

## New Clean Energy Communities in a Changing European Energy System (NEWCOMERS)

#### Deliverable 7.1

# Comparative analysis of country-level and case study results & identification of best practices

Version: 1

WP 7: Synthesis and co-creation of policy recommendations

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#### The NEWCOMERS Project

In its 'Clean Energy for all Europeans' package, the European Union puts citizens at the core of the clean energy transitions. Beyond policy, disruptive innovations in energy sectors are challenging the traditional business model of large energy utilities. One such disruptive, social innovation is the emergence of new clean energy communities ("NEWCOMERS").

The possible benefits of these "NEWCOMERS" for their members and for society at large are still emerging and their potential to support the goals of the Energy Union is unclear. Using a highly innovative holistic approach – drawing on cutting edge theories and methods from a broad range of social sciences coupled with strong technical knowledge and industry insight – the NEWCOMERS consortium will analyse European energy communities from various angles. By taking an interdisciplinary approach and through employing co-creation strategies, in which research participants are actively involved in the design and implementation of the research, the NEWCOMERS project will deliver practical recommendations about how the European Union as well as national and local governments can support new clean energy communities to help them flourish and unfold their potential benefits for citizens and the Energy Union.



#### **Summary of the NEWCOMERS Project's Objectives**

As subsidiary objectives, the NEWCOMERS project aims to

- provide a novel theoretical framework based on polycentric governance theory, combined
  with elements from social practice theory, innovation theory and value theory, in which the
  emergence and diffusion of new clean energy communities can be analysed and opportunities
  for learning in different national and local polycentric settings can be explored;
- develop a typology of new clean energy community business models which allows to assess
  the different types of value creation of "newcomers" as well as their economic viability and
  potential to be scaled up under various conditions;
- identify the types of clean energy communities that perform best along a variety of dimensions, such as citizen engagement, value creation, and learning, and their potential to address energy poverty, while being based on sustainable business models;
- investigate the regulatory, institutional and social conditions, at the national and local level
  which are favourable for the emergence, operation and further diffusion of new clean energy
  communities and enable them to unfold their benefits in the best possible way;
- explore how new clean energy communities are co-designed with their members' (i.e. citizens' and consumers') needs, in particular whether new clean energy communities have the potential to increase the affordability of energy, their members' energy literacy and efficiency in the use of energy, as well as their members' and society's participation in clean energy transition in Europe;
- deliver practical recommendations based on stakeholder dialogue how the EU as well as
  national and local governments can support new clean energy communities to make them
  flourish and unfold their benefits in the best possible way;
- offer citizens and members of new clean energy communities a new online platform 'Ourenergy.eu' on which new clean energy communities can connect and share best practices and
  interested citizens can learn about the concept of energy communities and find opportunities
  to join an energy community in their vicinity.

Find out more about NEWCOMERS at: https://www.newcomersh2020.eu/



#### **NEWCOMERS Consortium Partners**

Logo	Organisation	Туре	Country
VI VRIJE UNIVERSITEIT AMSTERDAM	Institute for Environmental Studies (IVM), Vrije Universiteit Amsterdam (VUA)	University	The Netherlands
LUND UNIVERSITY  LUND THE RATE PLANT ALL RESTRICT FOR ROUST FRALE EPHYTOLOGISH R. ECONOMICS	International Institute for Industrial Environmental Economics (IIIEE) at Lund University (LU)	University	Sweden
eci university of OXFORD Environmental Change Institute	Environmental Change Institute (ECI), University of Oxford (UOXF)	University	United Kingdom
Univerza v Ljubljani	Faculty of Social Sciences, University of Ljubljana (UL)	University	Slovenia
<b>/</b> 7/ <b>∧</b> ≡	Institute for Advanced Energy Technologies "Nicola Giordano" (ITAE), National Research Council (CNR)	Research organisation	Italy
Leibniz Institute for Economic Research	Leibniz Institute for Economic Research (RWI)	Research organisation	Germany
consensus I <b>⇒</b>	Consensus Communications (CONS)	Private for Profit (SME)	Slovenia
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#### Disclaimer

