

## Responses to DG Competition questionnaire

This document incorporates the responses that members of REScoop.eu have prepared in response to a questionnaire by DG Competition questionnaire state aid and measures regarding energy communities. The positions raised do not represent the position of REScoop.eu. They represent the position of each energy cooperative or Federation of cooperatives. These inputs have helped provide a basis for REScoop.eu's position on the revision of the state aid guidelines, which you can find at [www.rescoop.eu](http://www.rescoop.eu).

### QUESTION 1: What in your view are the pros/cons of different ways of supporting community projects, eg.:

- a) Providing support in the form of technical advice to help communities develop projects;

#### Ecopower (Belgium):

Technical support is very helpful for energy community projects. A good example of such support can be found in the Scottish CARES support scheme and in the Licht approach followed by REScoop Vlaanderen.

#### Som Energia SCCL (Spain):

**PROS:** It is a necessary measure. The idea to promote energy community projects is precisely to empower the people who usually don't have access to energy sector expertise. Therefore, it would be too dangerous to enhance energy communities without providing technical advice or promoting spaces for knowledge exchange and dissemination of best practices. We cannot assume that the members of the community have such technical knowledge.

**CONS:** There are no disadvantages. The costs of such measures are proportional and totally justified with high returns.

## Coopernico (Portugal):

PROs: Such support could (1) create realistic expectations (e.g. savings, % of RES, CO2 reduction ...) for new projects; and (2) ease the techno-economic analysis for citizens with lower level of technical and economic knowledge.

CONs: (related to collective self-consumption projects) (1) the analysis can be time-consuming or lack accuracy. Every community project varies significantly not only due to technical aspects but also social ones. The number of stakeholders involved in these projects is significantly higher than traditional RES installations.

## BBEn and DGRV (Germany):

This is not crucial for Germany and it doesn't offer big help for German energy cooperatives.

## **b) Providing grants or loans to help community projects undertake feasibility studies, get planning and environmental or grid connection permits etc.;**

## Enercoop:

Our Answer applies to both a) and b):

These options are interesting indeed. However:

- this kind of support must be complementary to the classical support for RES.
- our main objective is to have higher thresholds for direct support to energy community projects.

## Ecopower:

Such grants are very helpful, as it is indicated by the CARES Scottish support scheme that already provides for such grants and loans.

## Som Energia SCCL:

PROs: Together with technical knowledge, access to capital is one of the main obstacles that community energy projects have to overcome in order to disseminate around the territory. With this in mind, it is crucial that governments provide grants and loans for feasibility studies, due diligence, etc, and particularly loans to pay the required grid connection permits guarantees. It is a "sine qua non" requirement, the absence of which may determine the possibility to further promote such types of projects. Furthermore, we must keep in mind that the regulation of energy communities puts in first place the achievement of social and environmental goals that go beyond mere profitability. Therefore, the system should not demand energy communities to be able to access capital under the same rules than regular limited responsibility companies, which focus only on profitability.

CONs: The risks associated for "not recovery" of these loans and grants due to mismanagement or lack of technical qualification are clearly compensated by the environmental, social and empowerment benefits related to the promotion of such type of projects.

## Coopernico:

Under the current legal framework, it will be very difficult for an energy community to get funds for a RES project, because the means to reduce the risks for investors are not adequate to the citizen nature of the REC. In Portugal, an investment of millions is needed to develop a project that requires a new connection to the grid. Thus, it's unlikely that energy communities could develop these projects by themselves.

## BBEn and DGRV:

Pro: It is important, as it is one possible way to help communities take part in auctions. It is a pragmatic and cheap way to help German energy cooperatives to take part in the solar and wind auction market if it fulfils certain criteria. We are already lobbying for this and have a suggestion of around two pages if further ideas are needed.

Con: It would still require communities to take part in the auctions and to assume the risks that come along with this.

- c) Reducing pre-qualification requirements for community projects, e.g. lowered or zero collateral requirements, waiving requirements for certain permits to be in place as a pre-condition for entering the competitive process etc.;**

## Enercoop:

We consider this is not the main obstacle to energy communities. We would prefer higher threshold for direct support to energy community projects.

