these policies at the national level. Timely transposition of EU regulatory framework on developing energy communities should be ensured by Member States while proposing coherent and complete definitions and operative frameworks to tackle uncertainty among investors and residents. Many Member States have already implemented the EU legislation, as is shown by the REScoop¹³ tracker. However, as energy and especially electricity markets are complex, it will take time for new parties to find their way in the new legislation.

This discrepancy creates a complex landscape for local authorities attempting to implement energy community initiatives. A critical issue emerges in the application of competition law to energy communities. The existing legal framework is primarily designed to regulate markets and govern the relationship between state entities and private companies. This raises a fundamental question regarding the appropriate regulatory approach for community-based entities: should energy communities be subject to the same regulatory framework designed for state-corporate interactions, or does their unique nature as community-driven initiatives necessitate a distinct regulatory approach?

¹³ REC & CEC definitions - REScoop



“If our laws are made by the EU and if the EU permits it, maybe it's just a question of widening our perspective and not only looking at our procurement laws which have not incorporated those [regulations] yet.” (City representative participating in the policy lab on energy communities)

Based on the challenges presented in the policy lab, **the following policy recommendations were formulated to address EU decision-makers**, but also emphasizing the importance of the role of Member States.

REGULATORY AND CAPACITY BUILDING SUPPORT FOR PUBLIC AUTHORITIES

Regulatory and capacity-building support needs to be guaranteed at the national level. The revision of the RED II Directive mandates Member States to provide regulatory and capacity-building support to public authorities (including at the local level) to set up renewable energy communities, particularly throughout the transposition and implementation phase of the Directive.

ENERGY COMMUNITY DEFINITIONS

Local governments wanting to support energy communities are raising questions about how to treat an energy community; **should they be treated differently from an energy company if it comes to state aid and tendering procedures?** In practice, this results in confusion when providing state aid and the organisation of tenders. The EU could provide more clarity on this legal point.

CLARIFY, REINFORCE AND RAISE AWARENESS OF THE LEGISLATION ON ENERGY SHARING

The Electricity Market Directive and the RED II introduce energy sharing as a novel concept of Energy Communities; however, these policies do not clarify what sharing entails. The newly adopted reform of the Electricity Market Design provides more guidance on how to implement

energy sharing. However, as energy sharing is such a novel concept, there is still a lot of uncertainty about the role this new activity will play, what its added value is and how can sharing be designed in such a way that it becomes an attractive offer for active consumers? Energy-sharing models are implemented differently across Member States. In addition, in each country, there are different factors (such as taxes and grid costs) that impact the business case of energy sharing (as mentioned in the discussion around the Antwerp case). **Lessons both at the level of implementation and actual use of energy-sharing schemes should be made available.**

ENABLE SYNERGIES BETWEEN REGULATORY FRAMEWORKS ON ENERGY COMMUNITIES AND OTHER DOMAIN AREAS

The cities acknowledged during the Policy Lab that synergies should be important with, for instance, Nature-Based Solutions. Both Guimarães and Rome suffer from heatwaves, especially in the summer months. Guimarães is participating in an EU project called [DISTENDER](#) that is performing a series of review processes regarding the heating and cooling directives that are taking place. Rome also explored opportunities to tackle heat stress and energy poverty or socio-economic vulnerability through energy communities simultaneously.

ADDRESS VULNERABLE GROUPS MORE CLEARLY IN (NATIONAL) SUPPORT SCHEMES

Both the cities of Antwerp and Rome recognised the challenge to address vulnerable groups in their energy communities' initiatives, which makes clear that regulations need to address in a more explicit way how these groups can be included and benefit from energy communities. National-level support schemes tend not to explicitly target this group, which means they are mostly used (up) by groups that find the regulatory system easier to navigate. A key recommendation at the national level is to consider **how to make support schemes more inclusive.**



ECONOMICS AND FINANCE

Energy communities can unlock a host of activities that support the local economy and save money for citizens, companies and the government. **A better understanding of the 'economy of the energy community' – in particular the stakeholder motivations for participating as well as the existing financial instrument for co-investment** – could support a broader uptake of energy community initiation and engagement.

CONCLUSIONS AND REMARKS

Energy communities, including Renewable Energy Communities (RECs) and Citizen Energy Communities (CECs), are recognised as crucial elements in the transition to sustainable and inclusive energy systems in the EU. Cities like Antwerp, Guimarães, and Rome face various challenges in implementing energy communities, including regulatory barriers, difficulties in engaging vulnerable groups, and complexities in integrating renewable energy solutions in heritage areas.

Common barriers across the cities include:

- **Regulatory challenges:** Fragmented policies, lack of integration with existing processes, and uncertainties in national frameworks hinder the development of energy communities.
- **Community mobilization and inclusivity:** Engaging citizens, especially vulnerable groups, in energy communities requires intensive support and tailored approaches.
- **Economic and financial barriers:** Limited access to financial resources and lack of loan guarantees impede the development of renewable energy projects.

The policy brief emphasises the need for EU and national authorities to consider the needs of cities to enable the deployment of energy communities. **There is a call for improved integration of**

energy-sharing policies, enhanced support schemes for vulnerable groups, and clearer regulatory frameworks to facilitate the growth of energy communities.

The policy lab discussion with Mission Cities showed that, currently, EU legislation does give comprehensive guidance, but there is still work to be done to translate it into implementable solutions.

RELATED RESOURCES

[Energy Community Repository](#) (European Commission) – [Barriers and action drivers](#) for the development of different activities by renewable and citizen energy communities

[Rural energy communities hub - European Commission \(archive-it.org\)](#)

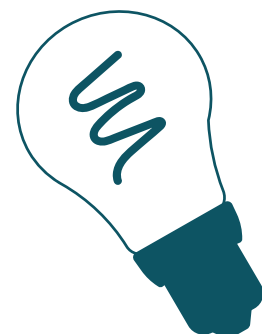
[A Roadmap to developing policy and legal frameworks for energy communities - European Commission \(europa.eu\)](#)

[Setting up community energy one-stop-shops - European Commission \(europa.eu\)](#)

[Empowering Municipalities to Develop and Support Rural Energy Communities \(archive-it.org\)](#)

[Energy Community Platform | Community Energy Municipal Guide - Energy Community Platform](#)

[Conceptualizing 'Energy Sharing' as an Activity of 'Energy Communities' under EU Law: Towards Social Benefits for Consumers? - beck-online \(rug.nl\)](#)



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THANK YOU!



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