

Expert workshop March 2020

The future of prosumer business models

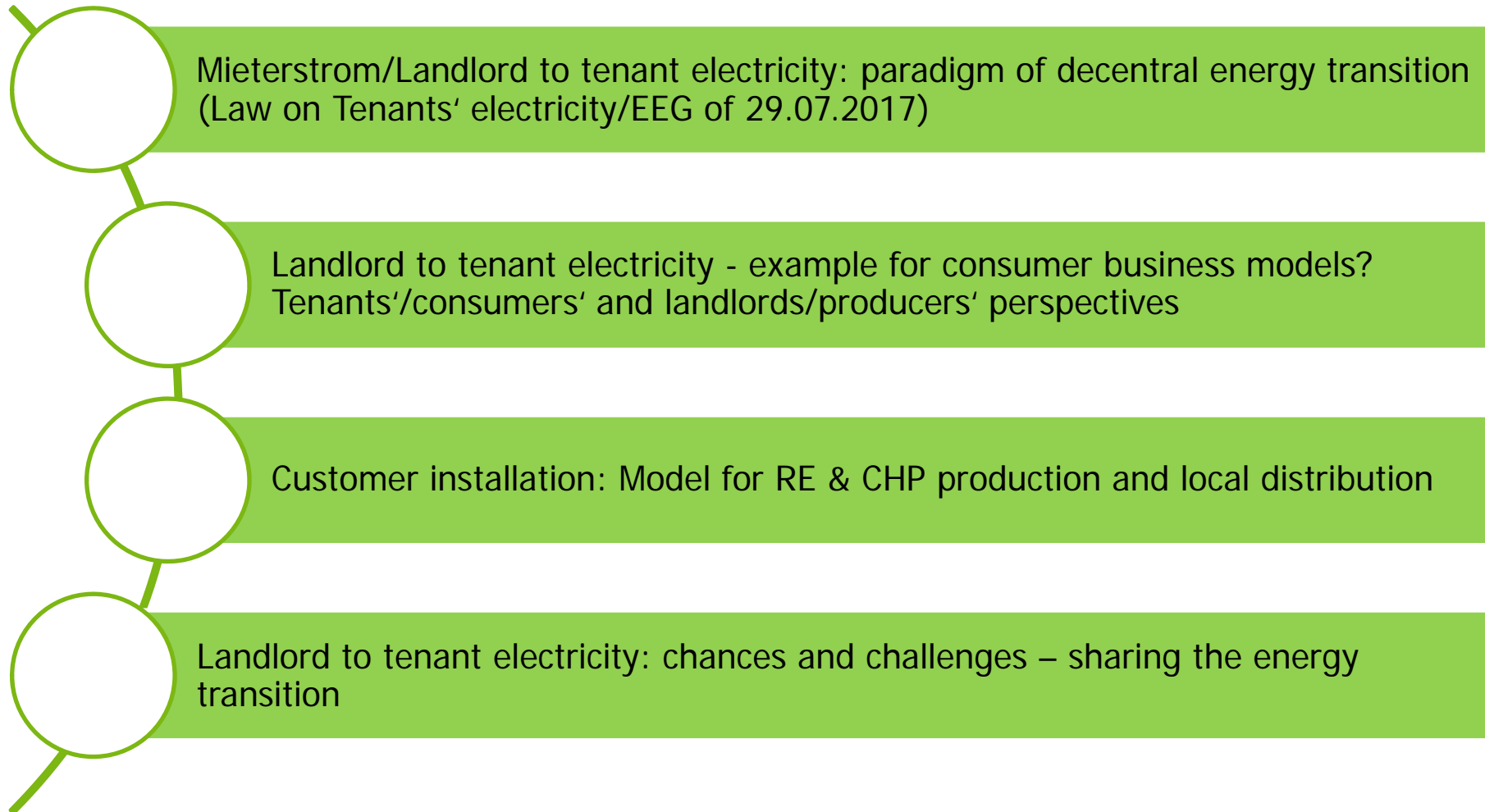
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Mieterstrom/ Landlord to tenant electricity:

Renewable energy production and consumption on the local level

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Mieterstrom*/tenant electricity: Paradigm of decentral energy transition (1)

Tenants' electricity requires:

- Electricity generated by RE sources or via CHP
- Decentrally produced at the /near to the building
- Consumed by tenants
- Without using public grids – Customer installation („Kundenanlage“)
- Commissioned by the landlord /i.e. housing company
- Handling: A *separate* energy production and delivery company co-owned by the landlord and the energy provider handles RE production, sale, monitoring and billing

*Covered by Law on Landlord to tenant electricity/Law on renewable energies/EEG of
29.07.2017)

Mieterstrom/ tenant electricity: Paradigm of decentral energy transition (2)

- Starting point: Homeowners use their roofs for PV electricity **production** and **consume** the „self-made“ RE electricity
- Extension to tenants to produce RE with the help of their landlords and consume the RE of „their building“
- Applicable to condominiums, housing cooperatives
- To let citizens share and contribute to an individual energy production
- Replacement of fossil/nuclear by RE sources

Tenant electricity: example of prosumer business models?

Tenants'/consumers' perspective

- **Tenants'** have a limited budget for a warm and light home
- Increasing running costs, i.e. heat, electricity, levies become a „2nd rent“ and burdens tenants (and owner occupiers)
- Need stable, predictable and moderate heat and electricity tariffs
- Positive connotation of RE: contribution to energy transformation



Quelle: STÄWOG

Tenant electricity: example for prosumer business models? Landlords'/producers' perspective

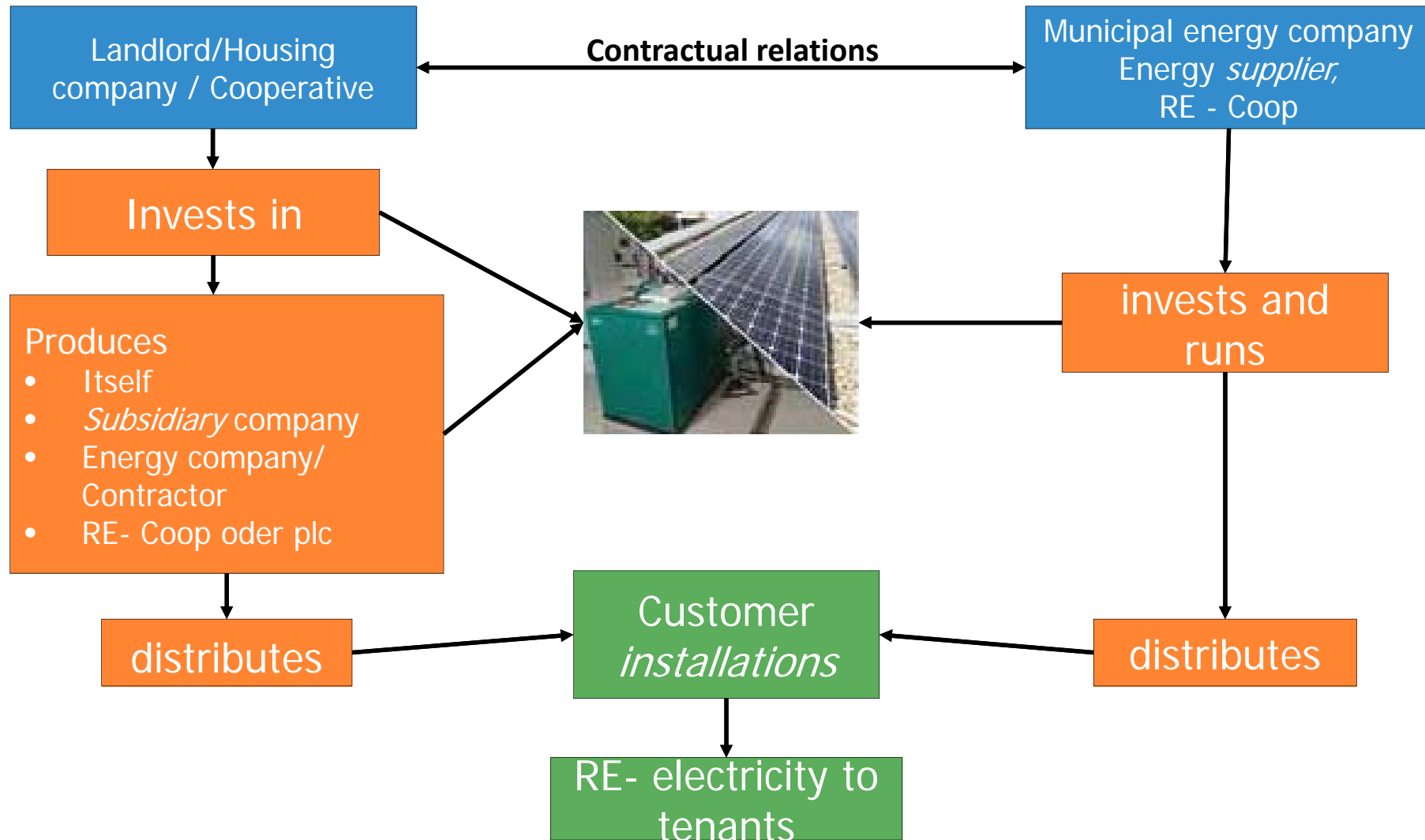
Starting point: heating systems need modernization, i.e replacement of boilers

