

**Interreg
Danube Region**



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Comparative Analysis Report

Project activity: 1.1 International comparison of
national legal systems

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Editor: FORS Montenegro

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Introduction

Project: DRP0200163 NRGCOM, Creating appropriate operational conditions for renewable energy communities in the Danube Region

Project activity: 1.1 International comparison of national legal systems

Activity coordinator: FORS Montenegro

PPs involved: STRIA, IMRO, JAIP, IRENA, KSSENA, PRA, REDASP, OER, FORS Montenegro, DIT, NEK, AEER, FORSCHUNG

Place of implementation: 12 countries in the Danube region – Hungary, Austria, Bulgaria, Germany, Croatia, Czech Republic, Moldova, Montenegro, Romania, Slovenia, Slovakia and Serbia

The project activity **1.1 International comparison of national legal systems** is part of the specific objective 1 of the NRGCOM project - **Initiating the establishment of the proper legal, operational and social environment for RECs**. It was implemented from the end of January to May 2024. The aim of this activity was to provide analysis of the national legal systems and to draw parallels between the characteristics of the legal framework on energy communities, taking into account the competence of laws and regulations, the conditions of the establishment, and the forms of the operation allowed in order to identify similarities and differences and areas for improvement, as well as to contribute to the legal feasibility of energy communities in the Danube Region. All project partners were involved in the implementation of this project activity which was done for all 12 target countries.

Methodology of the activity implementation



This project activity was launched at the end of January 2024. All project partners started with conducting the analysis of their national legislation systems. The PPs provided summaries to FORS Montenegro as the coordinator of this activity, and this part of implementation was done until the beginning of March 2024. Afterwards, a workshop on international comparison of national legal systems was held in Budapest, Hungary, on 14 March 2024, where the main findings were presented for each target country. The international

workshop in Budapest enabled the discussion of the main findings, exchange of experiences, lessons learned and good practice models. Furthermore, during this event, the participants – representatives of the partner organisations agreed on the main topics to be included in the final reports for each respective country. The timeline and deadlines were also agreed.

As expected, the analysis and comparison has shown the diversity of the situation, experiences and the state of play regarding legal systems and functioning of the renewable energy communities across the target area and between the countries. In certain countries such as Austria, Germany, Slovakia or Slovenia, the legal framework for renewable energy communities is well-established and RECs have been developing for many years, in Montenegro, Croatia, the Republic of Serbia and the Republic of Moldova there are no functioning energy communities, with the legal environment relatively established or in the process of development.

Comparative Analysis

Background information

The European Union has introduced the concept of energy communities into its legislation, in particular civil (CEC) and renewable energy communities (REC) through the **Clean Energy for All Europeans package** adopted back in 2019. These concepts were elaborated in European Union legislation in order to deliver the objective to empower all consumers across the EU in Europe's energy transition and put them at the centre of the Energy Union.

The **Directive on Common Rules for the Internal Market in Electricity ((EU) 2019/944)** contains new rules that allow active participation of consumers, individually or through civil energy communities, in all markets, either by producing, consuming, sharing or selling electricity, or by providing flexibility services through demand response. Also, the revised **Renewable Energy Directive (2018/2001/EU)** aims to strengthen the role of renewable energy consumers themselves and renewable energy communities.

Both definitions describe a way to organize collective cooperation of an energy related activity around specific ownership, governance and a non-commercial purpose (as opposed to traditional market actors). However, due to some of their differences regarding scope of activities and eligibility criteria renewable energy communities can generally be seen as a subset, or type, of citizen energy community.

Instead of making a profit, as is the case with traditional energy companies, energy community initiatives focus primarily on providing affordable energy of a certain type (e.g. energy from RES) to its members or associates. In experience, where such initiatives have been successfully implemented, they have brought economic, social and environmental benefits to the community in addition to the obvious benefits of providing energy services.

Comparative analysis for energy communities

The aim of the analysis is to compare the status of the development/implementation of the renewable energy communities in the countries of the Danube region based on the information received in the individual reports from each of 12 countries.

General observations that have to be taken into account for this analysis are as follows:

- Country reports are prepared with different level of information and details; therefore, it was quite challenging to prepare analysis for all 12 countries which takes into account more detailed elaboration of the aspects of energy communities' implementation;

- EU member states are at higher level of development of this concept in comparison to other countries in the Danube Region. Despite the fact that other countries also have obligation to transpose the Clean Energy Package, as contracting parties of the Energy Community, defined deadlines for the implementation differs in the EU member states.

