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**Policy Recommendations for Viable Community-led Renewable Energy Sources (RES) Cooperatives in Moldova**

**Policy paper**

# Introduction

UNDP Moldova tasked me to prepare a policy paper to assist Moldovan authorities in designing the legal recommendations for the implementation of Community-led RES Cooperatives. The document shall also describe a potential mechanism for developing a business case for a Moldovan energy community. Its main elements were presented during three workshops organized by UNDP in Comrat, Strășeni, and Anenii Noi Municipalities on 16-18 April 2024, with participation of 80 participants from local and regional public authorities, NGOs, local action groups, SMEs, and civil society representatives.

Since my task is limited to renewable energy communities only, I will not elaborate on recommendations for the establishment of citizens' energy communities and joint-owned generation plants as similar but slightly different initiatives.

For policymakers, a very useful overview of the legal regime related to renewable energy communities is presented in the European Commission's overview from November 2023 (<https://energy.ec.europa.eu/topics/markets-and-consumers/energy-communities/energy-communities-repository-policy-database_en> ). In this paper, I tried to propose concrete solutions adapted to the Moldovan reality.

I wish to thank to UNDP Moldova team for the inspiring engagement and organization of the process.

**Dr. Janez Kopač **

Abbreviations:

ANRE National Agency for the Energy Regulation – Moldovan NRA

CSO Civil Society Organisation

CNED National Center for Sustainable Energy

DSO Distribution System Operator

LAG Local Action Group

LPA Local Public Authority

NRA National Regulatory Authority

REC Renewble Energy Community

RED II Directive 2018/2001 on the promotion of the use of energy from renewable sources

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# Renewable energy community

**Renewable energy communities** are the only type of energy communities that currently have a legal basis in the law. **Article 395 of the Renewable Law**, adopted as an amendment to the existing law in 2023, generally transposes **Article 22 of the** **Directive 2018/2001** on the promotion of the use of energy from renewable sources (RED II) (Annex 1) but for the complete implementation also several solutions in the secondary legislation are needed.

**Article 395** defines the renewable energy community as a partnership of two or more members or shareholders, organized following a statute. The renewable energy community is an autonomous entity (legal entity) that acts in its name, can exercise rights, and is subject to obligations independently of its members and shareholders.

Members or shareholders can be natural persons, condominium owners' associations, small and medium-sized enterprises, villages, and cities, represented by their executive bodies, and final consumers. They effectively control and manage the legal person by the relevant normative acts and the statute.

Participation in a renewable energy community is voluntary and open to entry or exit at any time.

Members of a renewable energy community maintain their rights and obligations as final consumers, including the right to change suppliers. They must sign an agreement establishing the rules for joint consumption of energy from renewable sources produced by the energy generation units owned by the community.

Renewable energy communities are allowed to have a wide set of activities: to produce, consume, store, and sell energy that they produce from renewable sources. They must act on the energy markets as participants with full rights and the obligation to comply with the provisions of the normative and regulatory acts affecting the electricity market.

National Agency for Energy Regulation (ANRE) shall decide on the rights and obligations of system operators, suppliers, and other participants in the energy markets regarding the connection, joint use of energy in community framework, electricity metering, balancing, and billing responsibilities, as well as other issues relevant to the development, proper functioning and integration of renewable energy communities into energy markets.

The Republic of Moldova as an Energy Community Contracting Party must assess the existing barriers and potential of the development of renewable energy communities in their territories, and facilitate the establishment of communities (the law says also that it has to facilitate direct participation of municipalities in renewable energy communities), but also ensure that renewable self-consumers contribute in an adequate and balanced way to the overall cost (Art 21/6/f).

The state shall include measures to facilitate the establishment of renewable energy communities in the National Energy and Climate Plan. Removing the administrative barriers encompasses also an organization of advisory services. Several countries in the EU established (or tasked existing) governmental bodies to be a one-stop shop for energy communities. Due to its role in the adoption of secondary legislation, it seems ANRE could be such a body in the Republic of Moldova.

# Legal entity and control

Theoretically, the energy community can be any type of legal entity. RED II even mentions shareholders but since RED II emphasizes that renewable energy communities should remain autonomous entities from individual members, as well as external partners, and that financial gain should not be the community's main purpose profit-oriented companies (i.e. limited liability companies) do not seem compatible with the scope of the energy community. Further, RED II requests that the community be effectively controlled by shareholders or members who are located in proximity to the renewable energy projects that are owned and developed by that legal entity. Proximity is not further interpreted. It can be one transformer station, it can be a village, a town or city, or perhaps even a territory with one distribution system operator (case of Austria)[[1]](#footnote-1). Spain enacted very concrete physical limitations[[2]](#footnote-2):

* Community members/shareholders are connected to any of the low-voltage grids derived from the same transformer substation or
* Community members/shareholders are within 500 meters of each other (measured using the distance between their metering equipment’s projection on the ground plan) or
* Community members/shareholders must belong to the same cadastral reference where the plant is located.

The instruction from recital 71 of RED II reads: “*To avoid abuse and to ensure broad participation, renewable energy communities should be capable of remaining autonomous from individual members and other traditional market actors that participate in the community as members or shareholders, or who cooperate through other means such as investment. Participation in renewable energy projects should be open to all potential local members based on objective, transparent, and non-discriminatory criteria*.” This instruction is a guideline but it could be related to very operational questions about the registration procedure. In Republika Srpska (Bosnia and Herzegovina), where the NRA is responsible for registering the renewable energy community an official from the NRA has to cross-check the residences of every single community member (checking proximity), the location of the power plant, fulfillment of the conditions from the law, and from the secondary legislation. Perhaps this complicated registration procedure is the reason why they do not have even a single renewable energy community for the fourth year after they adopted a law theoretically enabling the establishment of them. Overcomplicated registration procedures can be an administrative barrier.

Control implies having the capability to exert decisive influence over a community, including its composition, voting, or decisions, through ownership or contractual rights. Effective control will also depend on the type of legal entity that is chosen. Typically, laws governing cooperatives, corporations, non-profit associations, partnerships, and similar entities outline provisions regarding the exercise of control.[[3]](#footnote-3)

Typically, the principle “one member-one vote” reflects the spirit of the community as designed in the RED II. In some countries, associations are most often the legal form of a community (Austria), in other cooperatives (Slovenia), etc.

The share of initial financial input and energy generated in the commonly owned facility should not be mixed with voting rights. Even if someone has only one voting right as a member his share can be bigger than all other shares. It is expected that such a member would also get a major part of the generated energy.

The Energy Community Secretariat lists the following possible rules to ensure democratic governance:

- apply the principle "1 member 1 vote" rather than "1 share 1 vote";

- set the shareholder cap that would define how many shares each type of member can hold (to cap shares of "large players");

- set the minimum number of citizens that need to participate in the community (a minimum participation quota);

 - set the minimum number of voting rights to belong to citizens living nearby, etc

It is on the Republic of Moldova to choose the most appropriate legal form but that one should reflect the non-profit purpose of the community[[4]](#footnote-4).