## Ecopower:

There is a danger that every developer disguises himself as a community project, as can be extracted from the example of Germany.

## Som Energia SCCL:

PROS: The recent auction procedures practiced in Spain did not put in place strict pre-qualification requirements. In fact, the biggest obstacle for community projects was the marginalist approach of the auction (therefore putting the focus only on best economic offers) and the requirement for advancing a high guarantee. The electronic procedure was relatively easy to implement for the candidates.

CONS: With the above in mind, we believe that there should not be a different access to projects depending on the actor in terms of meeting environmental, zoning or other type of criteria for permits, since this would play against the principles, spirit and main goals of energy communities. All the actors should play by the rules in this sense.

## Coopernico:

PROs: It accelerates implementation of new projects by reducing bureaucracy requirements.

CONs: Once implemented, the community projects might cause problems to the local grid management, possibly leading to additional costs for the systems and citizens that cannot develop community projects.

## BBEn and DGRV:

PRO: Lowered or zero collateral requirements are good.

NOTE: Waiving requirements for certain permits is a political no-go for Germany (as indicated by the hijacking experiences in 2017). The advantage (you did not need a Federal Emission Control Permit) was so interesting for other market players who were not “real” renewable energy communities/energy cooperatives and the definition of the market player who could take advantage of the advantage was too broad. Thus, you need a very strict definition and the better the advantage is, the more market players will try to get it. In Germany, we have the situation that most of the politicians say ‘we tried to do something for community energy, and it was abused’. All the politicians who are in favor of energy cooperatives will not touch the subject again for the time being.

- d) Using the small installations exemptions in the EEAG to directly support community projects below the thresholds (i.e. granting them feed in tariffs at an administratively set level);**

## Enercoop:

Yes this is a good measure, but above all, we would like to defend higher thresholds for direct support to energy communities projects.

## Ecopower:

We would prefer special arrangements for community projects, regardless of their size.

## Som Energia SCCL:

PROS: We believe that the benefits analyzed in Question 2 below fully justify the use of exemptions to support the development of community projects. These should be only temporary schemes until a reasonable level of community projects have been implemented and the needed technical knowledge and skills have been widely disseminated.

CONS: At least in Spain, some years ago renewables were blamed unfairly for a disproportionate deficit and debt of the electrical market. The spread of these types of measures may give arguments to the opponents of renewables to criticize again such energy sources. That’s why the use of such type of financial support should be used only temporarily to boost energy community projects. These measures should go always together with technical support, otherwise they risk not being successful and being accused of mismanagement, inefficiencies, etc.

## Coopernico:

PROs: (1) fixing the value of a feed in tariff at an administrative level and similar actions help to lower the risks of implementing community projects, therefore increasing the chance to attract outside investors.

CONs: (1) high penetration of community projects in the grid might lead to an increase of the management costs of the system that will penalize citizens not able to participate in community projects.

## BBEn and DGRV:

Pros: This is the best solution for a perfect world for communities and energy cooperatives.

Cons: In Germany at the moment it is politically not feasible. Some background is needed in this case: most windfarms in Germany are around 18MWs due to the densely populated and used landscape. But it might still be the best chance we have and the best option for energy cooperatives. Furthermore, in the photovoltaic sector it is widely used. Now the threshold for photovoltaic auctions is 750 kW. The state aid guidelines state 1.000 kW. Moreover, it does not prefer certain market players, it is tied up to the installation and its size (and not tied to the entity operating the installations - thus, it fits perfectly into the German Renewable Act), thus it does not discriminate against a certain technology. Hence, everyone (all the market players, federations, most of the political parties) supports it. Unfortunately, the German Federal Ministry of Energy and the German Christian Democrats do not support it and therefore we have not been able to use it with respect to wind onshore.

- e) Ring-fencing a certain quantity of capacity to be procured only from community projects (i.e. community projects compete only against other community projects);**

## Enercoop:

This is not the best solution. Tenders are an obstacle to energy communities. We would prefer a higher threshold for direct support to energy community projects.

