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Joint Statement on Energy Communities

26 November 2019

Subject: Energy Communities – open for all relevant actors and contributing technologies, including energy efficiency solutions, to fully contribute

EFIEES (the European Federation of Intelligent Energy Efficiency Services), **ASSOESCO** (the Italian Association of Energy Service Companies), **CONFINDUSTRIA** (General Confederation of Italian Industries) and **COGEN Europe** (the European Association for the Promotion of Cogeneration) welcome the establishment of (renewable/citizen) **energy communities**, one of the main elements of the Renewable Energy (RED) and Electricity (MDD) Directives recently approved as part of the *Clean Energy Package for all Europeans*.

The creation of such entities is likely to bring multiple environmental, social and economic benefits at local level. They will allow for increased citizens' empowerment as well as day-to-day community level engagement in sustainable development.

However, in order for these actors of energy transition to engage concretely and actively in a new form of decentralised and efficient energy production, distribution and consumption, as well as develop innovative energy efficiency projects, all potential stakeholders should be able to take part in their design, establishment and functioning - in particular, businesses supporting the development of the communities as they can bring expertise, technical know-how and foster job creation at local level.

For these reasons:

- **Full participation in the communities should be allowed to all entities.** As long as they can prove to contribute to the objectives and activities of a community, **private undertakings of any size and nature (industrial, tertiary, ESCOs) should be eligible to be part of it.** In this way, the creation of every community will be reflective of existing local conditions and potentials (including business-oriented ones), which should be assessed on a case-by-case basis.
- **All members of a community should have their voice heard and be duly consulted, considering their respective contribution in terms of know-how and responsibilities, at any time of the decision-making process.** Communities should be based on a **democratic governance** with all relevant decisions inside a community taken in a concerted way.
- **The scope of (renewable/citizen) energy communities should not be limited to the renewable dimension.** Renewable and energy efficiency solutions are pivotal and complementary in the energy transition. Both should be promoted and integrated in



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these new entities. This would also ensure **consistency with the Energy Efficiency First principle**, clearly defined and affirmed in the Governance of the Energy Union Regulation.

- It is finally 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, accounting for local conditions.**

In light of the above, **we strongly call on the Commission to incorporate these principles in the forthcoming guidelines** for the national implementation of the RED and MDD.

More specifically, according to the MDD, a Citizen Energy Community is “*based on voluntary and open participation and is effectively controlled by members or shareholders that are natural persons, local authorities, including municipalities, or small enterprises*”. At the same time, Renewable Energy Communities are defined by the RED as a legal entity “*the shareholders or members of which are natural persons, SMEs or local authorities, including municipalities*”. **The forthcoming guidelines should permit the voluntary participation to an energy community (renewable/citizen) - even among shareholders or controlling members - of all kind of enterprises, regardless of their size.**

In addition, Renewable Energy Communities are entitled to “*produce, consume, store and sell renewable energy, including through renewables power purchase agreements*”. **The forthcoming guidelines should permit the coexistence of renewable and energy efficiency solutions - such as high efficiency cogeneration - within the communities**, in order to improve their performance in reaching their primary purpose, namely “*provide environmental, economic or social community benefits for their shareholders or members*”, by backing up intermittent RES generation, lowering the system total CO2 emissions, increasing decentralised energy production and enhancing self-consumption. **This would enable effective sector integration and a more efficient deployment of renewables.**

To conclude, the success of these entities will depend on the degree of participation granted to their members **(including private operators and businesses)** and on the **effective application of the Energy Efficiency First principle**, within both citizen and renewable energy communities.

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