If communities opt for a legal structure allowing shareholding, participants are regarded as shareholders, and those wishing to depart the community should have the option to trade or transfer their shares. The establishment of a standard participation fee for all members or the requirement to purchase a specific number of shares does not violate the principles of open participation.[[5]](#footnote-5)

Entrance and exit of new members or shareholders should not cause a new licensing of the energy community. Internal acts of the energy community should be designed in that sense.

Participation of local communities or Local Action Groups as members or shareholders of the energy community is particularly welcome. It gives the community bigger credibility. Local communities usually possess roofs with bigger surfaces (schools, administrative buildings, sports halls, etc.) which makes installation of PV panels easier. In some countries, local communities cannot participate in the energy communities due to administrative barriers. Such a case is in Estonia (due to the Public Procurement Act). Some countries (i.e. Slovenia) explicitly envisage that the manager of a building owned by the state, or a municipality may decide, to establish on the roof and other necessary parts of the building the easement right for setting up a device for the production of electricity from renewable energy sources for the benefit of the third party that installs and operates with it. Slovenian law also obliges each local community with more than 10.000 inhabitants to establish at least one renewable energy community.

Legal entities are registered in a relevant registry on the state, regional, or local level. A good administratively user-friendly solution is Spain with its electronic register where communities self-register themselves. Most probably secondary legislation cannot impose an obligation to register energy communities in a new, special register. To report on the implementation of the National Energy and Climate Plan and for better following the number and needs of the energy communities as well as an overview of the implementation of policies and measures within the enabling framework aimed at encouraging and facilitating the growth of energy communities at least a parallel information point on activities of the renewable energy communities in ANRE or Ministry would be welcome.

# Joint generation and consumption of energy

Members and shareholders of energy communities should jointly consume the energy (in most cases this is electricity) that is produced in their production plant(s) – commonly owned photovoltaic panels, wind turbines, small hydropower plants, biomass boilers, etc. Since the energy community can also store electricity and sell stored electricity on a market it is appropriate to put in a secondary legislation a provision to prevent the possibility of storing electricity from some other generators and selling it as its own as a prevailing activity. A 100% prevention of mixing some electricity from the grid with the electricity generated in the production plant owned by a renewable energy community is most probably not possible.

Storage and aggregation are explicitly mentioned only in the RED II, not in the Moldovan law. Contracting Parties of the Energy Community are according to RED II obliged to allow the renewable energy community to perform any of the following activities:

* generation of renewable energy, consumption,
* storage, supply/sell, sharing of energy, distribution,
* aggregation.

Perhaps the best would be to define all these activities in the secondary legal act.

In an interpretation, we must take into account also the definition of “Renewables self-consumer" who is a final customer who generates renewable electricity for its own consumption, and who may store or sell self-generated renewable electricity, provided that, for a non-household renewables self-consumer, those activities do not constitute its primary commercial or professional activity.

The formula for how to divide the jointly generated energy shall be written in an agreement among the shareholders or members. The agreement is a better place for this technical question than the statute.

The formula is a fundamental question, which is crucial for the legal relationship with the network operators and must be regulated centrally at the level of the supply agreement(s).

Division of jointly generated energy can be:

• Static – based on percentages (share) of something (past consumption, actual generation, financial participation, etc.), or

• Dynamic - the allocation is made according to the actual measurement at the metering point of the consumption systems, i.e. to the current consumption behavior of the respective participating network users.

Annex 3 is a template contract based on a dynamic formula from Austria, which was developed by the distribution system operators and is widely used despite not being prescribed. In the case of a dynamic formula, the DSO must allocate a share of the generated energy agreed between the participating users to the respective consumption loads of the users. Allocation has to be updated every 15 minutes. Energy consumption share cannot exceed the overall consumption of the user during the 15-minute time lap. The share of shared electricity is accounted for separately in the metering point and shown in the invoice. An invoice has to be sent by the renewable energy community or by a third party appointed by the energy community for billing to all members and is expressed upon the terms agreed upon in the remuneration model.

It is better not to prescribe the formula in the secondary legislation but to leave it to the community shareholders or members.

Annex 4 is a template contract provision based on a static formula (case from Slovenia).

There are no rules for the tariffing of services between the energy community and the participating network user. Also, this needs to be agreed among shareholders or members.

Some EU Member States imposed a limit to the size of the plant owned by the energy community, but this is not a common practice. [[6]](#footnote-6)

# Access to the market

The very basic question in front of each energy community is whether will trade its electricity by itself or leave that activity to some other market participant. Namely, energy communities can sell their electricity on the market or can only bring together in an organized way members or shareholders who each individually have their contract with the supplier to whom they sell excess energy or buy needed additional electricity from it.

In case the energy community participates in the market as an independent supplier and trades with the electricity it will in many countries need to have a license like other market participants.

It will have to form its balancing responsible group, etc. All this requires a lot of specific knowledge and some economy of scale which the energy community perhaps does not have.

While in Germany renewable energy communities need a license even for energy sharing of electricity among the members/stakeholders, in Austria renewable energy communities are not considered regulated trading or commercial activity at all.

The energy community which only brings together members or shareholders who still keep their contracts with suppliers is much easier and administratively much more simple way but both options should remain open.

In any case, there shall be no less favorable regime for renewable energy communities in comparison with the other market participants who sell their own generated electricity.

Members or shareholders of the energy community can decide to share their excess energy among themselves. Energy sharing should be defined as a possibility in the national legal framework. The absence of clear regulations creates uncertainty about the rights, responsibilities, and liabilities of parties to be engaged in energy-sharing agreements.

A member of the community should keep the right to be an active customer or a renewable self-consumer. It means that it can, in parallel and independently of being a member of a community, enter into contract agreements with one or more suppliers and be the owner of additional generation installations for self-consumption.

The complexity of the energy community being a regular market participant was recognized also in the latest set of amendments to four Directives and Regulations, known as the “New European Electricity Market Model”. That model is not adopted yet, but it is expected that it will be published in the Official Gazette of the EU later this spring (2024). It is expected that it will become obligatory for the Republic of Moldova in 2026.

The proposal consists of several amendments to the Electricity Directive, Electricity Regulation, REMIT Regulation, etc.

One of the amendments to Directive (EU) 2019/944 on common rules for the internal electricity market is related also to the energy communities. It introduces an Article 15a (Annex 6). Provisions of para 1b of that new article introduce the right to energy sharing among renewable energy community stakeholders and allow the energy community to find (outsource) an organizer that owns or manages the installation, operation, metering, and maintenance of a storage or renewable energy generation facility to facilitate energy sharing. This gives an organizer of the energy community (i.e. an established market participant) a completely new business opportunity to share a portion of the income of the energy community not being a member or shareholder of it.

