



# POWERITY

Interreg Europe



European Union  
European Regional  
Development Fund

2<sup>ND</sup> Interregional Thematic Seminar

**Session II: State of the art of the  
regulatory framework in the  
POWERITY partner countries**

**Online, 8 April 2021**

# STATE OF ART

## Energy Poverty regulation

## Renewable Energy normative





Andalucía in Spain  
Andalusian Energy Agency (AEA)

- **2009:** [Social bonus for electricity](#) (RDL6/2009)
- **2013:** Urban renovation, regeneration and renewal (L8/2013)
- **2014:** Program of [minimum vital supplies of the Junta de Andalucía](#) (DL8/2014)
- **2017:** Definition of vulnerable consumer (RD897/2017)
- **2017:** Prohibition of disconnection of electricity of the consumer at risk of social exclusion
- **2017:** Program of [housing renovation for vulnerable households](#) (Catalonia)
- **2018:** [Social bonus for heating](#), hot water and cooking (RDL15/2018)
- **2018:** Prohibition of disconnection of electricity of vulnerable groups
- **2019:** [National strategy against Energy poverty 2019– 2024](#) was approved (mandatory RD15/2018)

Definition of Energy Poverty. 4 axes and 19 measures. Objective 25% (→ 50%) reduce indicators for 2025

- **2020:** Social bonus including SMEs and families affected by COVID19 (RD11/2020)
- **2020:** [National Energy and Climate Plan 2021-2030](#). Measure 4.11: Fight against Energy poverty.

→ *European week of energy poverty (17-23 February)*



## Andalucía in Spain Andalusian Energy Agency (AEA)

The regulation of self-consumption in Spain began in 2011 although the great novelties that enhance it have arrived in 2018, with the **repeal of the sun tax**, and in 2019 with **RD244/2019** that places the **citizen at the center of the energy model** with **free access** to the production and **sale of energy** and responsible for its consumption.

- **Taxations free**. The elimination of all charges and tolls for self-consumed renewable energy.
- **Simply bureaucratic procedures**. The elimination of access and connection permits (powers <15 kw), the obligation of a second meter disappears ...
- **Unlimit instaled power**. Before you could not install a photovoltaic power equal to or less than the contracted power, now it is possible.
- **New surplus compensation**. Among the regulated modalities is that of pouring excess energy into the network (power <100kW) which is discounted in the monthly bill (Limit amount of the bill).
- **Third party production**. The rental of roofs is allowed for third parties to generate electricity and share the benefits.
- **Collective self-consumption / proximity installation**. Facilitate collective self-consumption and define proximity installation as production or generation facility intended to generate electricity to supply one or more consumers under any of the self-consumption modalities. This allows shared self-consumption in **industrial estates**, in **residential areas** and collective self-consumption in the **community of owners**.
- **Self-consumption record**. Monitoring integrated energy and climate plans.



## Andalucía in Spain Andalusian Energy Agency (AEA)

- **2019 April:** An advanced framework on self-consumption allowing for the use of the public grid by **collective self-consumption** (RD244/2019)
- **2020 June:** First introduces **energy communities and aggregators**, only defining their general purpose and nature (DL 23/2020)
- **2020 November:** Ministry for the Ecological Transition and the Demographic Challenge launched an **public consultation** about local energy communities
- **2021 January:** Ministry for the Ecological Transition and the Demographic Challenge launched an **expression of interest** to identify mechanisms to promote local energy communities
- **2021 February:** Energy communities as beneficiaries of grants **programme** for building modernization “PREE” (including RES) + **social criteria** (social bonus)

So far, no detailed legislation on energy communities exists but there is **great interest for the local energy communities** and many initiatives similar to them are already emerging (**more than 30**)



Auvergne-Rhône-Alpes in France  
AuRA Energy Environment Agency (AURAE)

**Law of 10 July 2010, known as Grenelle 2, sets out a legal definition of energy poverty:**

"Is in a situation of energy poverty [...] a person who experiences in his housing specific difficulties to have the energy supply necessary to satisfy his basic needs due to the unsuitability of his resources or his housing conditions".

**1 March 2011:** setting up of the **National Energy Poverty Observatory (ONPE)**. To measure energy poverty, the ONPE uses a basket of indicators: the energy effort rate, the low income/high expenditure indicator and the feeling of discomfort => 1 million households are in a situation of thermal discomfort and economic vulnerability and about 5.6 million households are in energy poverty according to at least one indicator.

**2018:** introduction of the **energy voucher**, a State aid for low-income households to pay for energy costs in their homes and for some energy renovation work. The scheme now covers almost 5.5 million households.

**Energy renovation programmes** for the most vulnerable households - Creation of the National Housing Agency in 1971 and introduction into French law of programmed housing improvement operations in 1991.



