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# MAINSTREAMING PROSUMERISM – ENERGY WITH THE PEOPLE

**Recommendations to strengthen prosumers and energy communities in Member States and EU policy**

The stage is set for prosumerism. It has the potential to drastically contribute to climate neutrality targets and to make the energy transition socially-inclusive and beneficial for all. To ensure that citizens are enabled to take this up, the PROSEU consortium proposes a **set of policy recommendations for mainstreaming prosumerism in Europe. They provide concrete propositions for national policy makers** when drafting national legislation.

They are further elaborated within the in-depth deliverables of the PROSEU project



Image: Nathan McBride

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# ENSURE THE TIMELY AND ADEQUATE TRANSPOSITION OF EU PROVISIONS ON ENERGY COMMUNITIES

## DEFINE:

Renewable Energy Communities must be **properly defined**, taking into account the key defining features such as energy sharing, consistency between a renewable energy communities (RECs) and citizen energy communities (CECs) definitions, relationship between energy communities (ECs) and collective self-consumption, ECs' legal form in the national legal system, benefits, proximity, control of compliance by ECs with the criteria classifying them as energy communities.

## CREATE:

Decisions on **enabling frameworks** for energy communities and prosumers should be taken without delay, paying specific attention to features such as the new rights for citizens to generate, self-consume and share energy, support schemes, cooperation with distribution system operators and the rights of energy communities to take that role, vulnerable households, access to data, information & training, capacity building and the role of local authorities & municipalities.

## ADOPT:

The legislators should adopt the legislative framework on Renewable Energy Communities as soon as possible and in any case not later than 30 June 2021. This should however be done without harming the quality of the legislation and in a way which allows for **sufficient assessment, reflection and consultation** so that the measures adopted are indeed fit for purpose.

## SET AMBITIOUS GOALS FOR PROSUMERS AND ENERGY COMMUNITIES:

Target setting is a key policy tool to create the necessary momentum for real change and to fully exploit technology's potential. In fact, prosumers can contribute a very high share to the energy generated in 2050. In the residential sector alone, 89% of the electricity can be generated by prosumer technologies, and the heating and cooling needs can be covered by prosumer technologies entirely.

## DEFINE AT LEAST TWO TARGETS:

We therefore suggest two dedicated targets for 2030;

- A roof-top PV capacity or energy target which should be set in relation to the technical rooftop PV potential in each Member State, ideally around 50% by 2030.
- An energy community target which should be a share of the total national renewable target; as energy community projects tend to increase public acceptance, their share must be significant. In addition, non-energy targets like the number of (renewable) energy communities and the number of their members should also be defined.

→ **Guidance for national transposition of new EU Directives relating to Renewable Energy Prosumers**

→ **Key technical findings and recommendations for prosumer communities**



# CREATE THE SUPPORT FRAMEWORK AND CREATE ENERGY ACCOUNTABILITY

Member State legislation should be precise which kind of legal organisations can be used for energy communities. Moreover, governments should perform **transparent cost-benefit analyses** on the services which renewable energy communities can provide to the energy system and local economies.

## ASSESS

A properly conducted evaluation of barriers and potentials of energy communities is essential for raising political awareness of the situation and potentials of energy communities. It is also crucial for preparing adequate policy instruments and legislation. It should be conducted with a wide ranging consultation to allow citizens articulate their expectations and address difficulties they face.

## SUPPORT:

Administrative procedures should be simplified, e.g. by creating **single contact points**, and reducing technical, financial and legal requirements. Providing education, trainings and **capacity-building** activities to citizens, local governments and SMEs will improve **energy literacy** of all citizens. Energy communities should be supported in tackling energy poverty and social inclusiveness.

## BE ACCOUNTABLE:

National legislation should reflect the future character of the distributed energy system by making clear that energy planning and implementation needs to take place at all political and institutional levels, including citizens, companies, municipalities, cities, regions, states, and countries. Local, regional and national

actors have to become **energy accountable** by defining their own energy and climate plans including energy targets and measures supporting the NECPs and any new laws resulting from the transposition of the EU Directives. This also means that higher governmental levels must be able to count on the contributions made by lower levels and to aggregate them to the national and EU level.