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#### **1** EXECUTIVE SUMMARY

New Clean Energy Communities (CECs), which we define as 'associations of actors engaged in energy system transformation through collective, participatory, and engaging processes, seeking collective outcomes', offer various potentials for the promotion of local energy transitions. Yet, they strongly differ in their characteristics and ways in which they operate. Also, the environments in which CECs operate differ strongly between European countries. Following from the ongoing decentralisation and digitisation of energy markets, new forms of clean energy communities have developed across Europe, which are characterised by novel forms of value creation, the use of innovative technologies and new alliances of actors that jointly engage in energy system transformation.

In this synthesis report, we summarise the insights we gained in the NEWCOMERS project about new clean energy communities' emergence, operation and potential for further diffusion. Between June 2019 and November 2021, we gathered data at the country level and from 10 case study communities across six European countries (NL, DE, SE, UK, IT, SI). In addition, we ran a large-scale citizen survey in nine European countries (NEWCOMERS countries + ES, FR, PL) to get a clear picture of citizens' perceptions of clean energy communities.

The key conclusions we draw across 10 focal areas of our research can be summarized as follows:

- Given the great variety of (new) clean energy communities (CECs), a sufficiently broad definition of the term 'clean energy community' is required in national policy (see 3.1).
- The development of new CEC business models involves reordering relationships within energy systems and the development of multiple value propositions to different system actors (see 3.2).
- Networks and knowledge-sharing within and between CECs, as well as between CECs and other stakeholders in the energy system, are crucial for CEC development and operation (see 3.3).
- The use of technologies for energy production, storage and distribution strongly depends on infrastructure regulation as well as on the (perceived) technical and financial risks of different technology options (see 3.4).
- CECs offer their members various benefits, including financial benefits, a higher degree of self-sufficiency, environmental benefits as well as social benefits. For non-members, financial benefits are making CECs particularly attractive (see 3.5)
- CECs mobilise people to invest in clean energy capacity, thereby increasing the contribution of clean energy to the system as a whole. Citizens therefore widely acknowledge the role of CECs for the energy transitions (see 3.6).



- CECs are often not (yet) designed to be able to create value for the distribution network or transmission grid, which suggests further potentials in that area (see 3.7).
- Administrative and legal barriers, lack of knowledge on the part of consumers as well as cultural barriers are the key obstacles to overcome to create supportive environments for CECs (see 3.8)
- Key levers for the further diffusion of CECs are to support knowledge transfer and replication of successful CEC approaches, and to adapt national legislation, regulation and policies (see 3.9)
- In particular, it seems important that EU regulations allow for adaptation to national circumstances to enable the development of local versions of CECs, and not to exclude initiatives (see 3.10)

While CECs are essentially a form of social innovation and are often strongly driven by bottom-up initiatives, their further development and wider diffusion is closely linked to the creation of favourable environments. These rely on legislation, regulation and policies but also on knowledge diffusion, actor networks, as well as societal culture. This makes the further development of the CEC sector a challenge that needs to be tackled differently in each country.

#### 2 INTRODUCTION

#### 2.1 Background

The NEWCOMERS project started in June 2019 with the goal to enhance our understanding of emerging new forms of clean energy community (CEC) business models. As part of larger transformations of the European energy markets, especially the ongoing decentralisation and digitisation of energy markets, we observed that various new forms of clean energy communities had developed across Europe, which were characterised by novel forms of value creation, the use of innovative technologies and new alliances of actors that jointly engaged in energy system transformation. To analyse the potential of these new forms of clean energy communities, we intentionally applied a relatively broad definition of clean energy community, which allowed us to subsume a variety of community types, differing in their goals and their structures, in the types of technologies used, and also regarding their status as either place-based or virtual communities. Besides getting a deep understanding of the factors that drive the emergence of new clean energy communities, we also aimed to explore the internal and external structures in which they operate and to link energy community success or failure to the wider policy environment in which they emerged.