# Relations with the distribution system operators (DSOs)

DSOs are crucial for the functioning of renewable energy communities. The first step is a connection to the grid, which has to be non-discriminatory and if possible, with preferential treatment (like in the case of Greece[[7]](#footnote-7)).

DSO must install smart meters for every member or stakeholder of the energy community. Without 15-minute measurements, it is not possible to manage commercial relations among community shareholders or members.

DSO and the renewable energy community shall contractually regulate issues of management and maintenance of the distribution network within the community if there is any, the administration of the scheme of joint production, data exchange, and energy billing between the members/shareholders of the community, and other matters relevant to the use of the network and the administration of the community.

Further, DSO has to report on the electricity (energy) generated and self-consumed and calculate the share belonging to each energy community member or shareholder. This must be done in time (latest in one month). More than a month after the generation/consumption materialized period is a clear disincentive for the functioning of the energy community. This is particularly important if the agreement among energy community members or shareholders is based on the dynamic formula for sharing the generated electricity (energy).

The DSO shall be also obliged to submit annually to ANRE data on the total electricity produced by renewable energy communities.

DSOs have additional work with the existence of energy communities. These additional costs shall be reflected in the distribution network tariff. In Austria, the DSOs requested up to 200 EUR per member of the energy community annually but the NRA did not agree with that amount.

# Financial and other incentives for the energy communities

The most common and mostly the biggest economic incentive to establish energy communities is a reduction of network tariffs, further explained in the next chapter.

Any financial assistance to renewable energy communities must be non-discriminatory towards other renewable generators or self-consumers but it can be preferential.

Among the most common financial incentives in the EU are still feed-in tariffs for small power plants. Countries can pay feed-in tariffs even for self-consumed electricity if the financial sources are available for something like this and renewable energy communities do not need to compete with other producers (projects 100% owned by SMEs or by renewable energy communities are exempted from the requirement to participate in the competitive bidding process if the installed capacity is equal to or below 6 MW or for wind generation only 18 MW[[8]](#footnote-8)).

Power plants might receive public subsidies for their construction. Very supportive are cheap loans from the same public funds. Ekosklad (state Ecological Fund) in Slovenia offers cheap loans specially designed for renewable energy communities (15 years loan, EURIBOR + 1% with moratorium).

The Republic of Moldova could perhaps copy an approach from Germany, which developed a grant-to-loan scheme that enables communities to receive the grant for preparatory activities before the construction of the plant which will be converted into a loan if the community continues with the project.[[9]](#footnote-9)

The Republic of Moldova could perhaps implement direct financial help or subsidies targeted at energy-poor households to offset the initial costs associated with joining or participating in energy communities (e.g. membership fees, installation costs, energy efficiency upgrades). [[10]](#footnote-10)

Governmental support programs for energy communities could introduce mandating a certain percentage or quota of participants representing energy-poor households. Energy used within the renewable energy community should be relieved from the energy tax, if there is any in the country, and relieved also from the renewable surcharge since energy community members or stakeholders already fulfilled their duty in the energy transition.

The Republic of Moldova introduced a net billing system for renewable producers on 1 January 2024 despite it could postpone this for at least three years according to the obligations stemming out of RED II. Net billing is less stimulative for renewable producers, including renewable energy communities. Some EU Member States kept a net metering regime for energy communities on a monthly basis (Slovenia).

# Distribution tariff discounts

Self-consumers and renewable energy communities (citizens' energy communities could be nationwide and therefore with different logic) have a strong local character. Therefore, the transfer of generated electricity from the generation plant to the final consumer needs a very short path and does not burden the electricity grid. A transmission grid would hardly ever be used for the transfer of self-consumed electricity and also the transmission tariff would be inappropriate.

A discount is also an absence of the generation element of the distribution network tariff, if there is such a tariff. Only a few countries have this element in the tariff at all but NRAs should consider if increased decentralized generation requires the introduction or increase of tariffs for production while considering that network charges should not discriminate positively or negatively between production connected at the distribution level and the transmission level. Increased decentralized generation requires NRAs to monitor the cost allocation between voltage levels.[[11]](#footnote-11)

According to the RED II Moldova has to ensure that renewable self-consumers contribute in an adequate and balanced way to the overall cost (Art 21/6/f). This means that the tariff has to be cost-reflective. This way, other customers who do not participate in the community are not discriminated.

An example of a cost-reflective methodology for the distribution tariff is the one in Slovenia. Annex 5 is a provision of Article 20 of the Tariff Methodology which imposes a calculation that reflects the exact costs of the grid reflecting the activity of energy community-owned plant, no matter where in the grid (on low, medium, or high voltage level) the plant is located.

Austria is a different case. Austrian law requested the National Energy Regulatory Authority to define a flat rate network fee for the energy communities. Austrian grid users are divided into 7 categories. Category 1 are the biggest consumers on the high voltage grid. Categories 4 and 5 are consumers connected to the medium-level grid (10-30 kV) and categories 6 and 7 are consumers connected to the low-voltage grid (0,4 kV).

The network fee is to be determined separately for energy community members/shareholders based on the consumption covered by allocated energy from a production plant. The fixed (capacity-based) portion of the network fee is reduced according to the power drawn. The energy price (volume-based) part of the grid use charge for the electricity produced by a power plant owned by the members/stakeholders of the energy community is reduced according to a flat rate as follows:

* Energy community on a local level (low voltage): work price-related network usage fee reduced by 57% and
* Energy community on a regional level (low and medium voltage): work price-related network usage fee is reduced by 28% on 0,4 kV and by 64% on medium voltage level.

National legislation can design network charges that reflect the value that communities bring to the network, in terms of limited use of the transmission grid and distribution grid, reduced losses, and increased efficiency due to demand-side response and local energy sharing. There should be some cost-benefit analysis to decide. Austrian NRA reported that in 2023 the reduced rate for several hundreds of energy communities caused a 0,0004% decrease in all collected network fees. Therefore, it was characterized as insignificant.[[12]](#footnote-12)

Spain introduced a provision according to which self-consumed energy of renewable origin is exempted from all types of fees for access to the transmission and distribution networks and all types of charges of the electrical system[[13]](#footnote-13)

ANRE can choose any of these methods to precisely reflect costs for the grid utilization of energy communities or give them some stimulus with bigger discounts. The flat rates are more user-friendly, predictable, and understandable.

# Summary of recommendations and concerns voiced by the UNDP’s workshops participants

During April 16-18, 2024, three workshops were held in Comrat, Strășeni, and Anenii Noi. These workshops aimed to consult local stakeholders on recommendations for the operationalization of Energy communities in Moldova, thus being created a space for community involvement in shaping energy-related initiatives in Moldova.

In general, the participants of workshops (mayours, LAGs managers, representatives of CSOs and public institutions) widely supported the idea of the possibility of establishing renewable energy communities. Several were eager to hear what kind of financial incentives the government or ANRE would offer. During workshops, participants, who were all interested in becoming part of a renewable energy community, made multiple suggestions regarding the creation of them. Some concrete proposals expressed by participants from the workshops were already mentioned in the text.

