



10th Thematic Group meeting: Smart Villages and Renewable Energy

The tenth meeting of the Thematic Group (TG) brought together 49 stakeholders from 20 Member States (MS) to consider how Smart Villages can support a transition to a low carbon economy in rural areas. Participants heard how the revised European Renewable Energy Directive requires Member States to create an enabling environment for Renewable Energy Communities (RECs) to help meet Europe's targets for climate change.

The presentations showed that many RECs across Europe are already generating benefits for people and the environment. Many others would be interested – if the conditions were right. Future CAP and Cohesion policy can play a major role in supporting rural communities on their green journey if the needs of RECs are taken into account during the programming process.

Event Information

Date: 22 January 2020

Location: Brussels, Belgium.

Participants: 49 participants - including EU institutions, Managing Authorities, National Rural Networks, European organisations, Local Action Groups (LAGs), local authorities, stakeholder organisations and researchers.

Outcomes: Insights on policy solutions to support the emergence of Renewable Energy Communities around Europe.

Website: https://enrd.ec.europa.eu/news-events/events/10th-thematic-group-meeting-smart-villages_en

EU policies supporting Renewable Energy Communities



Jan Steinkohl (DG ENERGY) introduced the Clean Energy Package that provides an enabling policy framework for

Renewable Energy Communities as 'a social concept which aims to empower citizens', increase the acceptance of renewable energy projects, mobilise private capital and increase flexibility in the market.

This legislation has to be transposed in all Member States by 30 June 2021 together with a supportive framework that promotes and facilitates the emergence of RECs, ensures participation is open to all consumers and provides the tools to facilitate access to finance and information. The legislation creates opportunities for rural communities to make a major contribution to the European Green Deal.



Benoit Esmanne (DG AGRI) highlighted that **the CAP Strategic Plans (CSP) can play a key role in the European Green**

Deal and contribute to achieving the ambitious targets set for becoming climate-neutral by 2050 and providing affordable EU energy, based on renewable sources. In particular, the CSPs can support specific elements of the European Green Deal such as Clean Energy in rural areas, Resource efficient buildings, the Farm-to-Fork Strategy and zero pollution.

The CSPs offer a broad menu of interventions such as i) Cooperation – including LEADER, ii) knowledge and information, iii) Young farmers & rural business, iv) Investments that can be designed by MS to channel support to rural communities to support RECs through Smart Villages.



Mathieu Fichter (DG REGIO) described the opportunities for using future Cohesion Policy to support an energy

transition in rural areas. RECs can contribute to and be programmed under several Policy Objectives

He also said that **compliance with the new Renewable Energy Directive and targets is an enabling condition for Cohesion policy** (compliance with 2020 targets and with this baseline up to 2030; increase in share of RES in heating & cooling by 1% per year up to 2030). DG REGIO will check this in all the programmes submitted by the MS.

He argued that rural communities need to act now as there is a window of opportunity to design 10 years of investments of ERDF and the Cohesion Fund.



Panorama of Renewable Energy Communities across Europe



[Dirk Vansintjan](#) ([REScoop.eu](#)) explained that Renewable Energy Cooperatives can fulfil many roles such as energy production, supply, distribution, providing services, sharing electrical vehicles, and financing. Although they have a long history, most of the 3500+ RECs can be found in the NW of Europe and are relatively new and small in size. But **when the right conditions are in place, Renewable Energy Communities can develop very quickly**. For example, in Denmark the cooperative movement is very active with 2.100 wind cooperatives and around 340 district heating cooperatives directly owned by the consumers.

Scotland has already established an enabling framework for RECs. Ireland has also recently created a system for providing financial support for the early phases of development for community-led projects, defined a separate ‘community’ category in Ireland’s auction scheme (up to 10 %), made mandatory investment by communities in all projects seeking State support and provides technical support (e.g. financial, legal, technical advice – public & private). MS should ensure that RECs are not excluded from future support schemes by providing information, technical and financial support, reducing administrative requirements and including community-based bidding criteria.



Esbeek village cooperative

[Wiet van Meel](#) explained how the people in village of Esbeek initially came together in response to the closure of a local café. They formed a cooperative with a revolving fund that reinvests any surplus in local projects with the aim of balancing people, profit and the planet. They have implemented a wide range of initiatives including a renewable energy cooperative. The key success factors in Esbeek are trust, involvement and sense of ownership (see [video](#)).

The Bioenergy Village Oberrospeh

[Ulrich Pfeiffer](#) described the steps taken by this village that “got rid of oil and gas”. The idea for the project emerged in 2006, followed by a feasibility study which confirmed the viability of the scheme with at least 120 houses connected to a wood chips fired heating plant, managed collectively. With € 700 000 of their own capital, they managed to invest € 3.8m in the project, hence contributing to climate protection (reduction of 900 t CO2 per year), reducing energy dependency, keeping the money locally and reducing long term costs.

Energies Citoyennes en Pays de Villaine

[Nicolas Desruelles](#) explained the timeline for setting up their network of citizen-led energy initiatives. They have created a series of operating businesses and a venture capital company backed up by support structures. This has generated € 42m of investment in 13 large citizen-led wind turbines with 26 MW of operational power. They themselves form part of a French network of 297 renewable energy cooperatives. Nicolas identified the barriers and solutions for building awareness, effective governance, business models and translating the RED into citizen friendly national legislation.

Opportunities for accelerating energy transition in rural areas

Project Awareness	<p>> Create awareness and build community and municipal buy-in for renewable energy projects. Animation, facilitation and transparent communication are key for involving local stakeholders in RECs (e.g. clear information about the local costs and savings of energy projects – for example see Enegest, the tool developed by 11 Spanish LAGs).</p>
Project emergence & development	<p>> Set up effective systems for providing technical assistance and capacity building for rural communities that want to develop a REC. Support energy intermediaries (agencies), networks and brokers at different levels. For example, the Community and Renewable Energy Scheme (CARES) managed by Local Energy Scotland provides communities, businesses and other organisations advice and flexible funding packages for each stage of project development.</p>
Project Construction and operation	<p>> Start small with seed funding that spreads risk and allows testing the business model of projects. The future CAP Cooperation intervention & LEADER CLLD can support the communities in the early stages of developing and testing a concept. If successful this can lever in financial resources for larger investments (e.g. from Banks, ELENA programme of the EIB, ERDF, EU Invest or national sources).</p>
Regulatory environment	<p>> Set target indicators. Scotland has a target of 2 Giga Watts produced by RECs. Indicators can also be designed for specific interventions such as technical assistance and investments.</p> <p>> Ensure a stable regulatory framework that supports the long-term viability RECs. Monitor and control the transposition of the Renewable Energy directive (as an enabling condition) through for example Feed-in Tariffs, access to the grids or including provisions in State Aid Regulations for RECs, Follow REScoop.eu.</p>