Our analysis thereby followed a theoretical and conceptual framework based on polycentric governance theory, developed in work package 2 (WP2). The research started with a mapping and comparison of national polycentric settings for new clean energy communities (WP3). In parallel, we started analysing 10 energy community case studies across the 6 NEWCOMERS countries, regarding their emergence and operation (WP 4), their potential to stimulate conservation



behaviour and demand response (WP 5) and regarding the current and potential benefits for their members and society (WP 6). The parallel analysis at national and community level was necessary to consider the development of each community in the context of the national environments, determined, inter alia, by the socioeconomic conditions, the technical system, institutional settings and relevant actors.

#### 2.2 Role of this deliverable in the project

This deliverable aims to provide a compact synthesis of the project's findings based on the analysis of regulatory environments in the 6 NEWCOMERS countries (NL, DE, SE, UK, IT, SI) that has been carried out in WP 3 and the empirical research that has been carried out in 10 case study communities across the six NEWCOMERS countries (WPs 4 to 6).

#### 2.3 Approach

We decided to present the synthesis of our key findings in a compact way that allows the reader to quickly take away the key insights and good practices we identified. We enrich each key finding and good practice example with links to further reading (i.e. detailed reports and working papers that resulted from our research during the past 2,5 years) such that interested readers are automatically guided to more elaborate research reports where they can find the details of our results and can dig deeper into our analysis.

#### 2.4 Structure of the document

The structure of the document follows the focal areas of our research, which are

- to understand the phenomenon of new clean energy communities, i.e. how to define them (3.1) and how to characterise their business models (3.2),
- to understand how new clean energy communities emerge and operate, i.e. which actors and networks are necessary to bring them to life and what is the role of knowledge and learning (3.3), as well as what is the role of different technologies in the emergence and operation of new clean energy communities (3.4)
- to identify the benefits that they generate for their individual members and local communities (3.5), society at large (3.6) and distributed energy systems (3.7)
- to explore favourable environments for new clean energy communities (3.8), as well as potentials for the further diffusion and scaling of energy communities (3.9) and
- to assess current EU and national policies regarding their role for new clean energy community emergence and operation (3.10).



#### 3 KEY FINDINGS

#### 3.1 Definition of new clean energy communities (CECs)

#### How can (new) clean energy communities be defined?

We define clean energy communities (CECs) as 'associations of actors engaged in energy system transformation through collective, participatory, and engaging processes, seeking collective outcomes'. This definition is wider than that proposed in the EU's Clean Energy Package as it explicitly recognises the array of actors involved in contemporary activity, including for-profit enterprises.

Read on: Blasch et al. (2021)

#### **KEY FINDINGS**

- A common focus uniting new clean energy communities is finding ways to consume locally generated power.
  - i Read on: **D4.6**, Section 5 (forthcoming)
- Different types of energy communities can be identified, by foregrounding the actors involved, technologies employed, or business models pursued in energy communities.
  - Read on: **Barnes and Hansen** (forthcoming)
- To capture contemporary activity and support further experimentation in energy communities, a sufficiently broad definition of energy community is required in national policy.
  - 1 Read on: D3.3, chapter 3



#### TYPES OF ENERGY COMMUNITIES

In 'Governing energy communities: the role of actors and expertise in business model innovation' (Barnes and Hansen, forthcoming), we identify different types of energy community business models as resulting from the actors involved in their creation. For example, renewable energy cooperatives are typically developed by local individuals coming together.



#### 3.2 New clean energy community business models

#### What characterises energy community business models?

To survive and flourish within transforming energy systems energy communities have to develop new, often highly innovative business models.

