

# **Good and bad practices - expectations of EU rules in Germany**



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## 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/



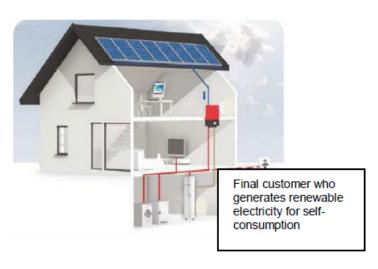
## Self-consumption and energy communities

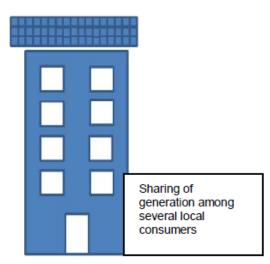


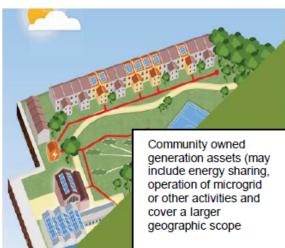
self-consumption

collective self-consumption

energy community







#### **BAD Practices - Auctions**



#### **Auctions - status quo**

- EEG 2017: Auctions for Wind onshore and ground-mounted PV farms >750kW
- Wind onshore: inital 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

## BAD Practices – NO Enabling Framework



#### **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

### BAD Practices – No Assessment of Barriers and Potentials



#### Assessment of barriers and potentials- status quo

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

#### **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-concsumers 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 selfconsumption, "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.</li>
     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



--- BAD ---

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

- 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:**

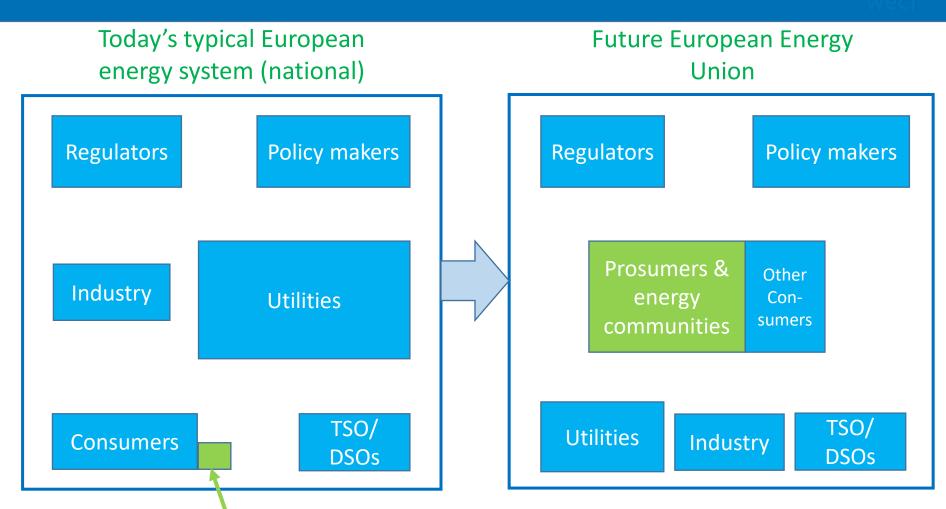
We need to fight for

- 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





Prosumers and energy communities

Source: <a href="https://proseu.eu/">https://proseu.eu/</a>



## Thank you!



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