Auvergne-Rhône-Alpes in France  
AuRA Energy Environment Agency (AURAE)

**SELF CONSUMPTION NORMATIVE:** law 2017-2277 and decree 2017-676 (French government 2017) which contain provisions for individual and **collective self-consumption**.

- Individual self-consumption is limited to a single person with on-site presumption
- Individual self-consumption does not involve the public grid for sharing the produced electricity while collective self-consumption does
- Collective self-consumers can choose between the standard distribution grid tariff (TURPE – national Distribution Grid Utilization Tariff) and CSC TURPE (Enedis 2019)
- Collective self-consumption is allowed if electricity is produced and consumed by several consumers and producers linked together through a legal entity -> covers a basic requirement for energy communities according to the EU framework
- In 2019, collective self-consumption was extended to a geographic distance of 2 km between the injection and consumption points with a cumulative power of the production facilities below 3 MW on the continental metropolitan territory. In a recent amendment, an exceptional increase to a 20 km distance between the two most distant participants is foreseen for isolated projects in areas of low population density (French government 2020)



## Auvergne-Rhône-Alpes in France AuRA Energy Environment Agency (AURAE)

The concept of **renewable energy community** has been transposed into French law by the law n° 2019-1147 of 8 November 2019 on energy and climate.

An autonomous legal entity can be considered a renewable energy community if it:

- Is based on open and voluntary participation
- Is effectively controlled by shareholders or members in the vicinity of the renewable energy projects it has subscribed to and developed. Its shareholders or members are natural persons, small and medium-sized enterprises, local authorities or their associations
- Its primary objective is to provide environmental, economic or social benefits to its shareholders or members or to the local territories where it operates, rather than to seek profit

A renewable energy community is allowed to:

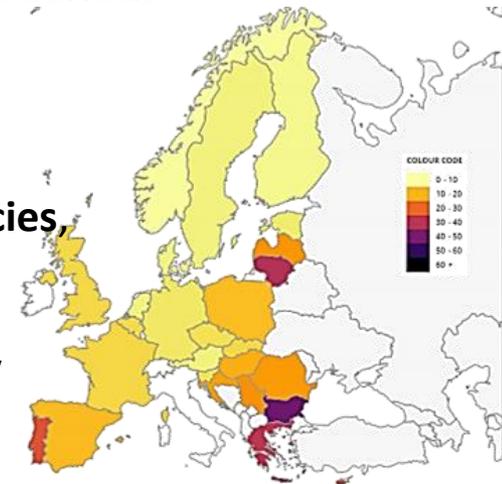
- Produce, consume, store and sell renewable energy, including through renewable electricity purchase agreements
- Share, within the community, the renewable energy produced by the generation units owned by the community
- Access to all relevant energy markets, directly or through an aggregator.



Plovdiv in Bulgaria  
Energy Agency of Plovdiv (EAP)

## REGULATORY: Country energy poverty progress

- Energy poverty (EP) remains a very serious problem in Bulgaria:
  - it covers significant part of the population;
  - due to its specific context and nature in Bulgaria, it **leads to serious environmental problems**, especially with air quality
- **There is no working definition developed at national level**
- As of now, **EP is tackled as a part of a broader set of social policies**, making no distinction with income poverty
- There are also no targeted measures to alleviate energy poverty
- **Definition on Vulnerable consumers (electricity) !**
- EC's assessment of the final **National energy and climate plan**– it still lacks an assessment of energy poverty (there is no estimation of the number of energy-poor households, nor is there an indicative target to reduce this number).





Plovdiv in Bulgaria  
Energy Agency of Plovdiv (EAP)

## ENERGY POVERTY REGULATORY REFORMS – used in key strategic documents

### ➤ NATIONAL ENERGY AND CLIMATE PLAN

- ❑ Outlines EP as a serious problem
- ❑ Outlines the need of a mechanism to protect the vulnerable consumers
- The lack of such mechanism is a barrier for the start of the full liberalization of the electricity market
- The mechanism should ensure a **minimum quantity of electricity, other than heating needs.**
- The Mechanism plans to subsidize 100 or 150 kWh/m of electricity, in dependence of the heating mean, of nearly 500 000 households for a time of 5 years.

### NATIONAL PLAN FOR RECOVERY AND SUSTAINABILITY

- ❑ Energy Poverty definition for the purpose of financing energy efficiency projects

Timeline:

- **Q3/2021** Establishment of a working group for preparation of a proposal by the respective Ministries – Ministry of Energy & Ministry of Regional Development and Public works
- **Q1/2022** Draft definition of "energy poverty" requires amendments of the Energy Efficiency Act (EEA)
- **Q2/2022** Adoption of an improved EE Act



Plovdiv in Bulgaria  
Energy Agency of Plovdiv (EAP)

## 3 BAPVs support schemes for single household are established

### 1) Individual self-consumption mode “entirely for self-consumption” (the easiest to implement)

- The DSO has just to be notified, as long as there is no power to the grid
- BESSs are allowed to be installed
- Collective self-consumption is also allowed in this case.