#### **KEY FINDINGS**

- The viability of new business models is strongly influenced by the national energy markets in which they operate. For instance, national policies around the deployment of renewable generation technologies have provided a vital catalyst to the development of energy communities.
  - Read on: **D3.3,** chapter 4.3 and 5
- Relatively standardised and stable business models can be identified and linked to national policy frameworks.
  - Read on: <u>D3.3, chapter 4.3</u> and Barnes and Hansen (forthcoming)
- Despite differing contexts and operational models, clean energy communities usually share one motivation, amongst others: contributing, in some form, to the success of the energy transition.
  - i Read on: **D4.6,** chapter 3.1 (forthcoming)
- Communities do not operate in a vacuum. The development of new business models therefore means reordering relationships within energy systems and the development of multiple value propositions to different system actors.
- Only a small number of energy communities are currently engaging with the active management of electricity networks or seeking to engage with emerging flexibility markets.
  - Read on: <u>Distributed energy resources and energy</u> communities, a working paper, chapter 3

#### GOOD PRACTICE: POSTCODEROOS REGULATION IN THE NETHERLANDS

One example of the effect of favourable policy frameworks on business models is the Dutch postcoderoos regulation. The scheme offers a partial tax exemption for owners of distributed renewable generation technologies who live in the postcode area of a generation asset or in postcode areas adjacent to it. The scheme was introduced in 2014 and supported a reasonably standardised energy community business model up until its closure at the end of March 2021: community members invest in cooperatively-owned generation assets in their own or a neighbouring postcode; a portion of members' electricity imports are matched to their share of power generated by the cooperative installation, which is then eligible for a tax deduction of approximately 12 c/kWh (at 2020 tax rates) up to 10,000 kWh/year for 15 years. Such regulations support the replication of CECs.



#### 3.3 Actors, networks and the role of skills and learning

#### Why and how do clean energy communities collaborate with other actors?

CECs are largely dependent on volunteering citizens and may lack the full professional expertise needed to set up viable renewable energy projects. This makes them dependent on external parties with specific knowledge and skills. For new clean energy communities this is especially relevant as they are pioneering innovative business models, technologies, and citizen engagement practices. To address their needs, new clean energy communities are increasingly building up networks, partnerships and alliances with a broad variety of actors, such as municipalities, companies and CEC networks and associations (umbrella organisations). Partnering with others opens up a wider array of possibilities for CEC business models.

## How do members of clean energy communities interact and learn from each other?

Learning processes are taking place within energy communities in various ways, as members are very active in sharing knowledge with other members. Consequently, CECs may impersonate real 'knowledge banks' from which information is shared among community members in different ways.

#### **KEY FINDINGS**

- Energy communities typically rely on third party actors, especially grid operators who are responsible for electricity networks. If off grid, they will still need technical expertise, probably from a professional operator, to run the microgrid/microsystem.
  - i Read on: **D4.6** (forthcoming)
- There are considerable differences between EU member states in terms of supportive infrastructures for energy communities. Some have dedicated umbrella organisations in place, whereas others have none. Such organisations may help in diffusing technical, financial and legal information, and may also function as arenas for networking and lobbying.
  - Read on: <u>D3.3</u>, <u>section 4.4.1</u>
- Energy communities are increasingly forming partnerships with each other and also with local governments in order to accelerate local energy transitions.
  - i Read on: Barnes and Hansen (forthcoming)
- Energy community members are acquiring and sharing all kinds of knowledge and technical and non-technical skills in the area of renewable energy and energy efficiency.
  - 1 Read on: <u>D6.1, section 5.5,</u>





#### **GOOD PRACTICE: LOCAL NETWORKS**

NEWCOMERS case study community Zuiderlicht is the founder of Platform 02025 which brings together all energy communities active in the city of Amsterdam in order to achieve the full energy transition in the year 2025 as the city will celebrate its 750th year of existence.

