



POWERING COMMUNITIES

How to deliver a Citizens' Energy Package
that's fair and accessible to all

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INTRODUCTION

Across Europe, citizens, SMEs and local and regional governments are taking our energy future into their own hands, building the energy system we need to free Europe from its fossil fuel addiction and ensure its energy security.

Energy communities are demonstrating that renewable energy is not just a tool for decarbonization but a foundation for more just, democratic and resilient societies. They stabilize prices, and ensure clean energy is accessible to everyone (e.g. renters, the most vulnerable citizens) while also driving energy literacy and behavioural change, such as flexibility and demand reduction. As such they are an important first step towards a broader culture where the combined potential of sufficiency, efficiency and renewables is maximized¹ to create an energy secure and climate resilient Europe.

The Citizens' Energy Package (CEP) is a key opportunity to ensure that citizens and their local communities are the owners and direct beneficiaries of the energy transition. This package, coming amidst the Clean Industrial Deal, the Competitiveness Compass and the Action Plan for Affordable Energy, must address persistent barriers that hinder the emergence and development of community energy projects - from incomplete transposition of existing laws, including a lack of supportive frameworks for energy communities at the national level, to protecting them from corporate capture and abuse - and set a vision for scaling up and across citizen-led initiatives. Moreover, it must tackle energy poverty and prioritize energy savings as central components, leveraging the unique strengths of energy communities to achieve these goals.

This document builds on our previously published [POWERING COMMUNITIES Principles for a fair, sustainable Citizens' Energy Package](#) and provides policy proposals to guide the European Commission in shaping the Citizen's Energy Package. It reflects our coalition's vision for an energy transition that prioritizes people and local communities, and builds a fairer, greener, and resilient energy system.

1. Implement and enforce EU Rules with concrete targets

While the Clean Energy for all Europeans package (2015) already provides a legal framework for Renewable Energy Communities (RECs), it has not been effectively implemented or enforced across Member States. The CEP must strengthen the implementation of existing provisions, ensuring that the legal framework works as intended and supportive frameworks for RECs² are established.

¹ Climate neutrality, Energy security and Sustainability: A pathway to bridge the gap through Sufficiency, Efficiency and Renewables. https://clever-energy-scenario.eu/wp-content/uploads/2023/10/CLEVER_final-report.pdf

² The Netherlands' National Climate Pact (Klimaatakkoord) sets a non-binding goal of 50% ownership in new onshore wind and PV projects, with municipalities responsible for implementation and integrating citizen participation in planning. In Wallonia, Belgium, a new Wind Agreement requires that new wind projects offer at least 24.999% ownership to citizens and municipalities. These policies aim to ensure local benefits, foster public acceptance, and accelerate the energy transition.

The Citizen's Energy Package should:

- **Set clear, measurable EU-targets based on a comprehensive assessment of national-level potentials³**, backed by robust monitoring, reporting⁴, and enforcement mechanisms to track progress with concrete indicators and ensure compliance, for example an annual report on the implementation of the CEP, connected with EU governance processes like EU semester.
- **Ensure that local and regional authorities have quantitative and qualitative targets** for the development of energy communities and/or locally owned renewable energy projects, and work in partnership with the community actors to develop action plans and monitor those targets.
- **Put in place monitoring and enforcement systems** to ensure that targets are met and that the legal provisions for energy communities are fully implemented.
- **Ensure that the specific characteristics and challenges of RECs be fully recognized and integrated** into all relevant policy frameworks, planning processes (e.g. Renewables Acceleration Areas, distribution network plans, heating and cooling plans, building renovation plans) and support mechanisms.

2. Clarify concepts

The success of the Citizens' Energy Package (CEP) hinges on clear definitions and recognition of energy communities as distinct social economic actors. Such definitions should reflect the added value and unique challenges energy communities face in the pursuit of social, environmental, and economic goals rather than profits for shareholders.

