Good and bad practices - expectations of EU rules in Germany

Katharina Habersbrunner, WECF, BBEn
Board member
9 September 2020
Community energy
Self-consumption and energy communities

1. Renewable Energy Directive (RED II)
   - Individual and collective self-consumption (art. 21)
   - Renewable energy communities (art. 22)

2. Electricity Market Directive (EMD)
   - Active consumer (art. 15)
   - Citizens energy communities (art. 16)

Energy citizens have right to
- generate
- self-consume
- store
- sell renewable energy
- access to renewable energy and to participate in energy communities

Source: https://proseu.eu/
Self-consumption and energy communities

- **self-consumption**
- **collective self-consumption**
- **energy community**

Source: https://www.ceer.eu/documents/104400/-/-/8ee38e61-a802-bd6f-db27-4fb61aa6eb6a
Auctions - status quo

- EEG 2017: Auctions for Wind onshore and ground-mounted PV farms >750kW
- Wind onshore: initial framework for „citizen energy associations“ not helpful for community energy, instead big market distortions

Results:

- Practically no new community energy projects present in the wind onshore and ground-mounted PV markets
- Official target of „diversity of actors“ is missed
- Lack of new community projects: negative effects on the public approval of new RE projects, especially wind farms
**Enabling framework – status quo**

- EEG 2017: definition for „citizen energy association“ which is not compatible with definition of „renewable energy community“
- EEG 2017: Wind auctions: Clearing prize for citizen energy associations is highest winning bid – not helpful. Predictability is needed, not higher premiums

**Outlook:**

- Current EEG draft: no elements of an enabling framework included
- These elements might include:
  - Better REC definition: renewable energy communities
  - Predictable premiums
  - Investment support funds
  - Non-financial support, e.g. consulting
Assessment of barriers and potentials—status quo

- Governance regulation: assessment of potentials and barriers for renewable energy communities needs to be included in NECP
- German NECP does not include assessment of potentials and barriers for renewable energy communities

Outlook:

- Current EEG draft generates additional barriers (new: auctions for rooftop PV > 100kWp)
BAD Practices –
No Framework for Energy Sharing

**Status quo**

- Art. 22 RED II is giving RECs the right to „share, within the renewable energy community, renewable energy that is produced by the production units owned by that renewable energy community”
- German energy law: need to develop a completely new form of electricity delivery via the public grid

**Outlook**

- Current EEG draft: no provision for energy sharing included
BAD Practices
No collective self-consumption possible

**Status quo**
- Art. 21 RED II is giving renewables self-consumers the right to jointly engage in activities.
- Status quo in EEG 2017: only individual self-consumption possible, tenants and other multi-apartment buildings not attractive sites for PV deployment
- “Mieterstrom” (“tenant electricity”) only a substitute and not attractive enough, because very bureaucratic and not economic

**Outlook**
- Current amendment for the EEG: no provision for collective self-consumption, “Mieterstrom” still not attractive enough
GOOD Practices – Strong Community

Many political voices for community energy

Bündnis Bürgerenergie and the German Co-operative federation (DGRV) have a strong network in Germany with many cooperatives, companies, foundations, associatons and initiatives: high expertise and working together on making community energy stronger

Common understanding: community energy is crucial for a just, democratic and participative energy transition
GOOD Practices
No auctions for smaller Installations

Status quo:

- EEG 2017: smaller installations: no auctions needed
  - FITs for installations <100kW,
  - market premiums for installations <750kW.

Installation operators are free to choose aggregator
GOOD Practices - Individual Self-consumption/ Home Storage Market

Status quo:

- EEG 2017: installations <10kWp: self-consumption possible without obligation to pay EEG levy
- Big incentive for private home-owners to install small PV installations
- Storage prices are decreasing: good possibility to increase „autonomy rate“ for households
GOOD and BAD practice

+++ GOOD +++

• Strong community – several political voices for community energy
• FITs/market premiums for small installations, freedom to choose aggregator
• Individual self-consumption (10kW threshold)
• Increasing home storage

--- BAD ---

• Auctions also for communities (new: rooftop >100 kW)
• No enabling framework put in place
• No assessment of barriers and potentials included in NECP
• No framework for energy sharing for communities
• No collective self-consumption possible („Mieterstrom“ only a substitute)
Expectations of EU Rules

**Status quo:**
- Current EEG amendment: no transposition of RED II included
  → Low expectations
- Political timeline: transposition postponed until after federal elections (fall of 2021)

**Outlook:**
We need to fight for
- Strong prosumers (individuals and collectives)
- Strong renewable energy communities (enabling framework & energy sharing)
- High potential of energy communities and energy sharing to reach the 100% RE goal by 2030
Vision of a prosumer centered Energy Union

Today’s typical European energy system (national)

- Regulators
- Policy makers
- Industry
- Utilities
- Consumers
- TSO/DSOs

Prosumers and energy communities

Future European Energy Union

- Regulators
- Policy makers
- Prosumers & energy communities
- Other Consumers
- Utilities
- Industry
- TSO/DSOs

Source: https://proseu.eu/
Thank you!

Katharina Habersbrunner

Katharina.Habersbrunner@wecf.org