## Ecopower:

This is a positive measure. In Scotland there is a similar example, where there is a community energy sub target combined with the CARES enabling framework.

## Som Energia SCCL:

PROs: Ring fencing a certain quantity of capacity to be procured only from community project would be an excellent temporary measure. It would be useful to boost energy community projects.

CONS: In the long term, we believe that energy community projects should be able to compete in auctions with other market actors. So, ring-fencing should be only a temporary measure, otherwise it could create a certain level of dependency for energy communities. In the long term, the general auctions should be more adapted to energy community projects. The last auction that took place in Spain for instance did not meet these criteria. First of all, it was a marginalist auction, so there was a big incentive for producing many MW

at a cheap price. Therefore, in order to have more chances to win the auction the economic offers of the bidders asked for zero euros in terms of economic support from state, so it ended up with the government not giving any aid, while the beneficiaries were traditional big companies, not giving space for concepts such as social inclusion, etc. Auctions in the future should not put the focus only on economic aspects. This incentivizes the participation only of big companies and even the concentration of projects in a particular area. Other territorial, social and resilience criteria should be taken into account. Maybe an alternative would be to develop local auctions instead of national ones and incorporate other type of social and environmental indicators as the ones proposed above.

## Coopernico:

PROs: This measure: (1) Incentivizes citizens participation in the energy sector; (2) enables a fair competition environment for the creation of new energy community projects.

CONs: (1) It limits the scope of new community projects development, indirectly incentivizing the development of limited project typologies (e.g. community supported utility scales etc.).

## BBEn and DGRV:

Pro: This is another very good solution for a perfect world for communities.

Con: Again it is politically difficult. What has been discussed is a “Listenmodell”. A certain number of community projects each year (/certain amount of the yearly tender volume) shall get more or less the tender price automatically without attending the tender process.

## Energie Samen:

A separate pot of support for community energy projects owned more than 51% - ownership - financial in equity is a very reasonable thing to ask. Local communities only have one project. They cannot spread their risk over an international portfolio that if they don't get one, they will build somewhere else. The risk of not getting the subsidies is too high. The threshold for access to the market are too risky compared to international companies. To level that field you can make a separate pot. An alternative is to take care of the costs for the development through a development fund.

- f) Including a bonus payment for community projects - e.g. an extra [1-3] EUR/MWh for community projects on top of what they bid into a competitive process;**

## Enercoop:

This is not the best option. Tenders are an obstacle to energy communities. We would prefer a higher threshold for direct support to energy community projects. Furthermore, the EU Commission just invited France to reform its participative bonus arguing that a support in euro/MWh isn't compatible with EU competition law.

## Ecopower:

We would prefer a combination of a., b., g. rather than f.

## Som Energia SCCL:

**PROS:** If we have a strict definition of energy community projects and we are able to avoid problems such as elite capture, this would be an excellent way to incorporate environmental and social criteria that go beyond economic profit in public auctions. We believe that this type of aid could be kept at the long term due to the presence of the additional environmental and social benefits that community projects bring. So, this does not need to be a temporary measure only justifiable until energy community projects gain momentum, but a permanent one since these projects bring additional social and environmental benefits.

**CONS:** This could put pressure on the definition of energy community. As it would determine a clear financial advantage for energy communities, we should make sure that the definition would not allow for the incorporation of hidden interests driven by big companies. The principles of effective control and autonomy should be ensured. Otherwise, it could imply an “inflation” of the energy community concept, losing its value on the long term. For these cases at least, we would favor a very strict definition of energy community.

## Coopernico:

**CONS:** for the current Portuguese situation, this incentive will go against the current objective of the secretary of state to lower the price of RES production.

## BBEn and DGRV:

**Pro:** A higher profitability.

**Con:** Higher profitability only if the community energy project wins in an auction - with all the risks included. In Germany, community wind projects receive a higher price if they win in a wind tender. It is the uniform pricing instead of the pay-as-bid-price. However, we do not see more community energy projects attending the auctions or winning in auctions due to this “advantage”. In Germany, the problem with the auctions is not that communities would receive a sliding premium that is not enough. Instead, falling lower premiums due to higher competition created by auctions should not really pose a problem to communities, which by themselves have a lower profitability expectation than commercial actors with respect to wind projects. Community projects thus do not necessarily need higher premiums via bonus or uniform pricing. The problem is the risk of investing a ton of money into a project and then losing in the auction.