**Legal entity** **and control**

Individual participants suggested to:

* Create renewable energy communities as joint-stock companies, with an obligation to use the profit for the benefit of the community only (not to pay it out).
* Adjust the legislation on LAGs enabling LAGs to join forces with the residential sector and to can create a renewable energy community within the LAGs.
* Adjust the legislation on public associations to allow public institutions and local public authorities to can be foundersof Non-profit Associations.
* Creating renewable energy communities within the framework of Law nr 17/2023 regarding the intercommunity development association.
* Few mayors suggested that the municipality should be a mandatory member/shareholder of a renewable energy community organized on its territory in order to ensure its sustainable management.
* Only one renewable energy community should be allowed on the territory of one municipality.
* The maximum distance between the members of RECs should be exactly 50 km/should be the territory of one DSO/should be the territory of the same municipality or county.

In general, LAGs were seen as an appropriate member/shareholder of a renewable energy community. Currently, in Moldova, there are 47 LAGs functioning according to the of the Law no 50 of 9 April 2021 regarding Local Action Groups. covering 438 administrative-territorial units that include 732 localities (50% of Moldova’s localities) which comprise more than 1 million inhabitants.[[14]](#footnote-14)

**Financial and other incentives for renewable energy communities**

Individual participants suggested to:

* Create a one-stop shop (perhaps as a part of the National Center for Sustainable Energy (CNED), or as part of the Regional Development Agencies (ADR) assisting all interested stakeholders with organizational and financial advice to create renewable energy communities.
* Explore the opportunity to have regional one-stop-shops (i.e.
* managed by Regional Development Agencies) in order to provide accessible information on creation of energy communities to rural areas.

# Annexes

Annex 1

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| Article 22 of the Directive 2018/2001Renewable energy communities1. Contracting Parties shall ensure that final customers, in particular household customers, are entitled to participate in a renewable energy community while maintaining their rights or obligations as final customers, and without being subject to unjustified or discriminatory conditions or procedures that would prevent their participation in a renewable energy community, provided that for private undertakings, their participation does not constitute their primary commercial or professional activity.2. Contracting Parties shall ensure that renewable energy communities are entitled to:(a) produce, consume, store, and sell renewable energy, including through renewable power purchase agreements;(b) Share, within the renewable energy community, renewable energy that is produced by the production units owned by that renewable energy community, subject to the other requirements laid down in this Article and to maintaining the rights and obligations of the renewable energy community members as customers;(c) access all suitable energy markets both directly or through aggregation in a non-discriminatory manner.3. Contracting Parties shall carry out an assessment of the existing barriers and potential of the development of renewable energy communities in their territories.4. Contracting Parties shall provide an enabling framework to promote and facilitate the development of renewable energy communities. That framework shall ensure, inter alia, that:(a) unjustified regulatory and administrative barriers to renewable energy communities are removed;(b) renewable energy communities that supply energy or provide aggregation or other commercial energy services are subject to the provisions relevant to such activities;(c) the relevant distribution system operator cooperates with renewable energy communities to facilitate energy transfers within renewable energy communities;(d) renewable energy communities are subject to fair, proportionate, and transparent procedures, including registration and licensing procedures, and cost-reflective network charges, as well as relevant charges, levies, and taxes, ensuring that they contribute, in an adequate, fair, and balanced way, to the overall cost sharing of the system in line with a transparent cost-benefit analysis of distributed energy sources developed by the national competent authorities;(e) renewable energy communities are not subject to discriminatory treatment with regard to their activities, rights, and obligations as final customers, producers, suppliers, distribution system operators, or as other market participants;(f) the participation in the renewable energy communities is accessible to all consumers, including those in low-income or vulnerable households;(g) tools to facilitate access to finance and information are available;(h) regulatory and capacity-building support is provided to public authorities in enabling and setting up renewable energy communities, and in helping authorities to participate directly;(i) rules to secure the equal and non-discriminatory treatment of consumers who participate in the renewable energy community are in place.5. The main elements of the enabling framework referred to in paragraph 4, and of its implementation, shall be part of the updates of the Contracting Parties’ integrated national energy and climate plans and progress reports pursuant to Regulation (EU) 2018/1999 as adapted and adopted by Ministerial Council Decision 2021/14/MC-EnC and Ministerial Council Decision 2022/02/MC-EnC.6. Contracting Parties may provide for renewable energy communities to be open to cross-border participation.7. Without prejudice to Article 18 of the Energy Community Treaty, Contracting Parties shall take into account the specificities of renewable energy communities when designing support schemes to allow them to compete for support on an equal footing with other market participants. |

Annex 2

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| Article 395 of the Renewable LawRenewable energy communities[[15]](#footnote-15)Principles related to the quality of membership or shareholder (1) The National Agency for Energy Regulation elaborates the Regulation on the organization and operation of renewable energy communities, taking into account the following principles:1) principles related to membership or shareholder status:the renewable energy community consists of two or more members or shareholders, organized in accordance with a statute;b) members or shareholders of a renewable energy community can be natural persons, condominium owners' associations, small and medium-sized enterprises, villages and cities, represented by their executive bodies, final consumers, including vulnerable energy consumers, within the meaning of Law no. . 241/2022 regarding the Energy Vulnerability Reduction Fund;c) participation in a renewable energy community is voluntary and open. Any person or entity mentioned in letter b) has the right to join or leave a community of energy from renewable sources at any time, in accordance with the applicable normative acts and their status. The applicable normative acts cannot establish unjustified or discriminatory conditions or procedures that would prevent participation in a community of energy from renewable sources or the withdrawal of members or shareholders from it;d) members of a renewable energy community maintain their rights and obligations as final consumers, including the right to change suppliers;2) principles on the governance of renewable energy communities:a) the purpose of the renewable energy community is to produce and use energy from renewable sources to meet the energy needs of the community's members or shareholders in a sustainable manner, creating environmental, economic or social benefits for its members or shareholders, or for the area in which it operates. The status of the renewable energy community states that, in order to achieve the agreed goal, the community develops projects and invests in renewable energy and energy efficiency projects;b) the renewable energy community is an autonomous entity that acts in its own name, can exercise rights and be subject to obligations independently of its members and shareholders. The community is controlled and managed by its shareholders or members;c) the relevant normative acts and the statute of the community of energy from renewable sources establish aspects regarding the way in which the effective control and management of a community is exercised;d) The National Agency for Energy Regulation establishes, documents, according to the provisions of the normative acts in the field of computerization and state information resources and in the field of registers, and keeps the Register of energy communities from renewable sources;3) principles related to the rights and obligations of renewable energy communities:a) renewable energy communities have the following rights:1. to produce, consume, store and market energy from renewable sources, including under the contract for the purchase of electricity produced from renewable sources directly from the producer;2. to establish rules for joint consumption of energy from renewable sources produced by the energy generation units owned by the community between its members and shareholders, based on an agreement;3. to access all relevant energy markets, both directly and through intermediaries/aggregators, in a non-discriminatory manner, in accordance with Law no. 107/2016 regarding electricity;4. to benefit from the support schemes established in accordance with art. 34;5. not to be subjected to discriminatory treatment in terms of their activities, rights and obligations as final consumers, producers, suppliers, distribution system operators or other market participants;b) renewable energy communities have the obligation to act on the energy markets as participants with full rights and the obligation to comply with the provisions of the normative and regulatory acts affecting the electricity market, as well as the related requirements. (2) In order to promote communities of energy from renewable sources, the National Agency for Energy Regulation develops and approves regulations regarding the rights and obligations of system operators, suppliers and other participants in the energy markets regarding the connection, joint use of energy in community framework, electricity metering, balancing and billing responsibilities, as well as other issues relevant to the development, proper functioning and integration of renewable energy communities into energy markets. (3) The Government, with the support of the central specialized body of the public administration in the field of energy, in compliance with the provisions of Law no. 139/2012 regarding state aid and the Law on Public Finances and Budgetary-Fiscal Responsibility no. 181/2014, develops and makes available to final consumers and the parties mentioned in para. (1) point 1) letter b) from this article financing programs, financially supported from the state budget and/or by the financial resources mobilized from external sources, with the support of development partners, which would facilitate access to financing for the development of energy communities from renewable sources. (4) The Government, with the support of the central specialized body of the public administration in the field of energy, the National Agency for Energy Regulation, as well as the public support institution offers support to local public administration authorities in order to facilitate the establishment of communities and the direct participation of localities within them, as well as support in matters related to regulating the activity of renewable energy communities and strengthening their capacities."   |