#### **CEC umbrella organisations in the six NEWCOMERS countries:**

Country	Umbrella organisations and networks	
United Kingdom	Community Energy England Community Energy Scotland Community Energy Wales	
Germany	German Cooperative and Raiffeisen Confederation (DGRV) Citizens Energy Alliance (BBEn)	
Netherlands	Energie Samen HIER opgewekt Participation Coalition Platform 02025	
Sweden	-	
Slovenia	-	
Italy	-	



#### 3.4 Role of technologies for 'newcomers' to emerge and thrive

#### What technologies do clean energy communities use? Why?

CECs may use a variety of technologies for generation, storage and distribution of clean energy, for a variety of reasons.

#### **KEY FINDINGS**

- Renewable energy generation is at the heart of most CECs. The most widely used technologies are solar photovoltaic followed by wind power, but innovative technologies are increasingly explored.
  - **1** Read on: **D4.5**, **<u>D3.3</u>**, chapter 3
- Infrastructure regulation has a strong effect on the technology choices that CECs can make. An example is the challenge of smart meter rollouts (see box below).
- Different technologies bear different levels of risk. CECs often choose wellestablished technologies to minimise the risk of the technology not working as planned. Financial risk also needs to be considered.
  - Read on: **D4.5**, **Summary report on the NEWCOMERS international workshop**
- More advanced technologies involve more risk and require more expertise in their implementation. CECs with more sophisticated technologies therefore tend to involve more third party and commercial actors.
  - Read on: Hansen et al. (2021)



EXAMPLE OF HOW REGULATION AFFECTS TECHNOLOGY / OPERATIONAL CHOICES

To realise some activities, CECs rely on data from smart meters. This can create challenges. For example, our case study communities Energy Local and the SonnenCommunity both had to overcome delays in smart meter roll-out. In contrast, Power Zone decided to operate in a way that wouldn't require smart meters, to avoid such challenges.



#### 3.5 Benefits for individual members and local communities

How do "newcomers" meet their members' needs better than more traditional energy services business models? What motivates consumers to be part of CECs?

The benefits of clean energy communities (CECs) are wide-ranging and extend beyond environmental and financial aspects. Each NEWCOMERS case study provides a means for owning physical assets and/or a means to contribute to energy system changes through use of these assets and/or innovative governance arrangements.

#### **KEY FINDINGS**

- There is not a single but a multitude of motives for joining CECs that individuals mention. The four main categories of motives are: (1) financial motives (lowering the costs of energy consumption in the household and profiting from investing in a clean energy assets), (2) motives related to self-sufficiency (using local renewable resources), (3) environmental motives (contributing to energy transitions and to reduction of CO<sub>2</sub> emissions), and (4) motives related to communal living.
  - Read on: <u>D6.1, section 5.1,</u> <u>D6.2, section 5.5,</u> **D6.3,** section 3.5
- CEC structure and governance affect the empowerment of its members. There is a
  clear relationship between the extent to which the organizational structure of the
  CEC enables empowerment, and members' perception of their own
  empowerment regarding energy issues. Empowerment transforms CEC members'
  roles passive energy consumers become active agents who have an opportunity
  to influence and shape the future of energy systems in their country through
  collective engagement.
  - Read on: **D6.2**, section 5.3
- One of the observed benefits of CECs is that their members have become more environmentally conscious, after joining the community. A spillover of their environmental concern is also evident. It often expands beyond the energy focus to other areas of daily lives of CEC members aiming to decrease their environmental footprint in general.
  - Read on: <u>D6.2, section 6</u>
- CEC membership in place-based CECs also enables several *social benefits*, such as: the communal way of living, social recognition and social approval, connecting and acting with like-minded people, being part of a community, and building up the community identity.
  - i Read on: <u>D6.1, section 5.3</u>
  - For both CEC members and non-members alike, economic and ecological benefits are perceived as important motivations for membership in a CEC. While non-members are strongly attracted by economic benefits, CEC members additionally emphasize the social benefits of CEC membership.
  - nead on: <u>D6.1, section 5.3</u> and <u>D6.3, section 3.6</u>