German energy cooperatives are not able to attend the German bidding process or have an extremely low chance of winning a bid due to the following reasons: German energy cooperatives and other citizen energy communities are mostly micro or small enterprises. Hence, they only have limited financial capacity and work force. In contrast to big market players, they implement only one big local solar or wind power projects at a time. The planning costs for a 1 MW ground mounted solar system are between approx. 10.000 and 72.000 €. For wind turbines, the project costs can range from around 200.000 € to over 300.000 € per wind turbine. The board of directors of the cooperative has to ask its members for this sum as own equity. However, the board of directors has to tell its members that they cannot guarantee the implementation of the projects as they do not know whether the cooperative will win a bid with the project. If the cooperative does not win any tender, the

planning costs of up to 72.000 € for a 1 MW ground mounted solar system and up to 300.000 € for one wind turbines are lost. Therefore, the member of the cooperative will not give this sum to the board. In contrast, big market players can hand in several bids or receive several accepted bids and spread the risk over different projects and accepted bids.

In addition, planning costs for small ground mounted solar systems, which are implemented by energy cooperatives, are higher per MW installed electricity capacity than big solar projects. German energy cooperatives run mostly ground mounted solar systems up to 5 MW. The practice shows that ground mounted solar systems of an installed electricity capacity up to 5 MW have a cost disadvantage due to economics of scale in comparison to ground mounted solar systems of an installed electricity capacity between 5 MW and 10 MW. Moreover, big market players can realize their projects with a lesser share of equity and lower interest on debt capital.

Several actors have tried to portray community energy as unprofitable, and lobbying to get extra money from others. A bonus payment could strengthen this narrative.

- g) Requiring some or all beneficiaries of schemes to involve communities in some way, e.g. through direct ownership / by offering an investment opportunity;**

#### **Enercoop:**

In the short term, this requirement would be a strong obstacle to the development of RES projects in France. But we agree that the aim of the guidelines in the long term is the generalization of projects in which energy communities have effective control. The state aid guidelines should facilitate the setting of targets that are ambitious enough to bring about a real evolution of the energy market and make renewable energy communities full-fledged economic actors. State aid guidelines should, therefore, allow energy communities to be on an equal footing with classic energy operators.

#### **Ecopower:**

This is a good measure, as we can see from the example of the Netherlands, as it has a very positive effect on acceleration transition.

#### **Som Energia SCCL:**

**PROS:** We believe it could be a positive measure, particularly as an additional financial tool to promote energy projects where citizens participate. It would allow other actors, besides public administration, to contribute towards the financing of RES projects with citizen involvement.

**CONS:** It should not exclude the application of previous mentioned measures, since this is not purely an energy community project, but something else, as the control would be assumed by the beneficiary. It would be a project in which the community participates and where citizens are involved, but nothing else. It does not serve the same empowerment goals that the “regular” energy community projects serve, since the main decisions, procedures, etc. would be implemented by the Board of Directors of the beneficiary.

## BBEn and DGRV:

Pro: It is making participation a standard requirement for all the actors in the system; also, different contexts and different forms/levels of participation could be addressed here.

Con: If this measure is introduced as a singular policy, it would still hamper the development of community energy.

## Energie Samen (NL):

In the Netherlands the threshold access to the energy market is very low. Anybody who produces energy can apply for subsidies and put the electricity on the grid. The main problem for energy cooperatives is access to locations. Because they are local it is hard to find locations. They cannot and do not compete on a national or international scale for the search of locations. In this sense access to the market is very high.

Due to Dutch planning law we can find elaborate ways around it. Local governments make policies that only give co-operation to the legal procedure to get a planning permission to plans that has local community ownership. Within the legal procedures you cannot discriminate, but in the Netherlands there is a possibility to ask project developers to come with plans that incorporate the community.