Annex 3

**GUIDE**

for the creation of a

**ENERGY AND PERFORMANCE PURCHASE AGREEMENT**

**Concept proposal**

concluded between

Name of the energy community, club name/company name, FB number/ZVR

**Number**, Address 1)

as a "Renewable Energy Community" ("REC") in accordance with § 7 para 1 no. 15a in conjunction with §§ 16c et seq.

WOG 2010 on the one hand and

**N.N**., b. , [address]

as a "member" of the REC, "member side" or "participating network user" on the other hand,

**(BASE CASE pictured here: Renewable Energy Community; Member as a participating network user and consumer of electrical energy; dynamic model)**

Introductory Remarks, Notes on Use, Disclaimer

This document is intended to support the regulation of service relationships between an energy community and participating network users (consumers).

In no way does the consideration of this guide exempt from a separate examination of the accompanying civil and public law framework.

Prior to and accompanying the use of the Guide, a tax

, to be consulted on fee and tax law as well as other charge-related advice; This applies in particular to VAT and income tax, (energy and

)tax, fee or other fee law issues, so that the use of expert and tax advice is recommended for each individual case.

Finally, it is expressly pointed out that there are still certain uncertainties in connection with the implementation of energy communities in accordance with §§ 16c et seq. ElWOG 2010 and §§ 79f EAG. This document is a guide provided free of charge. The Coordination Office for

Energy Communities and the Climate and Energy Fund assume no liability or guarantee for the topicality, correctness and/or completeness of the information provided – in particular on the basis of § 1300 second sentence ABGB. The additional involvement of external advice in each individual case is recommended.

Essential regulatory requirements from known practice are systematically presented and proposals are made for central provisions on the basis of the energy law framework.

This guideline will be continuously supplemented and specified in the coming months based on practical application.

Glossary

Participating network user (consumer system or consumer)

Energy generation system (e.g. photovoltaic system)

REC (Renewable Energy Community)

ElWOG (Electricity Industry and Organisation Act 2010)

EAG (Renewable Energy Expansion Act)

MRG (Tenancy Act)

GDPR (General Data Protection Regulation)

CPI (Consumer Price Index)

Basics

In addition to the organisational structure (e.g. association), the central contractual relationship in the context of the practical implementation of energy community models lies in particular in the regulation of the conditions between the energy community and its members in the form of participating network users (e.g. tariffs for the electricity sold).

The basic structures of the management and financing of the Energy Community must be regulated at the level of organisational rules. Subsequently, the present agreement regulates the specific processing of the sale of electricity by the EC or the purchase of electricity by the participating network user as an essential service relationship, taking into account the energy-economic and technical-organisational requirements for operation.

REC – Fundamentals of Service Provision

*'The REC shall have at its disposal (the) energy generation installation(s) by means of which it is able to produce electrical energy, to consume, store or sell the energy it produces, to store or sell it and to provide energy services to its members, within the framework of the statutory provisions.*

*In any case, the participating network user is a member/shareholder/cooperative member/shareholder/etc of the REC. The participating network user has a consumption system with the metering point number: [to be supplemented].*

*The power generation plant(s) will/will be installed in accordance with § 16d para 2 no. 1 ElWOG in accordance with the* ***annexes ./1***

*to* ***./...*** *described..."*

At the outset, the content of the services provided by the energy community must be defined within the framework of this agreement. At the present time, the central reference will be to the production of energy and its consumption.

On the basis of the provisions of the ElWOG and the requirements of the distribution system operators, it is necessary on the part of the plant to list and describe the energy generation plants available from the REC as well as to designate the consumption systems of the participating network users, including metering point numbers.

The provision of services with regard to storage and sale (see also point 3 Scope of activity) as well as other energy services may be omitted where these are not provided. If these services were to be provided, a separate regulation would have to be made with regard to the tariffs for such services, in particular in connection with energy services.

This is especially true if there is a specific use of stored energy. In the case of the use of stored energy, further questions are relevant to regulation in practice, such as the time of use, quantity, pricing, etc. of the stored energy.

According to § 16d para 2 no. 1 ElWOG, the energy generation plant(s) of the energy community must be described; in the form chosen here, a short verbal description and an enclosure are provided; however, it could of course only be referred to a description in the enclosure.

Scope of activities of the REC

1. *energy efficiency services;*
2. *charging services for electric vehicles;*
3. *...*"
4. *Power generation;*
5. *consumption of self-generated energy;*
6. *Sale of Energy Optional Content:*
7. *(storage of energy);*
8. *(energy services to their members, namely:*

*'Specifically, the scope of the REC comprises the following activities:*

The permissible scope of services for energy communities results from the wording of § 16b para 1 ElWOG 2010 (citizens' energy communities) and § 79 para 1 EAG (renewable energy community), taking into account the respective organisational (in this case: association) provisions. While points 1 and 3 will generally be part of the purpose of energy communities, individual other possible fields of activity may be omitted depending on the specific activities of the energy community (see above).