With that in mind comparison of the development of energy communities for all 12 countries in the Danube region is done based on the 3 criteria which have more general character:

- **Readiness of the legal framework:** All EU member states have successfully transposed requirements of relevant EU directives into national legal framework. However, in some countries still there is a lack of the secondary regulation that closer regulates different aspects of energy communities such as access to the grid, energy sharing etc. which has negative impact on the implementation into practice. In other countries legal framework is still under development and transfer of knowledge from EU countries could play important role and facilitate overall process.
- **Availability of support:** In general, all EU member states have access to different funds for financing a promotion of the distributed RES production and promotion of energy communities, bearing in mind that this concept is introduced at EU level. Other countries have to establish supporting mechanisms in parallel with finalization of the legal framework.
- **Implementation into practice:** Considering the fact that the concept of energy communities is relatively new, implementation into practice requires time for setting up the framework and providing supporting mechanisms. In general, in the Danube Region, Germany and Austria are the two counties that have promoted similar concepts in the past and for them it is easier to adjust the legal setup to the newest requirements of the EU directives. Nevertheless, promotion of the energy communities has reached the advanced level also in some other countries which show high level of the readiness for implementation of such concept, such as Slovenia, Romania or Czechia.

A detailed overview of the status of development of the renewable energy communities in 12 countries is provided in Table 1. As it is already stated, conclusions for each country are made on the basis of the information received through the country reports, despite the fact that the level of elaboration of the status of energy communities varies. In addition, with aim of illustrative comparison of the status a traffic light approach is applied where different colours illustrate the degree of completeness of 3 criteria (green-high, orange – intermediate, red – low).

Table 1: Overview of the implementation of the energy communities in the countries of the Danube region

No.	Country	Readiness of the legal framework	Availability of support	Implementation into practice
1.	Austria	Legal framework for REC and CEC is set; Single point of contact is defined as well as registration procedure; Conditions for connection to the grid are prescribed as well as tariffs for different categories	Support schemes for energy communities are available through different national and regional instruments supported from EU funds	Community generation facilities have been in place since 2017; Implementation shall be continued according to the new legal setup
2.	Bulgaria	REC recognized by the relevant laws; relevant by-laws are still under development	National scheme for RES in households is set	Only for prosumers in household sector
3.	Croatia	Legal framework is in place; Categories of energy communities are defined as well as procedures for installation and connection to the grid	Funds for support of REC are available through different national instruments supported from EU funds	Implementation into practice is limited; The process of establishing of REC is complicated – improvement of quality and consistency of the legal framework is needed
4.	Czechia	New legal framework for energy communities is set recently (Jan 2024); procedure for registration, categories per installed capacities, as well as conditions for connection to the grid and tariff models are defined	Variety of financial mechanisms and technical assistance initiatives is available at national and regional level, supported from EU funds	Implementation in practice is limited; Enforcement of the new legal framework to be tested into practice; Improvement of the legal frameworks is envisaged with regard to the removing regional restrictions and improving of the sharing possibilities

5.	Germany	<p>Legal framework for energy communities is established – REC definition is implemented, CEC yet to be incorporated in the law;</p> <p>Procedures for setting up energy communities are defined.</p>	<p>Support schemes for energy communities are operational through different mechanisms at national or regional level such as feed-in tariffs and financial incentives</p>	<p>Concept of energy communities have been successfully implemented since 2005;</p> <p>Implementation shall continue following adjusted legal setup.</p>
6.	Hungary	<p>Legal framework is in place; Procedure for setting up of the REC are defined;</p> <p>Responsibilities of network and commercial service providers need to be defined; Improvement of energy sharing possibility is needed;</p> <p>Limitation for public entities to form/enter energy community to be resolved</p>	<p>Financial support to be straightened - rebates or other economic incentives to encourage the creation of communities.</p>	<p>Implementation into practice is limited due to the imperfection of the legal framework and lack of the financial support - only two registered energy communities in Hungary up to now.</p>
7.	Moldova	<p>Legal basis for REC is set; comprehensive assessment for REC to be developed followed by the by-laws which will closer regulate different aspects</p>	<p>Recognized by the law - financing support mechanisms for REC to be established</p>	<p>To be implemented after completion of the legal framework</p>
8.	Montenegro	<p>Law on RES is under development which will regulate REC.</p>	<p>Programs for promotion of energy prosumers are in place;</p> <p>Financing support mechanisms for REC to be established</p>	<p>After adoption of the Law on Use of Energy from the Renewable Sources and relevant by-laws</p>

