



Local Authorities Advancing Community Energy

A Manifesto

Project Information

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Executive Summary

- ❖ The Clean Energy Package of Directives (2019) and the associated recast Directive 2018/2001 (Renewable Energy Directive II, or REDII) and the recast Directive 2019/944 (the Internal Electricity Market Directive, or IEMD) legally established CECs (Citizens Energy Communities) and RECs (Renewable Energy Communities) as the two legal definitions covering energy communities, and gave them rights to participate across the energy market.
- ❖ The benefits of energy communities are manifold: they help to stimulate the local economy, create jobs, significantly reduce energy costs (and energy poverty), and contribute to the protection of the environment.
- ❖ **A Local Authority could:**
 - **Establish and coordinate** its own energy community. It can cooperate with existing energy communities, which already possess the necessary expertise, to navigate the process of setting up the community.
 - **Participate** as a member in an energy community set up by citizens. The [Minoan energy community](#) is a prominent Greek example of cooperation with both local municipalities and the Region of Crete, bodies which, as members of Minoa, actively support the fair and inclusive transition of their region.
 - **Support** the work of local energy communities, without necessarily being a member. For example, by providing technical support, roofs for photovoltaic installations, know-how, equipment, meeting spaces, networking, cooperation in project planning and development, fighting energy poverty, joint information and educational activities, etc.



Introduction

Europe is experiencing a protracted energy crisis which is pushing tens of millions of citizens into **energy poverty**. While the increasing use of renewable energy sources (RES) over the period 2021–2023 has led to savings of €100 billion, the European energy system remains centralised, and heavily dependent on fossil fuels. Therefore, the benefits from the rapid growth of renewables do not necessarily translate into direct economic relief for citizens. To achieve a truly just energy transition, local renewable energy projects of citizens, municipalities and small and medium-sized enterprises should be given a leading role.

The crucial involvement of citizens in the energy transition was modeled in a 2016 study by the University of Delft. Specifically, the study showed that **by 2050, 50% of European citizens could be producing their own energy, covering up to 45% of Europe's electricity needs**. The European Commission in 2019 institutionally recognised citizens' right to participate in all activities of the energy market, including self-generation and self-consumption of energy through the Clean Energy for All Europeans Package of Directives, calling on all Member States to recognise "energy communities" as new legal entities by summer 2021. Since then, energy communities have enjoyed horizontal integration across various legislative files and sectors in the Fitfor55 package, including the Energy Efficiency Directive, the Energy Performance of Buildings Directive, and most recently the Electricity Market Design Reform.

In 2022, the European Commission published the REPowerEU Strategy, leveraging ~300 billion euros to promote renewables and accelerate the phase out from expensive, polluting fossil fuels. One of the Strategy's flagship goals is for **every European municipality with >10.000 inhabitants to have established an energy community by 2025**. To this end, the Renewable Energy Directive (2018/2001) calls in Article 22(4h) for "regulatory and capacity-building support is provided to public authorities in enabling and setting up renewable energy communities, and in helping authorities to participate directly". As also highlighted in the recently published Manifesto of the Community Power Coalition, Local Authorities and energy communities are natural allies, whose impacts may be greatly amplified if a supportive institutional framework is in place.

The Benefits of Energy Communities

The benefits of energy communities are multifaceted:

- They contribute to strengthening **the local economy**. Energy community projects create 2–3 times higher economic benefits for the local economy than private renewable energy projects.
- They contribute to **tackling energy poverty**. The energy community of Karditsa "ESEK" is collaborating with the local Municipality, providing free renewable heating pellets to energy vulnerable households.
- They contribute to the faster **development** and **social acceptance** of renewable energy projects, by ensuring collaborative planning, environmental safeguards, and maximum use of locally available energy resources. Energy communities can thus contribute to the ambitious climate plans of local governments (e.g., Covenant of Mayors).



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- They contribute to **resource savings**. By promoting self-consumption of energy through local projects, energy bills are reduced, freeing up funds that can be reinvested locally for social (e.g., healthcare) or environmental purposes (e.g., housing renovations).
- They strengthen the **resilience of local communities**. Local Governments are now also called upon to contribute to addressing and mitigating the impacts of the environmental crisis and the social and economic challenges experienced by local communities. Synergies with energy communities can contribute to the sustainable management of local resources and the strengthening of infrastructure and social cohesion.

