

Mr Frans Timmermans
Executive-Vice President for the European Green Deal

Ms Kadri Simson,
Commissioner for Energy

Copy to: Ms Mechthild Wörsdörfer, Acting Director General, DG Energy

9 December 2021

RE: Do not replicate citizen energy community measures in gas market reform proposals

Dear Executive Vice-President,
Dear Commissioner,

We are writing to you in the context of the anticipated Commission proposals to reform the EU's gas market rules. We want to express our concern -and surprise- as a coalition of more than 40 diverse organisations working together to speed up the development of community owned renewables across Europe¹.

First, we would like to commend the Commission's commitment to support the development of citizen ownership through renewable and citizen energy communities. Nevertheless, we believe that the inclusion of certain measures related to citizen energy communities and active customers, within the reform of the EU's gas market rules, are unnecessary and create too many risks for the roll-out of energy communities across Europe.

Renewable energy communities can already participate in activities related to renewable gas, such as biomethane, under the provisions laid out in the Renewable Energy Directive (2018/2001). These provisions apply to all types of renewable energy, including renewable gas. If additional provisions to promote biomethane are needed in the Gas Directive, they should reference what already exists, not simply replicate it. Consequently, there is no reason to adopt any new provisions.

The measures risk creating an additional definition of an energy community in EU law, which could be open to abuse by commercial market participants. This risk is heightened when done so in the context of specific privileges or incentives to produce, store or inject biomethane into the gas grid. We have seen such risks materialise in Greece, where preferential rules on grid connections and charges have incentivised traditional investors and market actors to abuse the concept to gain a competitive advantage, or in Germany as well, where preferential rules for "citizen energy companies" during the wind auctioning phase resulted in abuse by traditional companies to aim for a huge competitive advantage. In the gas sector, there is an even higher risk of such abuse, given the lack of existing know-how by citizens and the existing concentration of larger market actors in the gas sector.

Moreover, the creation of a third definition of an energy community in a third piece of EU legislation could create significant confusion and delays among policy makers. This is further exacerbated by the fact that the EU is in the process of revising the Renewable Energy Directive (2018/2001) and Member States are still in the process of transposing the provisions under this Directive. For this reason, we

¹ <https://communitypowercoalition.eu/>

advised specifically not to reopen Article 22 in the revision process, which the Commission thankfully heeded.

Lastly, we question the need to promote biogas through an article on energy communities in the Gas Directive. If special privileges for biogas are anchored in this article, there could be an even stronger incentive for traditional commercial market actors to try and use the form of an energy community just in order to reap these privileges. If this occurs, the sector will eventually become populated by traditional players, and the word 'citizen' in energy communities will become meaningless.

Energy communities are an organisational concept aimed at empowering citizens to participate and take ownership of renewable energy and other clean technologies for a successful and democratic energy transition. They are there to make sure no one is left behind, to provide economic, social and environmental benefits, and increase local acceptance of renewables. Those benefits cannot be reflected through the concept of gas citizen energy communities. It is vital that this concept remains as a positive organising tool for building the energy future we need, immune to abuse by gas industry stakeholders.

There is absolutely no benefit from an energy and climate perspective, while creating too many risks for the energy transition and the EU Green Deal.

We thank you for taking the views expressed in this letter into consideration and would welcome the opportunity to discuss them in more detail.

Yours sincerely,

The European Community Power Coalition