

Renewable Energy Communities

Impacts of the energy crisis and collaboration with
Local Authorities



Austrian Energy Agency (AEA)

Leonardo Barreto Gomez | 25.11.2022

Barriers to Renewable Energy Communities

- In MS, where Art 22(RED II) has not been transposed, the legal framework does not allow renewable energy communities
- In addition, lack of support schemes and insufficient access to affordable financing make the implementation of RECs more difficult and less attractive
- The financial benefits of RECs are in many cases not sufficient to convince citizens or local authorities to participate or they are unclear
- Lack of cooperation with the DSOs prevents RECs from obtaining a grid connection or from participating in the energy markets

Impacts of the energy crisis on renewable energy communities in Austria

- In the current crisis, the business case for RECs has been affected
 - producers may find more attractive to sell in the market or into the RES support scheme
 - RECs may not be entitled to some temporary subsidies
 - Some exemptions that were granted only to RECs are now granted to households



<https://shares-project.eu/>

Feed-in tariffs for solar PV with current market price in AT

- High feed-in tariffs for solar PV based on the market price
 - The green electricity clearing body pays 52 Cent/kWh
 - prosumers can get a higher price if they sell to the green electricity clearing body than if they sell to the REC
- Electricity prices for households range between 8 and 70 cents/kWh, but there are large differences depending on the province, supplier, etc.
- In some cases, existing communities in Austria are losing their electricity producers because they prefer to sell to the green electricity clearing agent



The electricity cost brake („Strompreisbremse“)

- A maximum of 2900 kWh per household metering point is subsidised as basic demand
- The lower threshold value is assumed to be 10 cents/kWh, which corresponds roughly to the pre-crisis level
- Up to a price of 40 c/kWh, the household only pays **10 c/kWh** (max subsidy: 30 c/kWh)
- This means: consumers who are charged 25 cents/kWh by the energy supply company receive 15 cents/kWh deducted by the state for each of the specified 2900 kWh
- However, it does not apply so far to members of renewable energy communities but only to final customers of energy suppliers (“Lieferanten”)

Exemptions from other charges

1. Renewable energy contribution (Erneuerbare-Förderbeitrag) suspended for 2022
 - ▶ ~100 € / household or 3 c/kWh
 - ▶ Reduction for all end-consumers (formerly only for energy communities)
2. Grid fee reduction
 - ▶ -75%, max. -200 € p.a.
 - ▶ For households which are exempt from broadcasting fees (i.e. low-income households)
 - ▶ For local RECs 57%, for regional RECs 26%

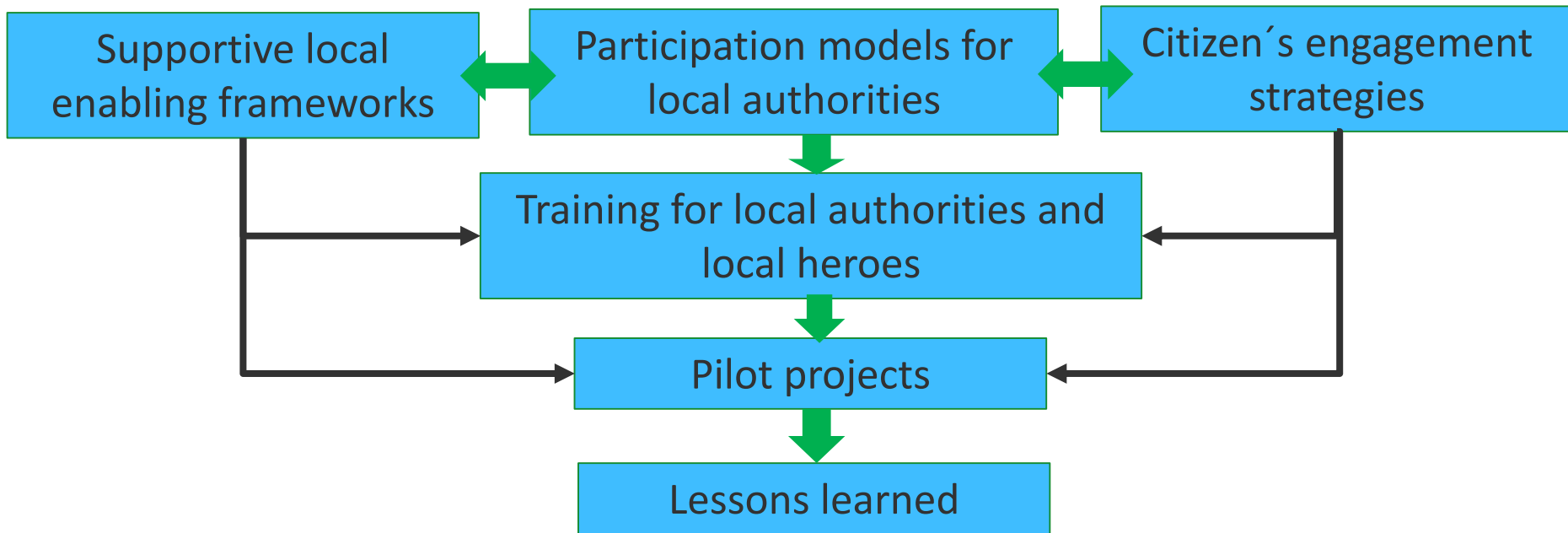
Strengthen the role of Local Authorities