Policy Proposals and Good Practice Examples

- **Setting quantitative and qualitative targets specifically for community energy projects** in the long-term climate and energy strategies of municipalities and regions. Such examples can be found in the Municipalities of Valencia (Spain) and Ghent (Belgium).
- **Provision of public land/spaces for the installation of renewable energy projects by local communities**. The Municipalities of Zagreb (Croatia), Plymouth (England), and Frankfurt (Germany) are working with local energy communities to install photovoltaic systems on municipal rooftops, providing local, cheap energy to their citizens. Such projects can garner significant benefit for a Municipality, as it could significantly reduce its operational costs of street lighting, water pumps, school heating and cooling systems, etc. Part of the financial benefit could be shared with citizens through a reduction in municipal fees.
- Research, skills development, and educational activities. Municipalities and Regions, following the relevant European Directives, are establishing “Energy Offices” to help citizens with practical advice on installing photovoltaic panels, participating in energy communities, renovating their buildings, adopting energy saving measures, etc. Such offices could operate cooperatively between local authorities and local energy communities.

Examples of concrete policies and targets

Below are some illustrative examples designed to inspire local authorities to incorporate quantified targets with clear timeframes into their programme:

- “Provision of free energy through net metering projects to 50 energy vulnerable households for small sized Municipalities and to 300–500 energy vulnerable households for medium to large Municipalities by 2025”
- “Support local energy communities and create a new energy community with municipal participation by 2026”
- “Organise at least four information and education activities on fair and inclusive transition issues per year, in cooperation with energy communities and specialised institutions and organisations”
- “Networking with energy communities, organisations, and environmental organisations and applying for participation in at least three networks and related associations by 2026”
- ‘Participation in national and European competitive research and development programmes on the subject of a just energy transition’.



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Seizing the Window of Opportunity

The regulatory, political and economic framework for community renewable energy projects is more favourable than ever. The European research project [LIFE LOOP](#) (Local Ownership Of Power) is developing a set of practical tools to facilitate the partnership between municipalities/regions & energy communities. Some of these tools include – among others – 1) a model statute, 2) a model cooperation agreement between Local Authorities and energy communities, 3) a roadmap for the establishment of an energy community and a mapping of all local stakeholders, 4) a match-making tool, which will facilitate the cooperation between energy communities and municipalities. In parallel, the Co-Energy project aims to create tools for LAs in cooperation with energy communities to take action to fight energy poverty, mainly through virtual net metering projects.

At the same time, the Multiannual Financial Framework (2021–2027) and the NextGenerationEU funds represent a unique opportunity to leverage hundreds of millions of euros for local RES projects. In particular, research by the European Federation of Energy Cooperatives (REScoop.eu), has shown that dozens of EU Member States are already using resources from the Cohesion, Just Transition, Regional Development, Modernisation, and Recovery and Resilience Funds to support energy community projects involving citizens, municipalities, and regions. Countries such as Spain, Italy, and Lithuania support community-based, local renewable energy projects through the Regional Operational Programmes, as part of a holistic strategy to fight energy poverty and the climate crisis, create local jobs, and stimulate local economies.

Towards a Just, Local (Energy) Transition

Local authorities must play a leading role in driving a local, equitable transition. We call on them to abide by the main pillars of this Manifesto:

- A commitment to support community action. Commence a public, open and transparent dialogue to co-create a roadmap for local, inclusive energy transition.
- Adopt a multi-level strategy to promote local clean energy production and energy conservation (establishment of a local 'Energy Office, Local Community Awareness Strategy).
- Integrate social policies into the local energy strategy: provide free (or very cheap) electricity to vulnerable households. Create local jobs, especially for young people and people facing social exclusion.

In the wake of the escalating effects of the climate crisis (e.g., floods, storms and fires), but also of increased economic and social inequalities, local authorities must and can defend the public interest by investing in the local economy and activating the local community. Such an approach will ensure local energy security and resilience, strengthen local economies by offering attractive new alternatives and jobs (especially for young people), and contribute to the collective protection of the local environment.



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Would you like to translate the Manifesto into your local language and disseminate it nationally? Our team may be able to help! Contact ELECTRA Energy Cooperative – Ioanna Angelaki (ioanna@electraenergy.coop)



“It’s time to bring even more local governments, citizens and SMEs to the energy community movement! It’s time to make them the true drivers of our society.”

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