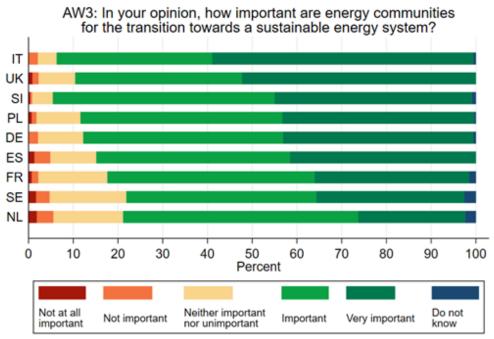
#### 3.6 Benefits for society

#### What are possible positive spillover effects of CECs to society as a whole?

It is not hard to demonstrate benefits from energy communities to their members, such as social cohesion, financial benefits, satisfaction from taking part in a vital transition to renewable energy and increased knowledge and skills. But what kind of benefits do they offer to non-members and society?

#### **KEY FINDINGS**

- CECs mobilise people to invest and take action, they increase the contribution of renewable energy to the system as a whole, displacing what would otherwise be contributed via fuel/thermal sources with their associated carbon emissions and/or local pollution impacts.
  - Read on: **D4.4**, section 3
- CECs can promote learning and encourage people to take action, by spreading knowledge and practical know-how regionally or nationally.
  - **1** Read on: **D6.2**
- By promoting consumption of locally generated electricity, and by aggregating demand response, some communities offer value to the network operator (and, indirectly, to society) by reducing the need for system balancing.
  - i Read on: **D4.4,** section 3.5, 3,10



Only answered by those who are aware of energy communities (AW1='Yes')



- An energy community can offer value to non-members by keeping money within a local economy that would otherwise be lost to it, by implementing new energy tariffs and/or energy efficiency measures
  - Read on: **D4.4**, section 3
- Non-members perceive CECs as most beneficial if they are run by citizens, involve their members in decision-making and lead to reductions in energy expenses.
  - Read on: **D6.3**, section 3.6
- A remarkably consistent finding from our citizen survey of around 13,500 household in nine different European countries is that the vast majority (>80%) consider CECs as an important or even very important element in the transition to a more sustainable energy system.
  - Read on: **D6.3**, section 3.3

#### INTERDEPENDENCE OF CECs AND THE WIDER SYSTEM

We found that 'individuals with a background in energy systems often act as project initiators and (...) are important as mediators of trust between communities and other organisations (...). Business models typically involve an alliance of actors and the interconnections between them make it difficult to draw clear boundaries around a community. This indicates how energy communities depend on other actors and the wider system, and also suggests that energy communities can provide multiple benefits to multiple stakeholders. (from the Executive Summary, D4.4).





#### 3.7 Benefits for distributed energy systems

#### To what extent do "newcomers" create value in distributed energy systems?

Distributed Energy Systems (DES) can include local generation, storage, microgrids and monitoring. Advantages associated with increasingly distributed energy systems include their potential to increase overall system efficiency. They can also facilitate sharing of locally produced energy between e.g. members of an energy community.

#### **KEY FINDINGS**

- The most common resource our energy communities offer energy systems is distributed generation from renewable sources, increasing the proportion of renewable energy in the supply mix.
  - Read on: <u>D3.3</u>, chapter 3; <u>Distributed energy resources and energy communities</u>, a working paper, chapter 2 & 3
- Clean energy communities are often not (yet) designed to be able to create value for the distribution network or transmission grid (beyond the environmental value of adding to the amount of renewables-based supply).
  - i Read on: <u>Distributed energy resources and energy</u> communities, a working paper, chapter 3
- At present there are few incentives for clean energy communities to offer flexibility services. Where an energy community does offer flexibility there is usually a commercial actor facilitating this.
  - Read on: <u>Distributed energy resources and</u> energy communities, a working paper, chapter 3

#### GOOD PRACTICE: ENERGY LOCAL CLUBS

Established in 2016, Energy Local is one clean energy community that is designed to create value for distributed energy systems as well as for members. Through time-of-use tariffs and by facilitating the local sharing of energy, Energy Local reduces stresses on the local network and incentivises the use of local renewable generation, when it is being produced. Each Energy Local Club is set up as a cooperative. Read more about Local Energy within our short <u>research brief</u> and at <u>Our Energy platform</u>.



