

The Role of Energy Communities in Alleviating Energy Poverty

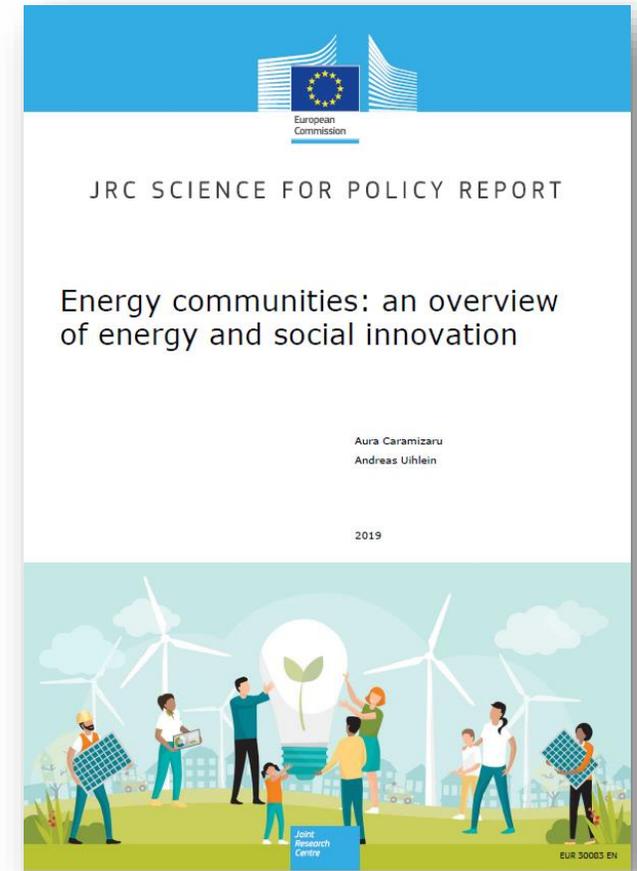
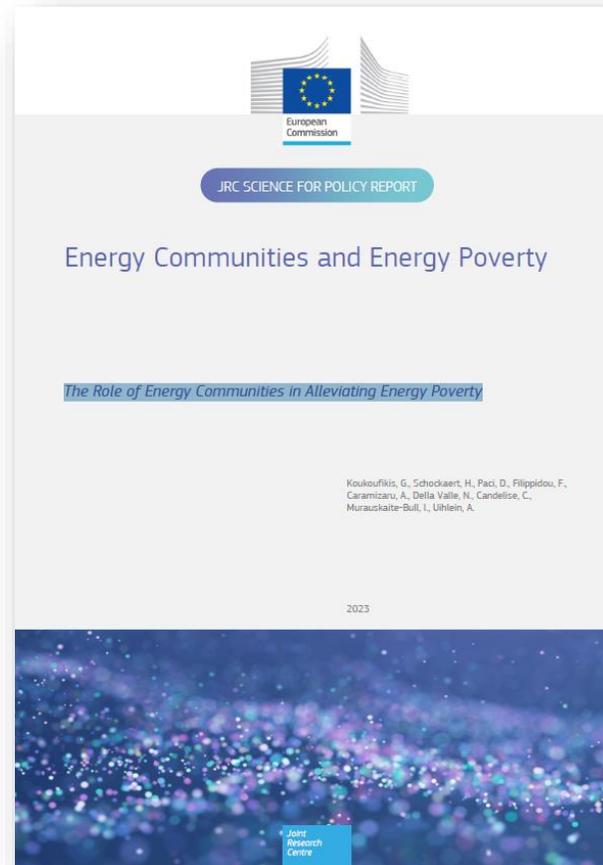
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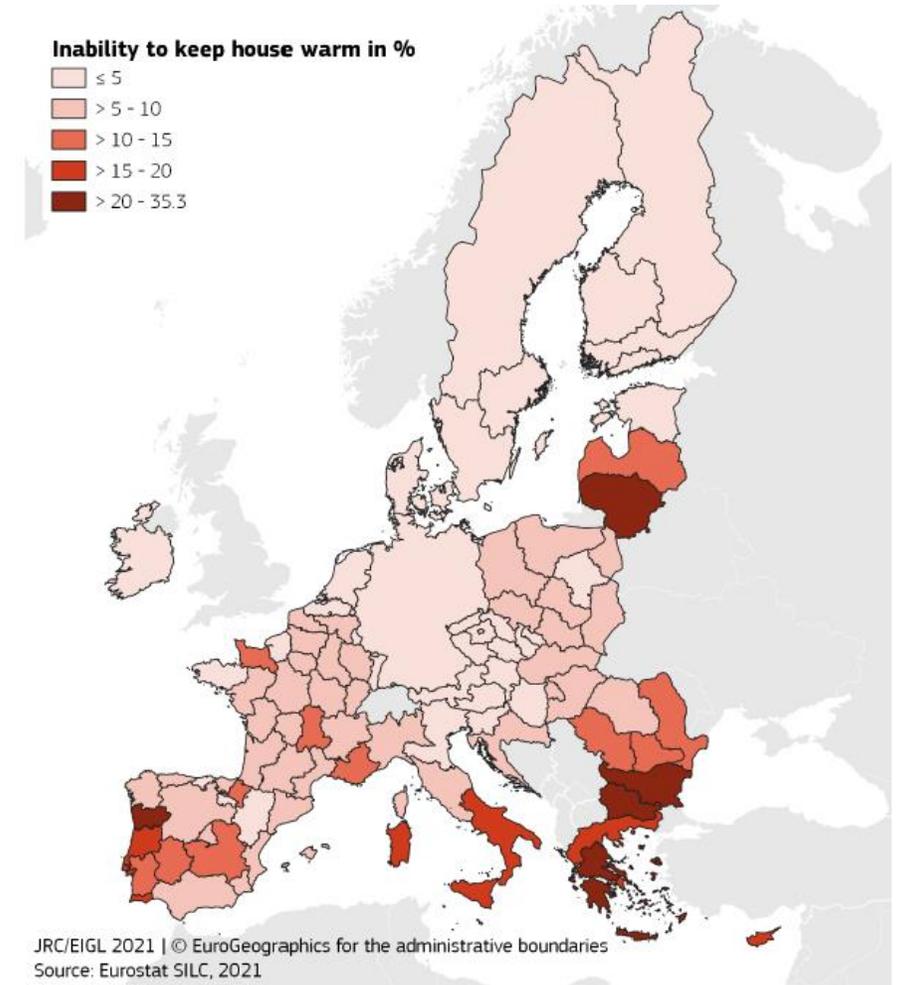
Our work on energy communities

