

Brussels, 27/10/2023

FROM: The European Community Power Coalition

TO:

Mr Maroš Šefčovič Executive-Vice President for the European Green Deal

Ms Kadri Simson, Commissioner for Energy

Mr Wopke Hoekstra Commissioner for Climate Action

Copy to: Ms Ditte Juul Jørgensen, Director-General, and Ms Paula Abreu Marques, DG Energy Mr Kurt Vandenberghe, Director-General, and Ms Cecile Hanoune, DG Clima

RE: The National Energy and Climate Plans assessment and recommendations on community energy

Dear Executive Vice-President,

Dear Commissioner,

I am writing on behalf of the <u>European Community Power Coalition</u> concerning the ongoing update process of the Member States Integrated National Energy and Climate Plans (NECPs). We wish to share our considerations regarding the assessment and subsequent recommendations provided to the Member States by the European Commission, with respect to energy community provisions.

It is crucial that we act with more urgency in taking climate action as we witness the increasingly alarming impacts of climate change. We must rapidly enhance our efforts to deliver on Europe's ambition and expand the deployment of renewable energy sources justly with active engagement and support of citizens. We appreciate the Commission's commitment to supporting the development of citizen ownership through renewable and citizen energy communities within the framework of the Clean Energy package (CEP) and the goal of achieving at least one renewables-based energy community per municipality above 10 000 residents by 2025, as outlined in the RePowerEU communication. While we acknowledge the Commission's efforts, we eagerly await Member States' translation of this commitment into action. The ongoing revision process of the NECPs presents an unmissable opportunity for

the Commission to assess the extent to which Member States are fulfilling their obligations under the CEP and hence are actively supporting the development of community energy initiatives.

We recognise the crucial role of integrated national and energy plans as tools for achieving the Commission's climate and energy objectives. Unfortunately, the draft NECP updates that have been submitted (only 19 Member States as of 18 October 2023¹) are not fit for purpose. These plans require significant strengthening and need to be more comprehensive, featuring concrete measures, built on robust data and genuinely participative processes. Specifically, in terms of energy communities, the varied approaches among Member States have revealed both progress and missed opportunities. Some plans such as Lithuania, Portugal and Spain, are introducing promising measures, while others such as Estonia, Hungary and Sweden are lacking concrete measures.

We strongly urge you to incorporate the following considerations into your assessments and recommendations:

- 1. Ensure that Member States adequately report on the main elements of the enabling frameworks for energy communities, renewables self-consumers and their implementation, in accordance with Art. 22(5) and 21(6) of the REDII and Art. 20(b)(7) of the Governance regulation. Member States have an obligation from the EU Directives to put in place a robust set of policies and measures under their enabling frameworks to ensure that citizens, local governments and communities are able to benefit from the provisions for renewable energy communities and develop their renewable projects.
- 2. Ensure that Member States include concrete National Objectives and Targets for energy communities and renewables self-consumers in their NECPs. A few Member States, like Portugal and Spain, have set concrete targets and specific measures for (collective) self-consumption and energy community projects in their NECPs, but others are still lacking to ensure these initiatives are accessible and adequately supported at the national level. We strongly urge you to address and support the integration of these targets and adequate measures to pursue them in assessing Member State drafts, and the subsequent written recommendations.
- 3. Ensure that in the remaining months of the NECPs revision process, Member States enable the participation of civil society, citizens, and community energy actors and establish multi-level governance dialogues with local governments. Unfortunately, so far the NECP revision process has often been characterised by a systematic lack of transparency, with Member States failing to hold open multi-level citizen and government dialogues and consultations² ³. Any consultations that took place

² Local and regiona<u>l authorities in the governance of the energy union report</u> - Committee of the Regions

¹ According to the drafts available in the Commission's website

³ <u>Time to step up national climate action: An assessment of the draft National Energy and Climate Plans updates</u> - CAN Europe

were either behind closed doors or were mere 'box-ticking' exercises, with no follow-up regarding how or if submitted comments were considered by the drafting authorities.

4. Actively encourage Member States to refrain from investments in fossil fuel infrastructure. As national budgets become increasingly strained from the effects of the pandemic and the energy crisis, limited EU funding must not be used to support new fossil fuel projects while diverting necessary funds from a clean, democratic energy transition. NECPs serve as practical roadmaps for implementing the EU Green Deal. It is crucial that these plans do not reinforce the EU's and its member countries' reliance on expensive, often imported fossil fuels. In alignment with the landmark net-zero report released by the IEA in 2021, the most recent Global Stocktake technical report⁴ by the UNFCCC underscores the necessity of redirecting investments from fossil fuels towards climate action in an equitable manner to achieve the 1.5°C target.

Gaining public support for the transition is crucial for Europe's energy and climate goals, with energy communities being key actors in making it happen. They can play a vital role in speeding up the adoption and acceptance of renewable energy sources and bringing significant social and economic benefits to people and local communities including reduced energy bills which, in times of rising energy poverty, is instrumental. To help them reach their full potential, it's essential to provide the right support.

We thank you for taking the views expressed in this letter into consideration and would welcome the opportunity to discuss them in more detail.

Yours in cooperation,

C.R. Rule

Colin Roche

Climate Justice and Energy Programme Coordinator in Friends of the Earth Europe, in the name of the European Community Power Coalition

⁴ <u>Technical dialogue of the first global stocktake</u> - UNFCCC