#### 3.8 Favourable environments for 'newcomers'

### What could help increase the number of CECs in different local or national environments?

The development of the CEC sector varies strongly by country. In some countries, CECs have emerged despite, rather than because of, specific governmental support (national or supranational). In others, governmental support paved the way for CEC development. But what is important for their future development?

#### **KEY FINDINGS**

- Positive publicity for clean energy communities influences the perceived value of engagement in CECs and raises awareness about the roles of CECs in energy transformations for addressing climate change.
  - i Read on: <u>**D6.1**</u>, section 5.8
- Commitment of (local) governments is needed to support the development of renewable energy solutions and overcome the various administrative and legal hurdles for energy communities
  - nead on: **D3.3**, section 4.4; **D6.1**, section 5.8;
- The housing market (structure of property (housing) ownership) can significantly affect dissemination of CECs. There is a need for (new) housing legislation that would encourage investments in clean energy for renters and landlords.
  - **1** Read on: **D6.1,** section 5.8;
- Lack of information about benefits of CECs for individual households and communities can be addressed with better knowledge dissemination regarding successful CEC practices.
  - (i) Read on: **D6.1**
- Promotion of a societal culture that is less consumption-oriented supports environmental consciousness that positively affects the formation of CECs.
  - Read on: **D6.1,** section 5.8;

#### KNOWLEDGE DISSEMINATION: Our-Energy.eu PLATFORM

The Our-Energy.eu platform is an online platform for education, awareness-raising, and networking, focusing on energy communities, energy transitions and related topics. It offers short, interactive multimedia content about the current and future role of new clean energy communities. It includes a networking feature for registered users. The platform allows users to learn from other communities and share their knowledge and experience. Link to Our Energy platform: <a href="https://our-energy.eu/">https://our-energy.eu/</a>



## 3.9 Observations on the (potential for) diffusion of energy communities

#### How do energy communities scale or diffuse?

NEWCOMERS are the result of interplay between diverse actors, motivations, and contexts. Because this makes every model unique, there is no one-size-fits-all approach to scaling them. Often, elements of energy communities scale or diffuse, rather than energy communities in their entirety.

#### **KEY FINDINGS**

There are several ways in which CECs may be scaled or their benefits diffused:

- Elements of energy communities can diffuse via members sharing knowledge, experience and information with others outside the community, thereby promoting the CEC's benefits. This diffusion may occur informally or formally. It can occur online via platforms and social media or by word-of-mouth sharing of information within social networks it can also involve official community ambassadors.
  - Read on: **D6.4**, (forthcoming)
- Another way a CEC's impact may be diffused is via replication of parts of its activities' business model. For example, a CEC may involve a community organisation and a licensed supplier working in partnership. The licensed supplier may then seek to replicate the partnership with a new community elsewhere, thereby setting up a new CEC.
  - i Read on: paper in progress
- Legislation, regulation and policy have important implications for the diffusion of (and benefits achieved by) energy communities. CECs exist within market structures and are affected by them. Actors involved in CECs therefore need (financial) incentives to scale their CEC business models.
- There is currently a lack of guidance for the development of CECs, as well as for the wider promotion of the benefits of CECs. Moreover, politicians and decision-makers often lack the knowledge and understanding that is necessary to effectively support the development of CECs. Here simple guidelines can help enhance the scalability of CECs.
  - i Read on: **D6.4** (forthcoming)