This, however, is unique in Europe and leads to legal discussions whether a government can “force” landowners to work with one party or force a cooperation between private developers and the community. In the Netherlands it’s not really forcing them, the agreements are made voluntarily, but if they don’t form such agreements, they cannot get a permission to build.

When you talk about special regimes, it should be possible for any government to demand local ownership in order to give planning permission or set a community energy target. This will create access to the market, since landowners or private developers know that they can only get a permission when they involve the community.

## **h) Requiring some or all beneficiaries of schemes to pay for projects in the community as a pre-requisite for becoming eligible for a subsidy; or**

### Enercoop:

We understand this proposal as an obligation for private operators to finance any kind of projects in the community in order to be selected. We do not agree with this approach. We do agree that economical - and non-economical - local benefits of RES projects should be maximized, but not in that way. What should be reached is local energy appropriation and participation of local stakeholders in the governance of the projects, which in turn - as experience shows - generates more local economical and non-economic benefits for the community and territories (and more and more projects developed).

There is no need of social acceptance by compensatory measures, if energy communities are well defined and transposed in national law. The Commission should regularly assess the co-benefits of projects supported by renewable energy communities and highlight the added value of this type of projects.

## Ecopower:

We prefer option g to h.

## Som Energia SCCL:

**PROS:** As in the former measure, it is positive in the sense that it could provide an additional financial tool to support energy projects where citizens participate. It would allow other actors besides public administration to contribute towards the financing of RES projects with citizen involvement.

**CONS:** It should be ensured that the allocation of funds go to energy communities that fulfill the specified criteria in the transposition of the Directive. This could be difficult to supervise and could give rise to irregular behaviors. How would this work? Should the beneficiary chose the energy community? Or should these monetary resources go to a governmental fund which could be used for auctions addressed only to energy communities? Probably this last option would make more sense than letting the beneficiary decide whom to finance, since the later could lead to mismanagements, non-transparent deals, excessive dependence of the energy community on the beneficiary, etc.

## Coopernico:

**CON:** it creates a barrier for people that have low financial availability e.g. citizens experiencing energy poverty.

## BBEn and DGRV:

See answer for g.

### **i) Other possible ways?**

## Enercoop:

- The Commission should regularly notify Member States of their respective state of play in terms of energy communities and evaluate the best tools and ways to support them.
- Support should be provided for information and awareness-raising in favor of renewable energy communities.
- Support should be provided for territorial engineering (regional citizen energy networks and engineering carried by local authorities and their groupings).
- Member States should be allowed to design their support schemes taking into account geographical differences/various energy potential.

## Ecopower:

Another important proposition is tax reductions for citizens investing in community energy, e.g. the postcoderoos system in the Netherlands.

**QUESTION 2: What are the main benefits of community RES projects as opposed to alternative types of RES project? For each identified benefit:**

**a) Can the benefit be quantified / measured in some way?**

**Encercoop:**

Recently, Energie Partagee published a study that shows citizen projects are 2 to 3 times more profitable for the local community than private projects. The study can be found [here](#).

**Ecopower:**

An important benefit is the return to local citizens and other local stakeholders: the money stay in the local economy.

**Coopernico:**

Share of national/local ownership - in many European countries, a significant part of the investment in the increasing renewable energy capacity installations is coming from foreign countries. Most of the time local citizens don't have the opportunity to invest in such projects and, therefore, loose an "investment opportunity". Incentivizing the creation of community RES projects would have a positive impact on the share of nationally owned new renewable energy capacity installed.

**BBEn and DGRV:**

Benefits:

- aa. regional value creation;
- bb. social acceptance;
- cc. active citizen participation;
- dd. change of behavior in the field of energy.

Each benefit can be quantified or measured. The only problem is that we have not really developed indicators. Furthermore, there are not many scientific studies about this topic, and we do not have the resources to fund it e.g. just the question of which share German Energy Cooperatives have in the German solar, wind and biomass market would cost at least 40.000 € if you want to assign a service provider. Thus, a research on this topic would cost at least a six-digit sum.