In the current constellations, the sale of energy can be understood on two levels: on the one hand, in the sense of a sale to the members of the energy community (participating network users), and on the other hand, in the context of the sale of energy in the context of feed-in to the public grid. However, this constellation is currently not supported (for technical and organisational reasons) for surplus feed-in installations, as the metering points of these installations are not allocated to the Energy Community.

The term "energy services" is not defined in more detail in the relevant Directive (EU) 2018/2001 (Art 22 para 4 lit b) or in the ElWOG 2010/EAG, whereby the Directive itself speaks broadly of "commercial" energy services. In order to avoid legal uncertainties, according to IA 2184/A of 16.12.2021 (XXVII. GP), a supplementary provision in § 79 para 4 EAG is to clarify that such activities (at least) of renewable energy communities are not subject to the GewO 1994.

Determination of shares and energy allocation

It is essential for the energy management and accounting system of energy communities whether they are to be operated in the form of "static" or "dynamic" models . This fundamental question, which is also crucial for the legal relationship with the network operators, must be regulated centrally at the level of the supply agreement.

On the basis of the provision of § 16d para 2 no. 3 ElWOG 2010 and subsequently central to the static model, the determination of a "share" of the respective participating network user is in any case. This serves as a basis for the subsequent measurement of the energy allocation by the energy community and the grid operator. The "non-material share" of the participating network user corresponds to the calculated share of consumption of the participating network user in the total generation of the REC.

As a rule, the modalities for determining shares will have to be regulated at the level of the energy community – it would be conceivable, for example, to have shares based on heads or graded according to financing shares, etc.; however, the static shares do not have to correspond to co-ownership shares in rem within the meaning of share entitlements under civil law.

In the case of a **dynamic model** , on the other hand, the allocation is made according to the actual physical reference (measurement at the metering point) of the consumption systems, i.e. in relation to the current consumption behaviour of the respective participating network users.

The following situation must be taken into account: if there are very large consumers in the ratio of the participating network users to each other, the large consumers are also dynamically allocated the most of the energy generated; this means that the system may become uninteresting for small participating network users under certain circumstances, in particular if the generation of the energy community can only cover small parts of the supply of the participating network users. appropriate allocation thresholds ('caps') in such cases. However, this requires

As a rule, a more complex contract regime and a significantly increased administrative burden in the Energy Community.

In addition, consideration could be given to whether, in addition to the energy allocation, there can/should be an internal charging of energy between the members – for example, because different participating grid users purchase energy at different times of the day (and thus also market prices) during the course of the day or, conversely, enable the energy community to feed energy into the grid. However, such models (e.g. time-of-day-dependent feed-in and purchase prices) will not be discussed in detail for the time being.

In order to ensure the processing of the energy purchase as well as the subsequent billing , the participating network user must agree that the grid operator measures the energy consumption at the consumption system of the participating grid user with a load profile meter or, below the limits of Section 17 (2) ElWOG 2010, with an intelligent measuring device in accordance with Section 7 (1) no. 31 ElWOG 2010 and processes this data.

Compensation and settlement

In principle, there are no rules for the tariffing of services between the energy community and the participating network user. The only stipulation by law is that the (main) purpose of the energy community may not be explicitly "financial gain" (§ 16b para 2 ElWOG 2010; § 79 para 2 EAG), so that at the level of the energy community the "cost recovery principle" must generally be assumed when determining tariffs. On the basis of corresponding calculations for financing and liquidity of the Energy Community, the institutions of the Energy Community shall determine the risks. In the best-case scenario, the decisions taken by the governing bodies in the Energy Community flow directly into the existing contractual tariffs of the participating network user.

In this respect, there are no fixed regulations with regard to the structure of remuneration, so that all regulatory options are conceivable in principle, from lump sums to variable fees. However, in accordance with existing classifications, the determination of procurement-dependent tariffs of **cents .... / kWh** plus any VAT due for this purpose as well as other public taxes, levies, fees and charges to be borne or paid by the Energy Community for the supply of electrical energy subject to the contract appears to be appropriate in any case.

As on the free market, numerous variants are conceivable with regard to intra-Community tariffs, for example in connection with daytime tariffs. In addition, it would also be possible to carry out an internal calculation of energy purchases in the dynamic model that deviates from the static share determination . However, both types of regulation require more complex contractual regimes and a significantly increased administrative burden in the Energy Community.

In each case, it must be considered whether the respective service charges should be secured separately regardless of whether they are to be determined by the energy community. If one assumes that the institutions of the Energy Community are constantly adjusting charges in order to comply with the principle of cost recovery, value protection agreements would not be absolutely necessary in principle, but certain automatic adjustments can of course avoid ongoing discussions in individual cases. In addition to the CPI, value protection on the basis of the Austrian Electricity Price Index (ÖSPI), etc., may prove to be feasible on a case-by-case basis, whereby the feasibility of indexation must be examined specifically in each individual case.

The service agreement also requires regulations on the specific implementation of the billing of service charges. Depending on the accounting system and requirements, settlements can be considered analogous to operating cost statements with flat monthly instalments and final invoices on an annual basis up to directly data-related service statements.

It is important to bear in mind that the monthly data for energy purchases are only made available by the grid operators after a certain time interval, which results in a delay between energy purchase and service billing. This must be sufficiently taken into account, especially when it comes to ensuring the liquidity of energy communities.

*The provisions of § 21 para 3 MRG with regard to annual lump sum billing apply analogously.*

If the settlement results in a surplus in favour of the participants, the surplus amount must be refunded on the next but one payment date. If the settlement results in a shortfall at the expense of the participants, they must pay the shortfall by the next but one payment date.

Operation, maintenance and maintenance of the generation facilities as well as the bearing of the costs of the power generation plant

Although the regulatory provisions stipulate that the energy community must have the necessary authorisation to dispose of and operate the power generation plant , it does in any case allow the operation of the plant by third parties (e.g . in the context of service contracts).

As a rule, the operation, maintenance and maintenance of the energy generation plant will be the sole responsibility and cost bearing of the Energy Community vis-à-vis the participating network users. Divergent constellations could arise if the participating network user is also the owner of the generation plant; in such a case, it is advisable to make contractual provisions for this specific constellation at the level of the energy community and the plant owner, whereby clarifications on the hierarchy of contractual relationships must be made in this regard.

Provision must be made for operational operations in such a way that the participating network users undertake to conclude all necessary agreements with the respective network operator with regard to data management and data processing of the energy data of the energy generation plant of the Energy Community and the installations of the respective participating network user, and to grant the grid operator the necessary access to the consumption system. In other respects, too, every effort must be made to ensure that all other necessary consents are given to the energy community and the grid operator in order to enable the implementation of the respective service content. In any event, the participating network user must be subject to the reading and transmission of the quarter-hourly values by the network operator in accordance with

§ 84a ElWOG 2010.

In this context, consent to the exchange of all data necessary for the implementation of this agreement as well as the agreements between the Energy Community and the network operator is required.

