



BRIEFING

Driving the transition: Community Power in National Energy and Climate Plans



Against the backdrop of what's set to be another record-breaking year for global temperatures, the EU27 Member States are currently revising their National Energy and Climate Plans (NECPs), due by the 30th of June 2024. These plans will function as concrete roadmaps for the practical implementation of the EU's medium- and long-term climate goals.

The renewable energy transition is well underway in Europe, with structural declines in gas and coal use translating to billions of euros in savings for EU consumers¹, notwithstanding other co-benefits², such as reduced air pollution, and reduced strategic dependencies. However, **the rate of deployment of renewables is still not aligned with the 1,5° target³**, while **further action is required to increase social inclusion and community participation.**

In October 2023 the Community Power Coalition called on the EU Commission⁴ to actively encourage Member States to acknowledge the benefits of energy communities and include supportive measures in their revised NECPs as well as discourage investments in fossil fuel infrastructure. The Commission heeded this request through its December Country Specific Recommendations, **calling for 11 Member States to further detail and improve their enabling frameworks to promote self-consumption and energy communities⁵**. It further called on Member States to actively involve citizens and other actors in the revision process of the Plans.

Citizens and municipalities are a prime mobilising factor of the EU's renewable energy transition, evidenced by the impressive growth in rooftop solar, energy sharing, and community energy projects⁶. **We call on Member States to put in place, or further refine supportive measures for citizen-led energy projects in their final NECPs due on the 30th of June 2024. This would lead to a further acceleration of the energy transition, an increase in social acceptance, and would crowd in billions of euros in additional private capital.**

Below we revisit our 4 key asks for the Commission's assessment and recommendations, and highlight a best-practise case comparison from the Member States' NECP drafts based on a 'traffic-light' approach.



¹<https://www.iea.org/reports/renewable-energy-market-update-june-2023/how-much-money-are-european-consumers-saving-the-inks-to-renewables>

²https://caneurope.org/content/uploads/2024/01/CAN-Europe-co-benefits-of-climate-action_REPORT.pdf

³ <https://www.ren21.net/gsr-2024/>

⁴<https://communitypowercoalition.eu/wp-content/uploads/2023/10/Community-Power-Coalition-NECPs-Letter.pdf>

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A796%3AFIN>

⁶https://fundacionrenovables.org/wp-content/uploads/2024/04/Rooftop-Solar-PV-Report-Update_April-2024.pdf



Taking stock of the (draft) NECPs: a Race to the Top?

DEMAND 1: Ensure adequate reporting on the main elements of the enabling frameworks for energy communities, renewable self-consumers and their implementation, in accordance with Art. 22(5) and 21(6) of the REDII and Art. 20(b)(7) of the Governance regulation.



FRONT RUNNERS

The Portuguese NECP provides comprehensive information on the different enabling measures that will be provided for energy communities over the next years. This includes, inter alia, 1) capacity building of Municipalities, 2) accelerating and simplifying permitting procedures, 3) centralising data on self-consumption and energy communities.

The Czech NECP highlights the strong social, environmental and economic co-benefits of energy communities, as the political basis for a strong enabling framework. Supportive policies are detailed, including simplified permitting, awareness raising campaigns, and public financing instruments, such as the Recovery Facility.



ROOM FOR IMPROVEMENT

The French NECP mentions that the State is supporting the development of citizens' projects (bonus points in assessments of tenders, supportive provisions in the law on accelerated production of renewable energies (APER), etc.), but fails to provide comprehensive information on enabling measures to be implemented over the next few years.



LAGGARDS

The Swedish NECP makes no mention of energy communities, while the **Finnish NECP** briefly discusses their benefits and related programs but lacks specificity, concrete measures to support their development, and a comprehensive report on the existing enabling framework for fostering energy communities.

The Romanian NECP occasionally mentions energy communities, yet it fails to address the primary obstacles to their establishment and operation. In addition, specific policies and measures outlining the enabling framework and support for energy communities are absent.

DEMAND 2: Ensure that Member States include concrete National Objectives and Targets for energy communities and renewables self-consumers in their NECPs.



FRONT RUNNERS

The Spanish NECP, although lacking binding targets, does include a 19GW target for individual and self consumption, and a specific measure with robust objectives for energy communities. The latter incorporates concrete enabling elements, such as financing programs and the removal



of barriers. It also outlines the role of energy communities in other specific measures for strategic decarbonisation, such as heating and cooling, demand management and flexibility, and social acceptance and literacy to support the energy transition.

The Lithuanian NECP sets a target of 0,473 % of total energy production in 2030 coming specifically from Renewable Energy Communities that also implement projects to tackle energy poverty.