**b) What indicators could be used to evaluate the success of a support scheme in achieving each identified benefit?**

**Enercoop:**

We consider that the recent Directives (2018/2001 and 2019/944) state clearly that energy communities have specificities which justify treating them differently than traditional

actors, including the evaluation of their impact which cannot be seen only through an economic perspective.

In France we do not have consolidated data on energy communities and the projects carried out by them. The transposition should make it possible to acquire monitoring indicators and a relevant observatory for the monitoring and evaluation of the dynamics. See paragraph 70 of the preamble of the 2018/2001 Directive *“The participation of local citizens and local authorities in renewable energy projects through renewable energy communities has resulted in substantial added value in terms of local acceptance of renewable energy and access to additional private capital which results in local investment, more choice for consumers and greater participation by citizens in the energy transition. Such local involvement is all the more crucial in a context of increasing renewable energy capacity. Measures to allow renewable energy communities to compete on an equal footing with other producers also aim to increase the participation of local citizens in renewable energy projects and therefore increase acceptance of renewable energy.”*

### **Ecopower:**

Some indicators could be: the number of citizens participating/the money not spent on fossil fuels/the money that stays in local economy/the decrease of the consumption of energy.

### **Som Energia SCCL:**

The main benefits of community RES projects as opposed to alternative types of RES projects are the following (according to the existing literature and to our own experience):

- Giving access to energy resources to consumers irrespective of their income and access to capital, consumers that usually cannot participate.
- Disruption and social innovation of the system: this benefits is particularly there when community projects extend beyond generation to new areas such as energy supply, energy efficiency and electro-mobility.
- Consumer education and empowerment (from consumer to prosumer): the traditionally passive consumer is becoming an energy prosumer, co-owner of renewable energy facilities and community energy participant.
- Better local supply security in case of power disturbances elsewhere in the grid.
- Strengthen community cohesion, in the sense that the ability to share gains amongst their members is key for their long-term sustainability.
- Citizen participation and community co-ownership schemes raises acceptance of renewable energy. Unlike in a commercial enterprise, the aim is to maximize community benefits rather than profits.<sup>1</sup>

If we work on the idea to identify economic, environmental and social benefits, community projects have a higher and specific impact in the economic and social sphere when compared to other RES projects, in the sense that they can extend RES projects benefits to consumers and citizens who usually do not have access to them, extending the number of people who are able to take advantage from these projects. In other words, the economic benefits of the project are better distributed reaching those who usually do not take advantage of them. Also, if the project is led by the local community, it will be easier for them to detect cases,

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<sup>1</sup> See for instance:

[https://publications.jrc.ec.europa.eu/repository/bitstream/JRC119433/energy\\_communities\\_report\\_final.pdf](https://publications.jrc.ec.europa.eu/repository/bitstream/JRC119433/energy_communities_report_final.pdf)

be more emphatic and, therefore, find better and more adapted solutions for issues related to energy poverty.

From an environmental point of view, usually these projects are more accepted from local citizens. Therefore, they tend to be more respectful with the local environment since their impact is closely supervised and assessed by the citizens who are directly involved as promoters. Furthermore, since the purposes of community projects are not only oriented to profitability, the incentive to overlook environmental requirements with the aim to achieve better investment returns is not as present in these cases.

From a territorial point of view, as community-driven projects are more attached to the geographical area of the promoters, initially they will be more decentralized, avoiding monocropping and the concentration of installed capacity in “hot spots”, thus promoting landscape diversity and better resilience.

Finally, these projects empower citizens in the sense that they generate technical knowledge and skills and capacities that go beyond the ones acquired by a traditional investor (who is usually focused only on the profitability of their shares).

These benefits are not easy to quantify. Nevertheless, some ideas for potential indicators to be further developed are:

- Number of citizens with ownership in the project per unit of power (MW of installed capacity, etc.)
- Number of citizens with capacity to vote in relevant matters related to the project (beyond formal aspects in General Assemblies)
- better distribution of “dividends” among owners of the project (smaller “gap” between the highest and the lowest dividend)
- Number/percentage of local citizens with ownership in the project
- Lower land impact associated to agriculture, conservation or other sensitive issues (per hectare and installed capacity) compared to other RES project
- Level of distribution and decentralization of MW of installed capacity among the territory compared to other RES projects.