- Local Authorities are well-positioned to support renewable energy communities
- Local Authorities can invest in renewable electricity (e.g. Solar PV+Storage and wind) through energy communities and sell the electricity at full cost to their citizens
- In this way, consumers would be less exposed to electricity price fluctuations
- Support measures for Local Authorities and RECs are required, at national and EU levels (e.g. through the EU city facility)
- In particular, financial support for the creation of renewable energy communities and access to affordable credit for Las and RECs

Possible roles of local authorities



Support for Local Authorities and local heroes



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In the podcast [Petajoule](#), the experts of the Austrian Energy Agency will be answering questions to the energy future with guests from the energy sector.

Support Slides

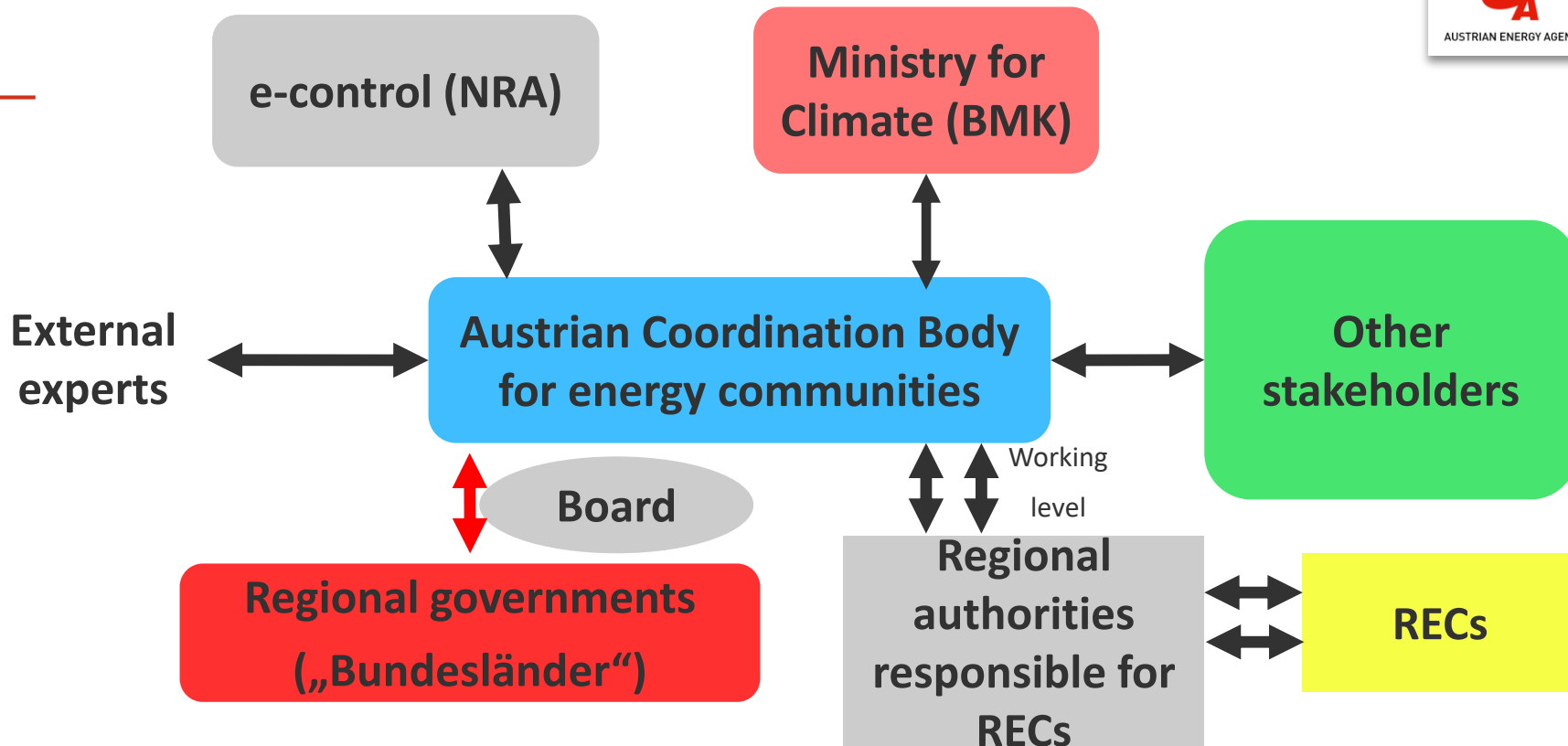
Local Authorities are important for renewable energy communities