### 2) Net billing - whether the surplus is fed to the grid (hard to implement by the vulnerable groups)

- according to the requirements of the Renewable Energy Act., the price at which electricity is sold is determined by EWRC

### 3) Feed-in tariffs - preferential prices are utilized for PVs up to 30 kWp (Premiums) through the FiTs (the scheme is not appropriate for individual HHs)

- No net-metering is yet available
- Battery Energy Storage Systems (BESSs) - consumers utilise battery storage technology for domestic purposes and for increased self-sufficiency

# ENERGY COMMUNITIES REGULATION



Plovdiv in Bulgaria  
Energy Agency of Plovdiv (EAP)

**None of the concepts below are yet transposed into the national legislation:**

Self-consumer	Active customer	Renewable Energy Community (REC)	Citizens Energy Community (CEC)
Art. 21. of REDII 2018/2001	Art.15 IEMD of 2019/944	Art. 22. of REDII 2018/2001	Art.16 of IEMD 2019/944

- There are **no energy communities Reforms/Targets set** in the National Recovery and Sustainability Plan.
- The national energy and climate plan sets the following targets:
  - Promotion of local energy communities to participate more actively and efficiently in the market and to enable an active transition of the **Active customers**
  - Creation of a digital platform and tools for comparing the suppliers offers, which will support the active participation of consumers in the market.



## Opole in Poland Agglomeration Opole Trust (AOT)

1. In Poland, there is no definition of energy poverty.
2. In **the Energy Law**, Art. 3 section 8c, only the concept of "Sensitive Customer" appears, e.g. in relation to electricity :Quote "sensitive consumer of electricity - a person who has been granted a housing allowance within the meaning of Art. 2 clause 1 of the Act of June 21, 2001 on housing allowances (Journal of Laws of 2019, item 2133), which is a party to a comprehensive contract or an electricity sales contract concluded with an energy company and resides in the place where electricity is supplied;
3. Similarly, for the purposes of the Stop Smog Program, the following quotation was defined: "**A household is energy poor** if it has difficulties in satisfying its energy needs due to: low income or characteristics of the apartment. If the cost of meeting energy needs is so high that household members are faced with the dilemma of limiting these needs or saving at the expense of other goods, such as food, medicine or education, then we are talking about energy poverty. In addition,
4. on February 23, 2021, (appointed by the Minister of Climate) was established TEAM to support a vulnerable recipient and reduce energy poverty in Poland.



Opole in Poland  
Agglomeration Opole Trust (AOT)

## 1. Regulations on energy self-consumption were included in Chapter 2 of the Act on Renewable Energy Sources (Journal of Laws of 2015, item 478, as amended)

### Main conclusions of the act:

- Electricity introduced into the distribution network is subject to settlement not earlier than 12 months before the date of introducing energy into the network. It means that surplus energy can be stored in the public grid for a period of 365 days, and its reception takes place in a ratio of 1: 0.8 or 1: 0.7. **We can take 80% or 70 % of the energy introduced by us to the public grid. This solution is called annual electricity balancing.( more than 10 kW - in a quantitative ratio of 1 to 0.7; not more than 10 kW - in a quantitative ratio of 1 to 0.8)**
- No connection fee,
- No need to run your own business to be able to resell the surplus of produced Energy,
- electricity is resold at 100% of the average energy price from the previous year,
- the cost of installing a two-way meter is on the side of the energy company, not the prosumer,
- Photovoltaic installations with a capacity lower than the previously issued connection conditions may be connected on the basis of notification of this fact to the energy operator.
- Power of the photovoltaic installation cannot be higher than the connection capacity

# ENERGY COMMUNITIES REGULATION



Opole in Poland  
Agglomeration Opole Trust (AOT)

Legal regulations regarding **energy cooperatives (Energy communities)** and energy clusters have been included in the Act on Renewable Energy Sources (Journal of Laws of 2015, item 478, as amended)

The body responsible for maintaining the list of energy cooperatives is the **General Director of KOWR (National Agricultural Support Center)**.