The Citizen's Energy Package should:

- **Clarify the distinction between energy communities and energy sharing** (or collective self-consumption) as organizational and activity-based concepts, respectively.
- In addition to guidance on energy sharing, which is required by the Revised Electricity Directive, the Commission should **provide separate dedicated guidance on energy communities**, including the development of enabling frameworks at national level and the removal of regulatory and administrative barriers.
- **Clarify governance requirements of energy communities** to make it easier for energy communities to develop a sustainable business model, and provide for regulatory oversight to avoid corporate capture and the misuse of public funds⁵.

³ Member States are obliged under Article 22(3) of Directive (EU) 2018/2001 to carry out an assessment of the existing barriers and potential for the development of renewable energy communities within their territories.

⁴ Example from Brussels Region: <https://energysharing.brugel.brussels/energysharing/cartographie-411>

⁵ <https://www.publico.es/sociedad/negocio-privado-caza-subsidios-energia-comunitaria.html>

3. Incentivise local ownership and benefit sharing

Municipalities and regions are key enablers of the emergence and development of energy communities. Community energy initiatives, rooted in their local contexts, are crucial in ensuring that renewable energy projects provide lasting social and economic benefits⁶ to the communities that host them. However, in the current energy system citizens have virtually no autonomy over energy planning, leading to adverse social and environmental impacts in many cases. Citizen ownership promotes participation in decision-making and innovation, leading to better outcomes in terms of quality, and social and environmental justice dimensions of energy services.

The Citizen's Energy Package should:

- **Develop EU Commission guidelines** to support Member States about implementing benefit sharing schemes.
- **Establish common EU standards** by introducing a clear framework on benefit sharing, featuring concrete criteria, to promote consistency and maintain a level playing field across the EU.
- **Facilitate the use of municipal buildings and available public space** by energy communities by simplifying public procurement regulations, but also by providing tools to facilitate information sharing and citizen ownership.
- **Support municipalities, local non-state actors, and citizen-led initiatives with resources** to engage their communities district by district to ensure awareness of available options and facilitate access to renewables and participation to energy communities (e.g. energy tours, One Stop Shops) via national and regional programmes (e.g. the French Territoires Zero Exclusion Energetique programme)
- **Remove regulatory obstacles** (such as strict proximity rules), procedural impediments for municipalities, citizens, SMEs and energy communities to meaningfully engage in energy sharing, to allow more people and local businesses to benefit from such activity.
- **Legally ensure that shared electricity is always owned by energy communities or the consumers themselves.**
- **Introduce a mandate for Member States to implement benefit sharing⁷ schemes** to systematize and standardise their uptake in every renewable energy project to ensure consistency and fairness for all local host communities across the EU. Such schemes shall be based on legally binding provisions and not rely solely on voluntary measures or discretionary practices by project developers. The monitoring of this measure could be done during the NECP process.

⁶ 1 € invested in a citizen renewable energy project = 2.5 € benefiting the local economy through taxation, rents, salaries, benefits and investment income. Source: "Retombées locales d'un projet citoyen d'énergies renouvelables", by Energie partagée, 2019, <https://energie-partagee.org/etude-retombees-eco/?cmlpz-force-reload=1743177964366>

⁷ Benefit sharing can be defined as the process of ensuring an equitable distribution, by the developer or operator, of the benefits derived at every step of a RE project to the local communities affected by its impacts.

4. Ensure a level playing field and fair treatment of community energy initiatives

Community energy initiatives face significant obstacles such as regulatory barriers, procedural impediments, inadequate support frameworks, limited resources, and unfair treatment in the energy market. These actors often struggle to compete with larger, profit-driven players and bear disproportionate burdens when engaging in energy-sharing activities. Addressing these disparities is essential to creating a level playing field that empowers citizens and their energy communities to thrive.