- Municipalities are well-positioned to support renewable energy communities:
 - supportive local policy framework
 - helping community projects access citizen finance and bank loans
 - Simplify permitting procedures
 - Procuring local renewable energy from community energy projects
 - Facilitating dialogue with different actors
- We need to foster cooperation between local authorities and renewable energy communities
- Training and Capacity Building for local authorities are necessary

A supportive local policy framework, for example, can include:

- Investment quotas or targets for community energy projects
- Imposing special requirements for citizen's participation on future municipal developments (e.g. a minimum percentage of shares should go to citizens in the municipality)
- Public procurement of community energy (public procurement rules that reward the participatory nature of the project)
- Use of participative budgeting to finance the initiation of community energy projects
- Simplified administrative procedures for the approval of projects
- Dialogue facilitation among different actors
- Inclusive approach to climate and energy policy and planning development

Austrian Coordination Body for energy communities



Adapted from Höbarth, I (2021): Gebündelte Kompetenz für Energiegemeinschaften „Österreichische Koordinationsstelle für Energiegemeinschaften“. Klima- und Energiefonds, Austria.

One-Stop-Shop for Energy Communities in Austria

- The One Stop Shop (**Austrian Coordination Body for energy Communities**) has the responsibility of making administrative procedures more efficient, faster and transparent
- The implementation of energy communities should proceed in a unified manner at national level
- Main tasks:
 - Advice on legal form of the energy community
 - Develop a catalogue of typical energy communities
 - Development of a subsidy programme
 - Coordination with the Ministry of Climate (BMK), regulatory authority (e-control) and regional governments („Bundesländer“)

One Stop Shop in Austria

- Main Tasks (cont.)
 - Development of standard contracts
 - Guidelines for founding a community
 - Hotline
 - Information campaigns
 - Dissemination of good-practice examples and know-how
 - Training for different actors

Number of RECs in Austria in 2022

RECs	Number
In operation	14
Being implemented	34
In planning	88
Total	136

Source: Erhebung bei den Netzbetreibern durch Österreichs Energie

<https://orf.at/stories/3265040/>

The electricity cost brake („Strompreisbremse“)

- A maximum of 2900 kWh per household metering point is subsidised as basic demand, which is about 80 percent of the average consumption of Austrian household customers.
- The threshold value is assumed to be 10 cents/kWh, which corresponds roughly to the pre-crisis level.
- The upper threshold is 40 cents/kWh.
- This means: consumers who are charged 25 cents/kWh by the energy supply company receive 15 cents/kWh deducted by the state for each of the specified 2900 kWh.
- Those who have to pay 40 cents per kilowatt hour receive 30 cents from the state. At 45 cents, it is also 30 cents. This cap is intended to prevent energy supply companies from raising prices in view of this subsidy.