***But...in Poland they are a non-existent and unrecognized phenomenon. The existing regulations on energy cooperatives remain completely dead – till now, no one has been created in Poland.***

***In Poland, the initiatives which works quite well are Energy clusters.***



In Lithuania

Public Investment Development Agency (VIPA)

- There is no legal definition of Energy Poverty in Lithuania
- The Lithuanian Department of Statistics regularly performs sample household's survey and calculates 4 main indicators to measure Energy Poverty. These indicators are proposed by EU Energy Poverty Observatory:
  1. Arrears on utility bills (*share of (sub)population having arrears on utility bills*) – 7,9% in 2017
  2. Low absolute energy expenditure (*share of households whose absolute energy expenditure is below half the national median*) – 28,9% in 2017
  3. High share of energy expenditure in income (*the proportion of households whose share of energy expenditure in income is more than twice the national median share*) – 17,1% in 2016
  4. Inability to keep home adequately warm (*share of (sub)population not able to keep their home adequately warm*) – 14,9% in 2016



In Lithuania

Public Investment Development Agency (VIPA)

- PEER TO PEER EXCHANGE - currently prosumers (energy consumers producing energy for self consumption) in Lithuania don't have possibility to transfer or sell extra energy from powerplants that they own. Discussion is being held to change this situation
- **UNLIMITED DISTANCE** – there is no limit for energy (electric) delivery within Lithuania for prosumers:
  - prosumers can build powerplant in one part (e. g. on the land that they own in countryside) of Lithuania and consume at several places (only at places that they own). There is an electricity network fee for energy accumulation and transfer which is approved by National energy regulatory council (fee is not applied for electricity consumed at the site of production, e.g. on the roof)
  - prosumers can buy part of the big power plants (remote power plants) build specially for self-consumption purpose (special procedures and regulations applied) and consume at any place (that they own) in Lithuania. There is an electricity network fee for energy accumulation and transfer which is approved by National energy regulatory council
- **HIGH VOLTAGE DISTRIBUTION** – there is possibility for big energy consumers having access to high voltage network to get advantage of prosumer model to. Both energy production and consumption sites have to be connected to such network. There is an electricity network fee for energy accumulation and transfer which is approved by National energy regulatory council which is lower than the one for low voltage network users
- COLLECTIVE AND PROXIMITY SELF-CONSUMPTION – prosumers can build collectively or buy part of already build powerplant as well as to build powerplant on the site of consumption. New regulation on renewable energy communities was also adopted to expand possibilities for collective self-consumption
- THE ENERGY FROM RENEWABLE ENERGIES HAS NO CHARGES OR TOLLS – energy production from RES does not have any charges and tolls, There is an electricity network fee for energy accumulation and transfer which each year is approved by National energy regulatory council
- THE POWER INSTALLATION SELF-CONSUMPTION WITHOUT LIMIT – there is no limit for power plants that are build for prosumers, nevertheless there is a limit of power capacity to be used at one site limited to 500 kW (e. g. remote power plant can be 10 MW, but one prosumer for one of its sites can buy only 500 kW)



In Lithuania

Public Investment Development Agency (VIPA)

In **Lithuania**, a new law on renewable energy has been approved which allows the establishment of renewable energy communities (Republic of Lithuania 2020).

## **Renewable energy community (REC) shareholding structure:**

- at least 51% of energy community members must be natural persons. Other members can be – municipality, companies, etc.
- shareholders (natural persons) have to reside in the same municipality or in neighboring one (proximity limitation)
- shareholders cannot have more than 20% of the votes in another energy producing company
- shareholders can't receive profit, all profit has to be attributed to community interest in the field of environment, community welfare, education, recreational or culture

## **REC activities and rights**

- design and manage energy power plants (heat or electricity)
- produce and sell the generated energy (to REC members or network) without independent energy provider license
- deliver produced energy to REC members free of charge
- REC has priority when selling energy to network
- spatial planning process is simplified for renewable energy plants below 500 kW

# CONCLUSIONS: ENERGY POVERTY

	Spain	France	Bulgaria	Poland	Lithuania
National Energy Poverty Strategy	YES	YES	NO	NO	NO
Definition of Energy Poverty	YES	YES	NO	NO	NO
National Energy Poverty Observatory	YES Ministry	YES	NO	NO	YES
Subsidies for the energy renovation of housing	YES	YES	NO Currently	YES	YES
Energy saving certificates dedicated to the fight against energy poverty	NO	YES	NO	NO	NO
Solidarity Fund	YES Energy bills	YES housing	NO	NO	NO

# CONCLUSIONS: RES NORMATIVE

	Spain	France	Bulgaria	Poland	Lithuania
Peer to peer exchange	NO	YES	NO	NO	NO
Unlimited distance	NO 500m	NO 2 km urban 20 km rural	NO	NO	YES
High voltaje distribution	NO low	NO low - medium	NO low	NO low	YES
Collective and proximity self-consumption	YES	YES	YES	NO	YES
The self consumption energy from renewable energies free charges or tolls	YES	YES	NO Duty taxes & Grid taxes	NO PV fees are charged	YES
The power installations self-consumption without limit	YES	NO 3MWp max	NO <connection capacity	NO <connection capacity	NO



# POWERTY

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# Thank you!

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