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Clean energy policies for the greening of towns, cities and regions: the Energy Union and local/regional sustainable development

European Committee of the Regions

An EU-Law Perspective on the Barriers and Opportunities for Local and Regional Sustainable Energy Projects

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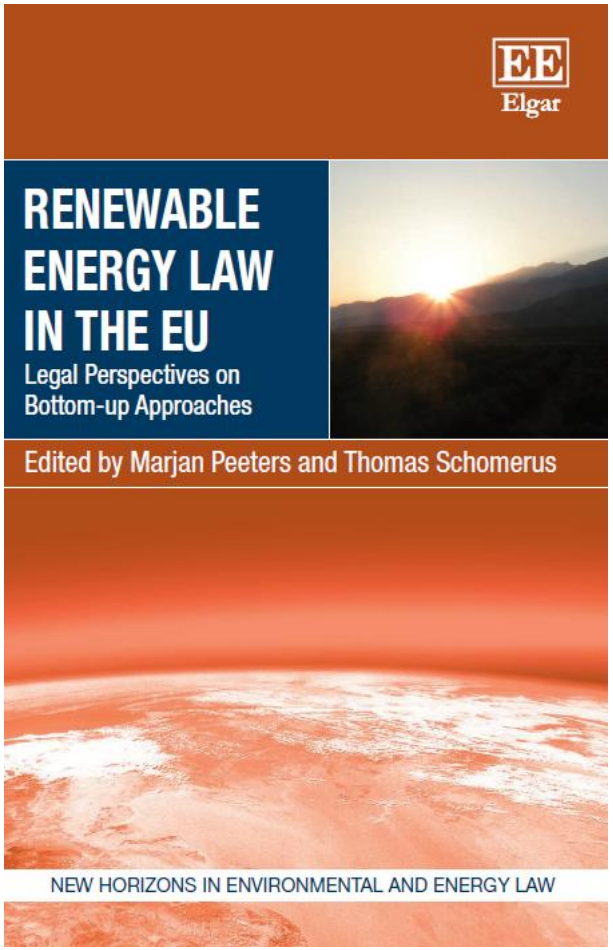
In times of increasing political uncertainty, at international but also EU-level, particularly bottom-up approaches become more and more important for the promotion of renewable energies .

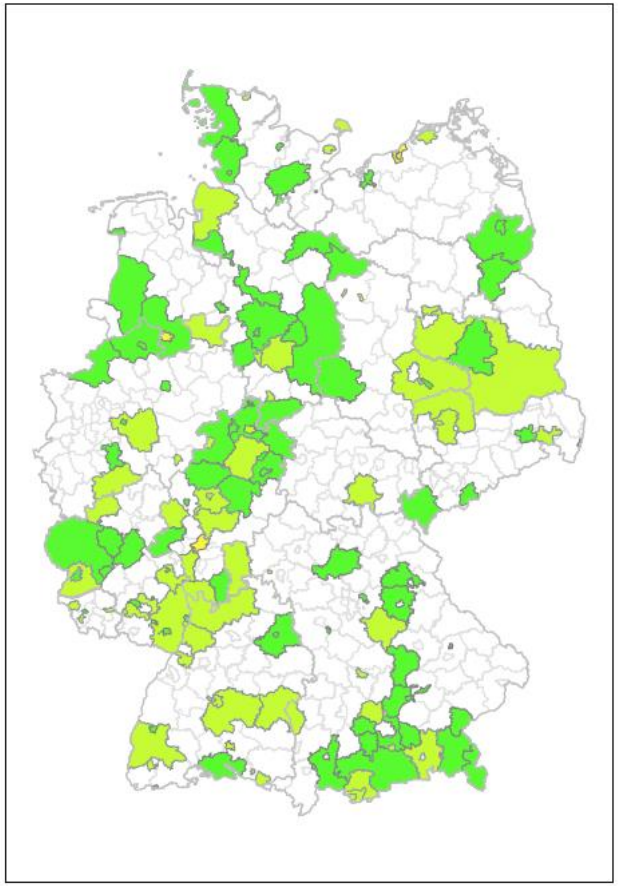
- **2020-targets (Directive 2009/28/EC):**
  - 20% overall share of energy from renewable sources
  - binding targets for individual Member States

- **2030-targets (proposal recast Dir. 2009/28/EC of 23 Febr. 2017)**
  - 27% Union binding overall target
    - EU-Parliament: 30%
  - no binding targets for individual Member States, but Member States´ contributions
  - no infringement procedure, no ECJ-involvement for guaranteeing fulfillment of targets



Local and regional sustainable energy solutions are more resilient with regard to energy crises than a centralized system.