### **Coopernico:**

(1); Share of nationally/locally owned new RES capacity (%) or even owned by Energy Communities (2); number of community projects developed per time period (e.g. month, 3months or/and year) before/after the support scheme (3); Increase of RES capacity (% or MWp).

### **BBEn and DGRV:**

There is a preliminary category of “benefit effects” (“Nutzeneffekte”). The most important category should in our view be the category of regional value creation (“regionale Wertschöpfung”). However, this is hard to measure. We can only make informed guesses here. BBEn commissioned a study in 2014 that tried to do this.<sup>2</sup> We would need a newer study to be able to make legitimate claims.

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<sup>2</sup> See [https://www.buendnis-buergerenergie.de/fileadmin/user\\_upload/Studie\\_Nutzeffekte\\_von\\_Buergerenergie\\_17092015.pdf](https://www.buendnis-buergerenergie.de/fileadmin/user_upload/Studie_Nutzeffekte_von_Buergerenergie_17092015.pdf).

**QUESTION 3: Should any limit be placed on the additional upfront cost of supporting community RES projects as opposed to alternative types of RES project, eg.**

- **Maximum [X%] higher EUR / MWh subsidy for community projects compared to non community projects; or**
- **Maximum [X%] scheme budget to be allocated specifically to community projects.**

## Enercoop:

We don't think this proposal should be defended in priority:

- these kind of limit in the support of energy communities should not be included in the state aid guidelines.
- it would be extremely difficult to implement into the different national contexts.
- we would prefer a more vague approach, e.g. that total support should not lead to excessive profitability.
- It focuses on economic support and we would like to point out that there is also other kinds of support.

## Ecopower:

We would prefer option b over a. It will make private developers seek collaboration with communities.

## Som Energia SCCL:

Some limits should be put in place. The projects should be always feasible from an economic, technical and environmental point of view. But it is difficult for us to quantify the limits at this point.

## BBEn and DGRV:

In Germany, the total project costs are a five-digit sum for a 1 MW ground mounted solar project, and a six-digit sum for one wind turbine. Up to now, every ground mounted solar project and wind project above 750 kW must participate in tenders to get a market premium. Furthermore, the "de minimis" EU state aid scheme allows a state aid of up to €200.000 for one company every three business years without notifying the Commission or seeking their approval. Therefore, all the German support programs state this financial maximum support limit. I guess that support programs in other Member States have the same limit. Thus, in our opinion citizens' energy projects could be supported once in three years in the project planning phase/upfront cost with up to €200.000 according to the "de minimis" EU state aid scheme.

Please explain the justification for your response to 3) in relation to the anticipated benefits of community projects.

## Ecopower:

It is harder to explain that community energy will be more costly (which it certainly is not the case always) than to make decision makers and the public opinion recognize the fact that those who primarily finance the energy transition through their tariffs, their taxes and their savings should also be able to invest in the energy transition through energy communities.

## Som Energia SCCL:

As we have mentioned in other answers, limits should be put in place in order to avoid excessive dependence of energy communities from subsidies. So, at this point it is interesting to support community RES projects to boost their implementation among the territory and compensate the disadvantages these projects experience in terms of competing in the market compared to regular RES projects. However, in the long term, governmental support should be given only to the extent that these projects have additional social, economic and environmental benefits versus regular ones and the support should be proportional to these additional benefits.

## Coopernico:

We are still in a first development phase/the share of new community RES projects is not a significant one compared to the new capacity installed nationally (traditional + RES or just RES), therefore it's important that incentives should nudge the development of new community projects without being the only reason that makes them economically feasible. We feel that there is still a lack of experience to define a limit to the additional upfront cost to support community RES projects. Moreover, putting a too stringent limit on these type of incentives might stop and/or limit the expansion of these new projects typology.

## BBEn and DGRV:

See answer In 3b.