- **Landlords'** interest: efficient CHP
- Opportunity of PV installation
- Decreasing feed-in tariff reduces profits for landlord
- Slight profit generated by tenants' electricity
- Solar electricity production improves energy balance (EnEV, EEWärmeG)
- PV a must for KfW subsidy programmes
- 2021 target: Nearly Zero Emission Buildings (NZEBs) (Energy Performance of Buildings Directive, EPBD)



Quelle: STÄWOG

Customer installation (Kundenanlage): model for RE & CHP production and local distribution



Chances and challenges: Landlord to tenant electricity within and without the law –Mieterstromgesetz /EEG (1)

Funding within the law

- Grant for PV: individual electricity and common electricity
- Decentral production „on-site“ the building **of PV installation**
- Delivery exclusively to tenants of the dwelling
- Without using public grids → Customer systems
- Regulation of tenancy agreement and electricity price

No funding without the law:

- PV **and/or CHP** - technology open, e.g. small wind turbines
- Decentral production „on-site“ the building
- Without using public grids → Customer installation
- Distribution and sale to **every tenant living in the area**
- **Civil law regulation for one contract governing the rental and RE delivery**

Lost chances: Mieterstromgesetz EEG/ 2017

- Consumption limited to „immediate vicinity to the PV dwelling“(EEG, sec. 21 para. 3) in contradiction with the need of
- Decentral RE-consumption within a larger area⁽¹⁾
- RE grants shrink together with decreasing RE fees
- Decreasing profitability
- No technological openness for combination with wind and CHP
- Billing and change of supplier is difficult
- Prohibition of combined rental and RE contract (EnWG, sec. 42a)
- RE contract limited to max. one year

Alternatives: „räumlicher Zusammenhang“ as in StromStG, sec. 9 I no. 3, or „Kundenanlage“ according to EnWG, sec. 3 no. 24a,b*

*Spatial context: within 4.5 km according to ruling by the Federal Court of Finance (BFH): AZ: VIIR 54/03 as of 18.10.2004.

Consumers

- Stable electricity price, below the tariffs of local main energy supplier
- Contribute to energy transition by buying locally produced renewable electricity
- Awareness of RE production and individual consumption (smart metering)
- Reduces dependence from big E-suppliers

Producers

- Stable relation with customers
- Energy efficient modernization of heating systems
- Contribution to energy transition by producing local RE electricity
- Cooperation with (municipally owned) energy companies
- Strengthening local governance

New business model for RE cooperatives and SME services

Thank you for your attention

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