- renewable energy projects as part of 100%-**Renewable Energy Regions**
  - **challenges**:
    - electricity from renewable sources not always generated when needed
    - energy markets currently dominated by centralized energy infrastructure
  - **targets**:
    - active citizen participation through energy cooperatives
    - reducing the need for centralized energy infrastructure through the interconnection of alternative generation and distribution facilities
    - sustainable, regional, autonomous energy supply
  - **approach**:
    - virtual regional power plants
      - interconnect many small municipal utilities
      - coordinate generation, storage, and consumption of renewable energies
      - integrate technical, economic and legal perspectives



source: http://www.100-ee.de/fileadmin/redaktion/100ee/Downloads/broschuere/100ee-Karte_Liste_Oktober_2016_01.pdf

Local and regional sustainable energy solutions further the public acceptance of renewable energy projects, and, by enabling citizens and communities to participate financially in such projects, they contribute to distributive justice in the energy sector.

- **societal effects**
  - engender innovative possibilities
  - greater acceptance of RE
- **energy-system effects**
  - multiplicity of stakeholders
- **economic effects**
  - regional value creation
  - financial participation of neighbours
  - jobs
- **legal effects**
  - fewer lawsuits
  - compensation schemes for neighbours affected by wind-farms (Danish example, also German region of Mecklenburg-Vorpommern)

The EU-Commission guidelines on state aid for environmental protection and energy require auctioning or competitive bidding processes for most renewable energy projects, which can prevent local and regional initiatives from being awarded financial support.

- legal questions:
  - Can Commission Guidelines require Member States to reduce the former variety of support schemes for renewable energies to just one system? Is such a harmonization through the backdoor lawful?
  - Does this infringe the principle of subsidiarity?

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the promotion of the use of energy from renewable sources (recast)

Article 4

Financial support for electricity from renewable sources

1. Subject to State aid rules, in order to reach the Union target set in Article 3(1), Member States may apply support schemes. Support schemes for electricity from renewable sources shall be designed so as to avoid unnecessary distortions of electricity markets and ensure that producers take into account the supply and demand of electricity as well as possible grid constraints.

In Germany, however, the first round of auctions for funding onshore wind-energy installations in 2017 showed a high proportion of locally anchored citizens´ energy companies.

- maintaining a high level of stakeholder diversity within the auctioning process
  - 750 kW de minimis threshold
    - exempts small and medium-sized installations from auctioning requirements
  - relaxed rules for citizen´s energy companies in auctions for onshore wind funding
  - requirements for citizens´ energy projects
    - companies with at least 10 private individuals
    - majority of local residents
    - no shareholder with more than 10% of voting rights
    - projects with maximum of 6 installations and maximum output of 18 MW
    - municipalities may contribute up to 10% of the investment

- first auctioning round for onshore wind-energy 2017
  - 800 MW-tender
  - medium price of 5.71 Cent/kWh
  - 70 bids accepted, of these 65 for regional citizen´s initiatives!

Local and regional initiatives can also be supported by innovative prosumer-schemes such as the supply of electricity to tenants produced by roof-based solar-energy (the German "Mieterstrommodell").

- draft of a federal act for the application of the „**tenant´s electricity model**“

  - conditions:
    - solar power produced on roofs
    - must be delivered to tenants in the same building or complex
    - feed-in tariff dependent on installed capacity
    - overall limit of 500 MW/a

  - goals:
    - participation of tenants in the „Energiewende“
    - fulfilling the 2.500 MW/a-target for solar energy

source: https://www.bmwi.de/Redaktion/DE/Artikel/Service/Gesetzesvorhaben/mieterstrom-entwurf.html

Quelle:

Additional questions

- Which other instruments could be developed at EU-level to support renewable energies in those Member States running behind their national targets?

- What could be done at EU-level to further self-consumption of renewable energy?

- Should calls for tenders be designed as technology-specific (which most tender procedures are today), or should they rather be open to all renewable-energy sources (such as joint competitive wind/solar power bidding processes)?

Despite problematic international and EU-developments, bottom-up approaches for the promotion of renewable energies are becoming more and more successful.

Thank you very much for your attention!

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source: http://www.bürger-windpark-amelinghausen.de/presse-ueber-uns