*Local and regional governments should therefore be enabled to engage into community projects. They are key players for encouraging (collective) prosumer initiatives to take off and to ensure that they are accepted and backed by local citizens. As owners of a significant amount of property and energy intensive services (e.g. street lighting), local governments are major energy consumers but also have high potential for energy production, e.g. on public rooftops.*





# ENSURE PROSUMER AND ENERGY COMMUNITIES PARTICIPATION IN GOVERNANCE PROCESSES

The expected uptake of energy communities and prosumers as new players in the energy system means that new ways of cooperation and consultation need to be found. This requires a new and enhanced governance model because **prosumers are currently not sufficiently represented** in decision and policy making processes.

## INVITE TO PARTICIPATE:

Participation of **prosumer representatives** is required in a number of EU and national policy fields as well as on the local level. It must be made clear that **governments actively seek the input and advice of prosumer representatives**, and that they encourage the creation of bodies (like associations) that can act as prosumer representatives.

Participatory governance must be exercised in respect of rights of **access to information, public participation and access to justice** as defined under the Aarhus Convention and Maastricht Recommendation. Those rights should be advertised and explained through **information and awareness-raising activities** so that prosumers and energy communities can make active use of them.



Image: pxhere



# ENSURE ECONOMIC VIABILITY OF PROSUMERISM

Throughout the EU, there are still many unfavorable regulatory framework conditions hindering the expansion of prosumer business models. The following policy changes would help create more viable, innovative, and successful business models for collective prosumers.

## INCENTIVE SCHEMES:

Prosumers should receive guaranteed prices for exported electricity as well as tax incentives on renewable hardware. Fair remuneration of surplus energy should be guaranteed. In addition, incentives should be introduced which reward prosumers on a dynamic basis – maximizing the system value of smarter prosumer systems, which often include storage and other flexibility. In addition, straightforward schemes for shared self-consumption in multi-occupancy buildings or in local geographies should be made available.

## NETWORK CHARGES:

High volumetric and fixed network charges hinder business models, which offer flexibility and disproportionally pass network costs onto non-prosumers. Adopting capacity based, locational and dynamic network charging can reward business models, which enable flexibility, communal self-consumption and reduce the overall costs of integrating RES. In many cases, local governments and communities could better operate local networks to strategically align local smart-grid evolution and spatial development.

## MARKET ACCESS:

EU and national regulators should re-design wholesale, balancing and flexibility markets to be accessible to distributed flexibility and independent aggregators – likely to be the cheapest low-carbon source of system stability. Distribution System Operators should be encouraged to operate new local flexibility markets – balancing the system at

the lowest voltage levels. This should also include allowing multiple energy suppliers and aggregators to power different systems in homes and businesses.

## SMART INFRASTRUCTURE:

National policymakers should expedite their rollout of smart meters and electric vehicles chargers, with interoperability and product standards agreed at the EU level. Research suggests these efforts are best co-ordinated by government actors and DSOs, not energy suppliers and vehicle manufacturers.

## TAXES AND LEVIES:

The burden of energy taxation and renewable levies falls disproportionately on electricity bills, penalising low carbon heat electrification and disincentivising prosumer business models, which valorise flexibility. Given the regressive nature of these charges for low-income consumers, we suggest there is a strong case for shifting at least part of these levies into general taxation.

## SUPPLIER CODES & LICENSES:

Licence exemptions for small or community-owned energy suppliers can be a key means of enabling local social value. Further, relaxing the requirements for energy suppliers to coordinate transactions can enable peer-to-peer energy trading models to emerge.

- **Policies for Prosumer Business Models in the EU**
- **Stakeholder Report on financial innovation for Prosumer expansion Directives relating to Renewable Energy Prosumers**



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# FOR MORE INFORMATION

This overview of the most important recommendations for mainstreaming prosumerism was derived from the PROSEU project. All of them are backed by detailed deliverables and in-depth recommendations. Policy makers and those interested are invited to consider the full versions supporting the creation of an enabling framework for collective prosumerism in the EU's Member States.

Find all the deliverables from PROSEU on [www.proseu.eu/resources](http://www.proseu.eu/resources)

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## ABOUT THE PROSEU PROJECT

"PROSEU – Prosumers for the Energy Union" is a research project funded under the EU Horizon 2020 programme. It brings together eleven partners from seven European countries (Universities, research institutes and consultancies, non-governmental and non-profit organisations). The project's aim is to help putting **citizens**, and in particular those who **produce and consume their own renewable energy** (also called "prosumers"), **at the heart of the Energy Transition**.

## CONTACT

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