9.	Romania	<p>Legal framework is set; Procedure for registration, rules for connection to the grid and the tariffs are defined.</p> <p>For wider acceptance of the concept more clarity on REC and CEC concept is needed in the law as well as in the by-laws which shall closer regulate deferent aspects</p>	<p>Funds for support of REC are available through different national and regional instruments supported from EU funds</p>	<p>Energy communities are implemented into practice to the certain extent;</p> <p>To be further promoted and supported through designed schemes</p>
10.	Serbia	<p>REC are recognized by the law and need to be closer regulated through the relevant by-laws</p>	<p>Supporting schemes envisaged by the law – to be further developed and implemented</p>	<p>To be implemented after completion of the legal framework</p>
11.	Slovakia	<p>Legal framework is set - single point of contact is defined as well as procedures for registration and connection to the grid</p>	<p>Supporting mechanisms for application of the energy communities to be further developed</p>	<p>Implementation is at an early stage - neither electricity sharing nor cooperation itself is yet feasible</p>
12.	Slovenia	<p>Legal framework for REC and CEC is set; Procedure for registration, conditions for connection to the grid as well as tariff models are defined</p>	<p>Support mechanisms for energy communities are in place through different national instruments supported from EU funds</p>	<p>Implementation is in progress; Local and regional energy agencies together with municipalities should play more important role in promotion of energy communities</p>

Conclusions, recommendations

The general conclusion was that due to the differences in the state of play and experiences with RECs the national reports will differ significantly, but they will also include some common elements wherever possible. After the workshop and agreement on the final look of the feedback provided by the project partners, they provided the final reports.

- ✓ Some country reports offer more detailed information on different aspects relevant for development of energy communities which can be applied in the other countries which have shown lower level of readiness. Some of those aspects are briefly described as follows:
 - **Clear distinction between REC and CEC** with aim of full alignment with the EU acquis is needed as it is implemented in Austria, Czechia and Slovenia;
 - **Establishment of the single point of contact** with aim of simplification of the guidance of the applicant and facilitation the overall administrative procedure is important as it is defined in most of the EU countries (single point of contact can be also responsible for the central register of energy communities e.g. as it is in Czechia);
 - **Application of different concept of energy communities** as it is implemented in Germany e.g. **physical communities** (when there is a direct or immediate connection between the generation source and the consumption points) or **virtual communities** (decentralized producers and consumers are not bound to a common location; however, the balancing of energy quantities still occurs in relation to electricity consumption outside the community);
 - **Definition of clear tariff models and methodologies** for calculation of generated energy and network charges as it is done in Czechia, Slovenia and Austria;
 - **Setting up tailor made support mechanisms for promotion of the energy communities** e.g. Germany, Austria, Slovenia.
- ✓ Although all EU member states in the Danube Region have successfully transposed requirements of EU directives regarding energy communities into national legal framework, some of them still need to do adjustment with aim of clear distinction between CEC and REC. In addition, a few countries still need to develop bylaws which shall regulate different aspects of energy communities such as access to the grid, tariff models or energy sharing with aim of facilitation of the implementation into practice;
- ✓ Most of the EU member states in the Danube Region have set supporting mechanism for development of the energy communities thanks to the access to different EU funds for financing a promotion of the distributed RES production;

- ✓ In non-EU countries in the Danube Region, legal framework for energy communities is still under development as well as setting up supporting mechanisms which is important to be implemented in parallel. Taking into account delay in the implementation for those countries transfer of knowledge from EU countries could play important role and facilitate overall process of development of the energy communities.
- ✓ For most of the countries in the Danube Region, implementation of energy communities into practice is limited, except for Germany and Austria, which countries have successfully implemented similar collaborative concepts for energy generation in the previous period. Nevertheless, countries such as Slovenia, Romania or Czechia has demonstrated high level of readiness and expansion of the energy communities can be expected in the forthcoming years.

The national reports are provided as an annex to this report, as part of Annex 1, the detailed comparative analysis.

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Annexes

Annex 1 – Comparative Analysis of national legal systems regulating energy communities

Annex 2 – Agenda of the workshop

Annex 3 – Photos of the workshop

Annex 4 – List of participants of the workshop

Annex 5 – Presentations for the workshop