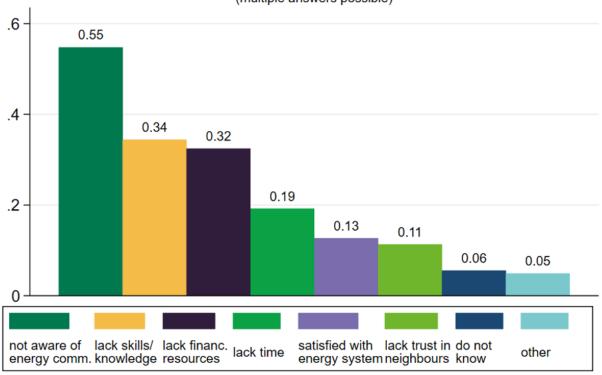
• In the nine European countries in which we ran our citizen survey, the main reason given by citizens for not joining a CEC is that they were not aware of energy communities. Other important self-reported reasons are a lack of skills/knowledge and a lack of financial resources. These constraints suggest scope for upscaling of energy communities because they can be addressed through, for example, information campaigns and financial incentives.

1

Read on: **D6.3**, section 3.3, 3.5

DB1: What is holding you back from joining an energy community?

(multiple answers possible)



Only answered by those who are not a member of an energy community



#### 3.10 'NEWCOMERS' and existing EU policies and regulations

## To what extent is the Clean Energy Package (CEP) definition of energy communities a barrier or an enabler for them to emerge?

The CEP was finalised in 2019 and its implementation in the member states will contribute to further developing national policy and legal frameworks for energy communities.

#### **KEY FINDINGS**

- It is important to acknowledge the need for adaptation of regulations to national circumstances in order to enable the development of local versions of energy communities, and not to exclude initiatives
  - **1** Read on: **D2.2**; **D3.3**, chapter 3;
- It is less the EU legal definitions as such and more the way the CEP has been transposed nationally that affects the development of energy communities. Regulatory change in member states may enable energy communities to emerge
  - i Read on: **D3.3**, chapter 4.3.1
- Novel types of energy communities have emerged in alliances between different types of actors, e.g., citizens, public and private actors. Projects that go beyond the production of renewable energy seem to be especially dependent on partnerships with for-profit businesses.
  - Read on: **D2.2**; **D4.6** (forthcoming); **Barnes and Hansen** (forthcoming)
- More research is needed about how to stimulate alliances between energy communities and for-profit businesses without denying members (citizens and SMEs) control of the CEC.
  - Read on: <u>D3.3</u>; **D4.4**; Barnes and Hansen (forthcoming)

#### GOOD PRACTICE: REGULATIONS TARGETING CITIZEN INVOLVEMENT

Italy has introduced a version of Feed-in-Tariffs (FITs) specifically targeting CECs.

In its national climate agreement (Klimaatakkoord) and linked to its policy on Regional Energy Strategies, the Netherlands has set the goal of 50% local ownership for local renewable energy projects.



## 4 NEWCOMERS open educational resources and activities

Lastly, the NEWCOMERS research has highlighted the importance of **open knowledge exchange** both within and between new clean energy communities. They are eager to share their knowledge and skills and at the same time, they are open to learning from other communities.

Through open knowledge sharing practices, new insights on the operations and possible improvements of energy communities' future developments can be gained effectively. Therefore, the NEWCOMERS project is activating several areas of openness to provide added value for both the new clean energy communities as well as for other key stakeholders like researchers, policymakers and society at large.

Our approach towards 'open' (open science, open education) started in 2020 by launching the Our Energy online platform for education and awareness-raising of new clean energy communities. In 2022, our open educational activities will spread into the following four key areas:

- Open knowledge about new clean energy communities will be shared on Wikipedia, the free online encyclopedia;
- An open handbook, titled Energy Literacy for Energy Communities will be offered for collaborative multistakeholder enrichment;
- An open online course will be launched for energy communities' education and awareness-raising to strengthen their energy literacy and
- Open access to all our public deliverables and other materials like presentations, videos, reports etc. will be provided in the Zenodo open repository.