ROOM FOR IMPROVEMENT

The **French NECP** states that "it is not envisaged to impose targets on a local mesh" and that "objectives are being studied for energy communities". Indeed, there is so far no mention of the target of 1,000 new citizens renewable energy projects by 2028 which was included in the "citizen renewable energy action plan" published in 2021 by the French Ministry of Ecological Transition. This objective must be codified in the French NECP, backed by a roadmap of concrete enabling measures on how they will be achieved.



LAGGARDS

The Cypriot NECP fails to extend beyond the development of a regulatory framework to promote the creation of energy communities and the establishment of support schemes. This was already included in the previous draft, outlining the implementation delay of the Renewable Energy Directive and which failed to incorporate additional specific measures to support the creation of energy communities to reach their renewable energy targets.

The Bulgarian NECP provides limited coverage of energy communities, featuring only two references within the plan. It primarily focuses on past actions, notably the streamlining of administrative procedures to facilitate the establishment of energy communities. However, the NECP lacks detailed information regarding future concrete measures aimed at supporting the development of energy communities.

The Estonian NECP defines and describes energy communities but fails to set concrete measures, targets, and indicators to encourage their uptake and fails to send out a clear signal that energy decentralisation is a viable pathway that can contribute to energy security and decarbonisation.

The Romanian NECP fails to outline clear objectives and targets for renewable energy communities. Without specific targets, the Romanian NECP lacks clarity and direction, it does not demonstrate commitment to the promotion and development of renewable energy sources at the community level.



DEMAND 3: Ensure that in the remaining months of the NECPs revision process, Member States enable the participation of civil society, citizens, and community energy actors and establish multi-level governance dialogues with local governments.



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The Lithuanian NECP revision process provided various opportunities for feedback to citizens and civil society organisations. An official platform for a Multilevel Energy and Climate Dialogue is in place. Stakeholders' feedback was largely incorporated, and meaningfully addressed, contributing to stronger targets for energy communities.



ROOM FOR IMPROVEMENT

The Luxembourgish NECP revision process has been receiving feedback from various public participation platforms, such as the Climate Citizen Council, and the Climate Policy Observatory. However, most of these public contributions have so far been ignored.



LAGGARDS

In Croatia and Slovakia there is no official platform for a Multilevel Energy and Climate Dialogue. In both countries, public consultations were not early and meaningful, while the timelines to provide comments were significantly short.

Romania failed to facilitate inclusive public involvement in the NECP update process. Concrete opportunities for public participation were not provided within a transparent and equitable framework. Furthermore, the public was not granted access to all the documents, reports, and analyses that formed the basis of the updated version.

DEMAND 4: Actively encourage Member States to refrain from investments in fossil fuel infrastructure.



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The Spanish NECP refrained from investing in expanding fossil fuel infrastructure and has allocated specific programmes to finance energy communities to promote the measures outlined for collective and individual self consumption targets, including energy communities, and also included specific allocation of a direct grants programme, to target vulnerable households in Spain. However, the funds still remain insufficient to allow financing of initiatives without upfront investment from citizens.



ROOM FOR IMPROVEMENT

The **Portuguese NECP** outlines specific funding to ramp up the deployment of individual and self consumption projects, and some programmes directly target energy communities, but at the same time it also includes measures to expand LNG infrastructure.



LAGGARDS

The **Greek NECP** foresees significant new investments in fossil gas infrastructure, as well as a hydrocarbon exploration and development program. The use of fossil gas for electricity in the country has already entered into structural decline, due to RE additions, thus raising significant concerns for stranded assets. There is no analysis detailing how these investments are compatible with the national climate law, or the 1,5° Paris target.

Significant expansion of fossil infrastructure is also foreseen in the **NECPs of Slovakia, Italy, Croatia, Cyprus, Slovenia and Hungary**.

It's important to note that such investments are in direct competition with investments in structural measures, such as housing renovations, public transport, and energy communities.

Honourable Mentions and Concluding Remarks

Portugal, Spain, Lithuania and Czechia stand out in recognising the socio-technical innovation potential of energy communities. Specifically, by acknowledging that such groups can promote social inclusion and tackle energy poverty, and/or develop a more flexible and digital grid, these four countries have proposed a holistic strategy and set of measures to support energy communities.

The energy crisis has led to an exponential increase in citizens' interest in (collective) self-consumption solutions, and energy communities. Already, citizens are mobilising tens of millions of euros in additional private capital for the energy transition, while building the EU's strategic autonomy. This is leading to concrete economic benefits for consumers, alleviating everyday cost-of-living pressures, a clear **priority of the bloc's citizens** and contributing to the decarbonisation of Europe's energy system.

We call on Member States to provide adequate, accessible, measurable, and long-term support for self-consumption and energy communities in their final NECPs, thus unlocking significant social, environmental and economic co-benefits.



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