



CEER meets BRIDGE Task Force Energy Communities

28 April 2020, 14:00 – 15:45 Webinar

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List of Participants

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Leen	Peeters	Th!nk E (BRIDGE TF leader)





An informal meeting (videoconference) between CEER members (DS and CRM WGs) and the BRIDGE Task Force Energy Communities took place on 28 April 2020, from 14:00 to 15:45 at the initiative of the latter.

Background

BRIDGE is a European Commission/DG ENER initiative which unites the broad Smart Grid and Energy Storage Projects funded under the Horizon 2020 Programme to create a structured view of cross-cutting issues which are encountered in the demonstration projects and may constitute an obstacle to innovation.

The BRIDGE community is composed of energy system stakeholders, such as consumers representatives, grid operators, regulatory experts, local energy communities' representatives, power technology providers, energy suppliers, research and innovation experts, energy system integration experts from the European Technology and Innovation Platform Smart Networks for Energy Transition (ETIP SNET).

The BRIDGE initiative is structured with four permanent Working Groups (Data Management, Business Model, Regulation and Customer Engagement) and four temporary Task Forces (Energy Communities, Replicability/Scalability Analysis, Joint Communication, R&I Priorities).

The BRIDGE Task Force Energy Communities was established following BRIDGE General Assembly of 2019 to look into existing and upcoming frameworks in various EU countries and how the development could be further facilitated.

The TF has been charged with preparing reports and formulating recommendations for the European Commission on the replicability, upscaling and the need for support, as well to inform further research and demonstration needs.

The BRIDGE Taskforce closely cooperates with a respective Working Group and Taskforce of Joint Programming Platform ERA-Net Smart Energy Systems.

The webinar was agreed in mid-February 2020 as immediate follow-up to the "CEER meets BRIDGE" session organised in Brussels during BRIDGE General Assembly of 2020, in order to encourage discussions on the link between BRIDGE Taskforce and regulatory issues.

In particular, as recalled by Mark van Stiphout (EC DG ENER) at the beginning of the meeting, it was reported in the written conclusions of the BRIDGE GA that:

- Inputs from CEER on Energy Communities topic will be communicated to the BRIDGE TF Energy Communities, in order to introduce discussions with the TF on what they need to focus on;
- A common meeting between the TF and CEER will be prepared in April to materialise this collaboration:
- The TF will update the report of the last period, if the need has been identified to have a formal report in addition to the ongoing knowledge co-creation process on the Expera platform. This would be in preparation of a training session which is planned in September with CEER;
- EC will see how they communicate on this task force to Member States.

Summary of the meeting

The leaders of the BRIDGE TF Energy Communities provided an **overview of the 2020 workplan** (PPT attached) and **presented the most relevant topics for the next six months in the form of ten research questions**:

- 1. What are Energy Communities?
- 2. Which potential for renewable energy use can be triggered by a CEC or REC in addition to existing organisations?
- 3. What would benefits and options for a CEC to operate its own (sub)grid?
- 4. What are benefits of CEC or REC in relation to existing means and measures of citizens involvement?
- 5. Which overall cost savings can be expected from CECs compared to existing schemes?
- 6. What are feasible tariffs to allow for the implementation of a CEC as part of the overall energy system?
- 7. How can candidates be supported to establish a CEC or REC?





- 8. What are requirements to ICT solutions for the implementation of a CEC or REC?
- 9. How can data collection and management be limited and data security be ensured in a CEC or REC?
- 10. What is the national situation of Energy Communities in the context of CEP?

Answers to all questions will be recorded in Living Documents on the Taskforce's knowledge platform together with two more documents:

- 11. Cases and experiences
- 12. Conclusions and recommendations

Fredrik Lundström, Co-Chair of the Joint Programming Platform Smart Energy System (JPP ERA Net SES)¹ acknowledged the close cooperation and synergies. He also added that the work of the BRIDGE TF Energy Communities is important for the national agencies that are examining draft legislative texts for the implementation frameworks.

Knowledge and data sharing between experts are done through the <u>Expera platform</u> provided by JPP ERA Net SES.

From the list of 10 questions established by the TF, CEER had previously informed that numbers 5 and 6 on cost savings and on tariffs are currently of most interest to regulators.