The Citizen's Energy Package should:

- **Ensure the establishment of dedicated funding streams** (including by providing technical assistance to Managing Authorities of EU funds to create public funding calls⁸), and **simplify access** to funds by setting up single contact points at the national level.
- **Unlock funding schemes**, such as early-support mechanisms and revolving funds for the development of energy communities, especially for the activities that require complex business models such as citizen-led renovations and community-led heating and cooling. Ensure funding for development of energy communities is a priority in EU direct management and also in shared management funds of the next MFF (Cohesion, Just Transition, SCF, etc.)
- Building on the LIFE FACILITY and LIFE ACCE projects, **contribute to the creation of national community energy financing schemes that are (co)managed by national federations of energy communities** (or other similar expert organisations). Experience from the Netherlands and France shows the impact of such schemes: every euro of public funding in the early stages can attract up to 60 euros in private investment for project implementation⁹.
- **Provide guidance and dedicated assistance** such as through the Technical Support Instrument and inclusion in the priorities of the next MFF, for the establishment of support frameworks for energy communities. This should include supporting national federations of energy communities, including with structural funding¹⁰, so that they provide technical assistance and capacity building to emerging communities on the ground.
- **Support tax and tariff incentives for the development of community energy projects** and ensure that the tax rules applicable to shared electricity are fair and easy to implement.
- **Encourage faster permitting and access to space for energy community projects**, as well as priority grid access or allocation of grid capacity to avoid exclusion from the energy market due to grid bottlenecks and administrative barriers.

⁸ <https://www.rescoop.eu/financing-tracker>

⁹ Available at: An EU budget that works for the people: unlocking finance for energy communities

¹⁰ Success story: Ensuring EU funds reach local (energy) communities. Available at:

https://www.rescoop.eu/news-and-events/stories/success-story-ensuring-eu-funds-reach-local-energy-communities?fbclid=IwZ3Xh0bgNhZW0CMTEAAR4e7w2Uyz1DpBPL7n1iz-J4jcrBXWPFbHdHoMEq1dTwhX9CSxaK1JpE4J0_Fg_aem_lr_UrNZN5L6NFKsP_99q4q

- **Include regulation of financial penalties** imposed by suppliers for actions intended to dissuade participation in an energy community, and tailored support schemes and public procurement procedures.
- **Support capacity-building programs** that encourage the exchange of templates and best practices at the EU and national level.

5. Tackle energy poverty and promote inclusivity

A just energy transition requires addressing energy poverty by ensuring all citizens can access affordable, renewable energy while promoting energy-saving measures. Energy communities are particularly well-placed to help address energy poverty by delivering both clean energy and energy-saving solutions at the local level by fostering collective ownership, reducing costs, and driving community-wide energy efficiency measures. The CEP must adopt strong measures to tackle energy poverty at its root, enabling marginalized and vulnerable households to participate in and benefit from renewable energy and energy efficiency initiatives.

The Citizen's Energy Package should:

- **Ensure that vulnerable consumers don't unfairly lose any rights** such as discounts on grid tariffs or access to social benefits, while engaging in energy community or energy sharing.
- **Ensure that the Social Climate Fund, is leveraged to empower low-income households to join energy communities** and adopt energy-saving technologies, with a focus on accessibility and inclusivity¹¹.
- **Ensure that fossil fuel subsidies and other financial incentives for fossil fuels are** redirected to actions to tackle energy poverty, including by topping up the national co-financing of the Social Climate Fund.
- **Enable broad participation in the energy transition** by introducing user-friendly financing schemes, awareness-raising initiatives focused on both clean energy and energy-saving measures, and one-stop shops run on a not-for-profit basis that provide advice on access to renewable energy, energy communities, energy efficiency and energy poverty measures and initiatives.
- **Ensure that all such schemes and initiatives as well as governance structures are inclusive** and empower marginalised groups to benefit from the energy transition.

¹¹ A full and effective use of the Just Transition Fund, and the Social Climate Fund can ensure that energy communities are used as vehicles to tackle energy poverty. Green Solidarity Guiding Principles for a Truly Just Social Climate Fund. <https://www.rescoop.eu/toolbox/green-solidarity-guiding-principles-for-a-truly-just-social-climate-fund>