In any case, the following minimum standard will have to be guaranteed under data protection law:

*"REC undertakes vis-à-vis the participating network user to treat the personal data (name, date of birth and address) of the participating network user that comes to its knowledge in the exercise of this contract, but in particular the date of "energy consumption", with the utmost confidentiality and to process the data collected only for the fulfilment of contractual obligations, which is the exclusive reason for the lawfulness of the processing (Article 6(1)(b)) GDPR). The REC is the controller within the meaning of Article 4 (7) GDPR.*

*The participating network user has the right to information, correction and, after termination of the contractual relationship, the right to erasure, restriction of processing or objection to processing and data portability at REC as well as the right to lodge a complaint with the data protection authority within the legal framework..."*

termination and termination of the contract; Free choice of supplier

The question of the encroachment of the right to free choice of suppliers on energy communities is not completely unambiguous in law. According to the preliminary opinion of the BMK, the reference to the termination provisions of the ElWOG is not mandatory, since the REC is not a supplier (in the internal relationship). If, however, such a regulation is to be ensured, the following regulation would be suitable, for example:

*'It shall be open to the participating network user to terminate the present coverage of consumption from the energy generation plant with a notice period of 4 weeks to the last day of the month, unless shorter periods of notice necessarily apply in accordance with Paragraph 76(1) of the ElWOG 2010. In any event, the agreement in question is automatically deemed to have been terminated, without the need for any further legal act if the participating system user withdraws from the Energy Community as a member/shareholder/etc.'*

Deviating termination clauses may also be permissible if there are no consumers within the meaning of Section 1 (1) no. 2 KSchG and small enterprises.

Overall, an attempt should be made – mainly for resolution reasons – to reconcile notice periods, as far as legally permissible, with parallel notice periods for distribution system operators in order to avoid different termination regimes and, at the same time, billing periods.

With regard to the energy of the participating network user, which continues to be purchased from the public grid as part of the consumption facilities, the participating network user must undertake to conclude independent agreements with the energy supplier and network operator with regard to connection to the public grid, network access and continued supply of energy from the public grid. As a rule, such a contractual relationship already exists before joining an energy community.

- The regulation of the termination of an energy purchase agreement by the energy community depends individually on the structure of the energy community and its relationship to the individual members. In this respect, many variations could be appropriate, ranging from the exclusion of such termination for the duration of membership of the Energy Community to general termination clauses in the energy sector. For example, a participating network user may continue to be a member of an energy community, but will be prohibited from purchasing energy.

*"On the other hand, it is open to the Energy Community to give ordinary notice to the present subscription and operating agreement, subject to a notice period of 12 weeks to the last day of the month. In addition, without prejudice to the general entitlement to extraordinary termination, the Energy Community shall in any case have the right to terminate the contract without notice if the participating network user is more than 8 weeks in arrears with payment obligations under this Agreement despite a one-off qualified reminder by the Energy Community."*

In addition, excerpts from the framework conditions for energy communities relevant to energy law recommend the following mandatory reasons for dissolution:

*"... if*

*the legal or other regulatory requirements of the participating network user for participation in an energy community no longer apply; OR*

*agreements between the participating system user and the network operator that are necessary for the performance or implementation of this agreement are no longer in force or are terminated (from the date of termination of the contract vis-à-vis the network operator); OR*

*the necessary agreements between the Energy Community and the network operator are no longer in force or are being dissolved; OR*

*other terms and conditions relating to the operation of an energy community between the network operator and the energy community are no longer met.*

In any case, collateral management should be considered on a case-by-case basis in connection with the service relationship between the energy community and the participating grid user in order to ensure the financing and liquidity of the energy community throughout. This could mean, for example, that annual membership fees are not reimbursed on a pro rata basis.

Warranty and Liability

Relevant warranty provisions may include, in part, the following topics:

the quantity, type, scope and timing of the energy generated by the energy generation plant;

if energy production can be expanded to include storage options, it would be necessary to regulate whether and to what extent there are requirements or restrictions of the Energy Community with regard to the use of the stored energy. In addition to the (time-scheduled) coverage of the energy purchases of participating grid users, this is just as relevant as it is for any regulations in connection with the feed-in of surpluses, numerous other regulatory contents are conceivable on a case-by-case basis.

Relevant liability regulations may include the following topics:

liability for the power generation plant; as a rule, this will be the responsibility of the energy community (cf. the special constellation: plant owner as participating grid user);

This applies in particular to the obligations of the REC pursuant to §§ 16d para 4 ElWOG 2010 as well as the legal consequences arising from violations thereof;

on the other hand, it will be possible for the participating network users to retain any responsibility for the connected consumption installations of the participating network users, and the Energy Community would be held harmless and indemnified in this regard.

Relevant liability provisions may also include:

*"... In any case, REC's liability for the measurements of the quantities of energy consumed and generated by the grid operator, as well as the allocation according to the respective agreed distribution ratios or those announced via the market processes, and the offsetting with the energy purchased by the respective participating network user, is excluded. Rather, the participating network user assumes sole responsibility for checking the completeness and correctness of the aforementioned data and will inform the REC immediately if errors or deviations are assumed in this regard.*

*Insofar as liability is based on fault, with the exception of personal injury, liability is only applicable in cases of intent and gross negligence. Compensation for loss of earnings, loss of profit and consequential damages, in particular compensation for third-party damages, is excluded at any time to the extent permitted by law.*

*The REC is not liable for the payment of taxes and duties and/or fees by the participating network users. ..."*

Depending on individual cases, numerous other regulatory contents are conceivable.

**Final provisions**

1. *Provisions deviating from the content of this agreement, which are standardised in agreements between the REC and participating network users who are at the same time the owners of energy generation installations in which the REC has acquired the corresponding power of operation and disposal, shall take precedence over the provisions of this agreement.*
	* The present agreement leaves the entire responsibility for the plant with the REC. If, however, the participating network user is also the owner of the energy generation plant, the agreements made between the plant owner and the REC take precedence over the local regulatory content (e.g. investment costs or liability for the energy generation plants or the operation of the same, etc.).

Annex 4

Share of a customer in community self-sufficiency

Title – Name and surname: xxx

Measuring point or measuring point number: xxx

Share of a power plant in kW (absolute part): xx kW

Power plant generation share (relative part): xx %

Annex 5

Article 20 of the Slovenian Distribution Network Tariff Methodology

**(determination of network fee calculation for community members)**

(1) The electricity operator shall charge members of citizen energy communities, renewable energy communities, or community self-sufficiency communities (hereinafter: communities) network charges for transmission or distribution of power in accordance with the first paragraph of Article 15 of this Act and the first paragraph of Article 16 of this Act, whereby when calculating network charges for excess power instead of the achieved power of the system user, recorded from 15-minute measurements in Time Block *B,*  take into account the achieved power of the system user recorded from 15-minute take-over measurements and the assigned amount of active energy produced from Community production installations at billing intervals in Time Block *B*, determined as follows:

,

where labels mean:

 the achieved power of the system user, recorded from 15-minute take-over measurements and the assigned amount of active energy produced from Community production installations at billing intervals in Time Block *B* [kW];

 the allocated to the system user is the quantity of active energy produced from Community production installations at calculated intervals in time block *b* [kWh];

Energy taken at the system user's pick-up and transfer point at billing intervals in the time block *b* [kWh].