A discussion took place where Xavier Hansen (CEER) explained the reasoning behind this choice. In the light of the tasks of regulators, CEER is primarily focussing on three aspects of Energy Communities:

- Their integration into existing energy markets
- Their interaction with grid operators
- Consumer protection issues

Question 5 is therefore particularly relevant, as a **clear understanding of the "cost savings ECs" can provide more clarity on possible economic drivers for communities and for grid benefits**. This is important, as there is a risk that communities involved in sharing would aim to base their business case on reducing the grid utilisation tariffs of their members. Where there is no cost saving for the system, this is not a sustainable approach.

The tariff question itself as posed in question 6 is, of course, a core task of regulators. In this context, Mr Hansen suggested that the taskforce could identify aspects of grid tariff structures and grid tariffs that may be either beneficial or harmful to communities, while remaining cost reflective. These aspects could serve NRAs in developing future tariff structures and in adequately integrating local energy sharing into such structures. He also informed that CEER recently published its paper on electricity distribution tariffs supporting the energy transition, which could provide some insights for the TF to better understand network tariffs.

Furthermore, Leen Peeters presented the 2019 list of recommendations by the TF:

- 1. Draw on the experience of existing energy community initiatives, or create a temporary space for them to emerge in.
- 2. Dare to be ambitious to maximize the potential of energy communities, but adequately differentiate between types
- 3. Specify principles of 'autonomy', 'effective control' in order to avoid elite-capture.
- 4. Define the concept of 'locality' for collective self-consumption and energy sharing in line with grid typology, but do not equate it with the element of 'proximity' for REC.
- 5. Put in place participation mechanisms for energy poor and vulnerable households.
- 6. Consider the value that CEC and REC can provide to the public network,
- 7. Consider the value of REC and CEC to the community.
- 8. Pro-actively support the set-up of REC and CEC.
- 9. Consider a separate auction-based support scheme for REC
- 10. Streamline, simplify and make less burdensome licensing and network connection procedures.
- 11. Do no reduce the concept of CEC and REC to mere collective self-consumption and vice versa.

¹ https://www.eranet-smartenergysystems.eu





Referring to a recent <u>virtual conference</u> organized by JPP SES in cooperation with Mission Innovation Austria, 10 concrete cases/demos from EU partners fitting (more or less) with existing directives were also presented by TF leaders.

The following questions for the TF to focus on were identified:

On cost savings

- What do various types of Energy Communities mean for grids?
- How to relate grid/system benefits to other (e.g. societal) benefits?
- How to assess and optimize profiles of groups of prosumers (e.g. organized in an Energy Community)?
- What cost (reductions) shall we consider: short term and/or long term? OPEX and CAPEX!

On tariffs

- By what means can one incentivise benefits to the grids / the system? Are their means of remuneration beyond tariffs?
- > How do market(places) for energy services (e.g. flexibilities) relate to (grid) tariffs for energy communities?
- What tariff structures help or harm ECs?
- What is "fair" with respect to specific tariffs in relation to tariffs for energy customers not organized in an Energy Community?
- What are aspects related to taxes?
- > How shall we value capacity tariffs?
- How shall we relate specific tariffs for Energy Communities (according to EC directives) to tariffs for single grid users or other organizational structures?

NEXT STEPS

- TF leaders reminded that all participants in the meeting are invited to join in Expera knowledge sharing platform: https://t1p.de/usr9 (please register and in case of doubts or technical issues directly contact Mr Karg).
- It was agreed that the TF will work on the suggested questions 5 and 6 in priority in 2020, with the following basis:
 - Q5: clear understanding of the "cost savings ECs" can provide more clarity on possible economic drivers for communities and for grid benefits;
 - Q6: identify aspects of grid tariff structures and grid tariffs that may be either beneficial or harmful to communities, while remaining cost reflective.

Concentrating amongst others on the questions that have been identified throughout the discussion, the task force could identify more topics or more specific questions that needs to work on in questions 5 and 6.

- Another similar virtual meeting will be organized at the end of May, for the TF to present the
 work process and intermediate results. This way, the TF can provide the requested input to DG
 ENER by the end of June.
- NRAs/CEER are asked to share more information on tariffs. NRAs/CEER are also welcome to
 provide comments and inputs on other questions to be tackled by the TF. This can be done by
 getting in touch with Nicolas Peraudeau nicolas.peraudeau@dowel.eu or through CEER Secretariat.