



## Joint Statement on (Local) Energy Communities

27 November 2018

**Subject: (Local) Energy Communities – their effectiveness will depend on all associated parties**

**EFIEES** (the European Federation of Intelligent Energy Efficiency Services), **ASSOESCO** (the Italian Association of Energy Service Companies) and **CONFINDUSTRIA** (General Confederation of Italian Industries) welcome the establishment of local energy communities, one of the main elements of the next Market Design Directive, currently under institutional negotiations.

The creation of such innovative actors will surely bring multiple environmental, social and economic benefits to communities located in determined areas, reflecting their specificities and allowing for increased citizens' empowerment and engagement in activities that are essential for the sustainable development of their communities.

However, in order for these players to concretely result in a new form of decentralised and efficient energy production, distribution and consumption, as well as develop innovative energy efficiency projects, all actors potentially part of these communities shall be able to play an effective role inside of them. In particular, businesses supporting the development of the communities by bringing expertise, technical know-how and job creation at local level, shall be fully enabled to actively engage in these new entities.

For these reasons:

- **Participation in the communities should be explicitly open to all entities.** As long as they can contribute to the objectives and activities of a community, **private undertakings of any size and nature (industrial, tertiary, ESCOs) shall be entitled to be part of it.** In this way, the creation of a community will be reflective of existing local conditions and potentials, whose assessment shall occur on a case-by-case basis.
- Without prejudice to citizens' centrality within the communities, **all members of a community shall have their voice heard and be consulted in effective manner, considering their respective contribution in terms of know-how and responsibilities, at any time key decisions are taken.** Communities should be based on a **democratic governance** and it should be therefore openly stated that **all relevant decisions inside a community are taken in a concerted way.**
- **While maintaining their local focus, it is important not to limit too much the impact and the scope of (local) energy communities.** That implies that they should be able to be part, where relevant, of larger energy efficiency or circular economy projects involving several infrastructures.
- It is key to ensure that, when a community is established, **any conflict of interest is avoided, allowing for the choice of the best and most-cost effective solution to each specific community.**

We strongly call EU Legislators to incorporate these principles in the final text of the Directive, notably with reference to Recital 30a, Article 2.7 and Article 16. The success of these communities will indeed depend on the degree of participation granted to their members – and the role and potential of the private sector in this respect shall not be forgotten.

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