(2) The electricity operator shall charge community members a network charge for energy for transmission or distribution by charging the network charge for energy in accordance with the second paragraph of Article 15 of this act and the second paragraph of Article 16 of this Act by:

the net consumption determined at the pick-up point at the corresponding measuring point (total consumption  measured at the delivery point less the allocated quantity of energy produced from Community production installations ) shall be multiplied by the energy tariff line  and , the net consumption at the stand-by time block b accounting intervals shall be determined as follows:



- the allocated amount of active energy produced from Community production installations ( multiplied by the adjusted energy tariff line (), which takes into account only the extent of use of the public distribution network between the take-over points of the generating installations and the delivery points of final customers in the Community and is site-dependent, as follows:





,

where labels mean:

 the energy taken over at the delivery point of the system user at billing intervals in the time block *b* [kWh];

 the energy taken at the delivery point of the system user, at billing intervals in Time Block *B*, less the allocated amount of energy from Community production installations in the same time block *b* [kWh];

 the allocated to the system user is the quantity of active energy produced from Community production installations at calculated intervals in time block *b* [kWh];

 time block b network charge for the community;

 energy network charge for distribution in Time Block *B*, per community member [EUR];

 the energy tariff item [EUR/kWh] for the user group at level *i*, in time block *b*, for the distribution system [EUR/kWh];

 the energy tariff item [EUR/kWh] for the user group at level *i*, in Time Block *B*, for the [EUR/kWh] transmission system;

 an adjusted energy tariff line (for a typical case of connection of a member of the Community *J),* reflecting the cost of using the network, at billing intervals in Block *B*, for the distribution network, determined in accordance with Chapter 1, section 1, of the final customer and the Community production installations determined in accordance with Chapter 1, Section 1, of Annex 1 to this Act.

(3) The Agency shall establish, in the form of tariffs for network charges, for members of the Community for the distribution system referred to in Article 39 of this Act, adjusted energy tariff lines). 

Annex 6

Draft Article 15a of the Directive (EU) 2019/944 on common rules for the internal electricity market

Right to energy sharing

1. All households, small and medium-sized enterprises, and public bodies have the right to participate in energy sharing as active customers.

(a)Active customers shall be entitled to share renewable energy between themselves based on private agreements or through a legal entity.

**(b)Active customers may use a third party that owns or manages for installation, operation, including metering and maintenance a storage or renewable energy generation facility to facilitate energy sharing, without that third party being considered an active customer.**

(c)Member States shall ensure that active customers participating in energy sharing:

(d)are entitled to have the shared electricity netted with their total metered consumption within a time interval no longer than the imbalance settlement period and without prejudice to applicable taxes, levies, and network charges;

(e)benefit from all consumer rights and obligations as final customers under this Directive, except in case of energy sharing between households with an installed capacity up to 10.8 kW and up to 50 kW for multi-apartment blocks using peer-to-peer trading agreements;

(f)have access to template contracts with fair and transparent terms and conditions for peer-to-peer trading agreements between households, and for agreements on leasing, renting, or investing in storage and renewable energy generation facilities for the purpose of energy sharing; in case of conflicts arising over such agreements, final customers shall have access to out of court dispute settlement in accordance with Article 26;

(g)are not subject to unfair and discriminatory treatment by market participants or their balance responsible parties;

(h)are informed of the possibility for changes in bidding zones in accordance with Article 14 of Regulation (EU) 2019/943 and of the fact that the right to share energy is restricted to within one and the same bidding zone.

(i)Member States shall ensure that relevant transmission or distribution system operators or other designated bodies:

(j)monitor, collect, validate, and communicate metering data related to the shared electricity with relevant final customers and market participants at least every month, and in accordance with Article 23;

(k)provide a relevant contact point to register energy-sharing arrangements, receive information on relevant metering points, changes in location and participation, and, where applicable, validate calculation methods in a clear, transparent, and timely manner.

1. During the workshops one participant expressed a view that proximity criteria should be exactly 50 km. [↑](#footnote-ref-1)
2. Royal Decree 244/2019, of 5 April 2019, available at: <https://www.boe.es/buscar/act.php?id=BOE-A-2019-5089> [↑](#footnote-ref-2)
3. POLICY GUIDELINES by the Energy Community Secretariat on the concepts of energy communities

PG 01/2024 / 12 March 2024 [↑](#footnote-ref-3)
4. During the workshops one of the participants suggested to envisage an obligatory participation of the local community. Another one expressed a view that on the territory of one local community only one renewable energy community should be allowed. [↑](#footnote-ref-4)
5. POLICY GUIDELINES by the Energy Community Secretariat on the concepts of energy communities

PG 01/2024 / 12 March 2024 [↑](#footnote-ref-5)
6. In Italy, the threshold for individual plants is set at 1 MW, In Portugal - 1 MW in Greece - 1 MW, In Ireland - 5 MW, in France - 3 MW, in Spain - 100 kW, and in Poland - 10 MW. [↑](#footnote-ref-6)
7. Commission Staff Working Document Guidance to Member States on good practices to speed up permit-granting procedures for renewable energy projects and on facilitating Power Purchase Agreements Accompanying the document Commission Recommendation on speeding up permit-granting procedures for renewable energy projects and facilitating Power Purchase Agreements SWD/2022/0149 final. [↑](#footnote-ref-7)
8. Guidelines on State Aid for Climate, Environmental Protection and Energy 2022, para. 107(b)(iv)(v). [↑](#footnote-ref-8)
9. POLICY GUIDELINES by the Energy Community Secretariat on the concepts of energy communities

PG 01/2024 / 12 March 2024 [↑](#footnote-ref-9)
10. same [↑](#footnote-ref-10)
11. CEER Paper on Electricity Distribution Tariffs Supporting the Energy Transition, p.30, <https://www.ceer.eu/documents/104400/-/-/fd5890e1-894e-0a7a-21d9-fa22b6ec9da0> [↑](#footnote-ref-11)
12. <https://www.e-control.at/documents/1785851/1811582/Kosten-Nutzen-Analyse_StromGas_Final.pdf/72838f8b-2eee-c48c-6230-17d8582639d8?t=1711022863061> [↑](#footnote-ref-12)
13. Articles 17/1 and 18/1 of the Royal Decree 244/2019 from 5 April 2019 [↑](#footnote-ref-13)
14. https://eu4moldova.eu/the-first-8-local-action-groups-from-the-republic-of-moldova-registered-as-legal-entities/ [↑](#footnote-ref-14)
15. Unofficial translation [↑](#footnote-ref-15)