JRC explores how a wide range of collective energy actions that reinforce citizens' participation in the energy system operate and come together in community energy initiatives along with their impacts



Energy poverty in Europe

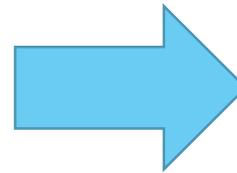
- The number of people who were unable to keep their homes adequately warm increased from 6.9 % in 2021, to 9.3% in 2022
- We observe very diverse intensity of energy poverty across the EU
- Reducing energy poverty is key social target and policy goal part of the European Pillar of Social Rights (Principle 20)



Energy communities in Europe

The **Clean Energy Package** in 2019 introduced new concepts such as active customers, renewables self-consumption and energy communities

Energy communities came to be defined as **Citizen Energy Communities** in the Electricity Market Directive (EU) 2019/944 and **Renewable Energy Communities** in the Renewable Energy Directive (EU) 2018/2001



Legal obligation for Member States to put in place **enabling frameworks** for energy communities to **ensure a level playing field** and promote their development

Energy communities & energy poverty

EU projects are exploring community energy and citizen-led schemes for energy poverty alleviation while energy communities experiment with support schemes for vulnerable groups, e.g.:

- Solidarity funds that fund associations fighting against energy poverty through micro-donations from consumers and RES producers
- Training programmes for young and unemployed individuals to become energy advisors for low-income households
- Schemes that allow tenants to make smaller investments in community power projects and receive a portion of the produced electricity for free
- Provision to lower-income citizens with pre-financed shares on energy communities, leading to lower electricity bills

Barriers for vulnerable groups to benefit from community energy

Conceptual

Energy poverty is multidimensional condition and can't be easily tackled with single interventions

Vulnerable people may fail in recognizing the severity of their energy poverty condition and the availability of possible solutions

Data

Differentiation between energy poverty and income poverty, causing problems in data collection and recognition of energy poverty-focused activities

No reliable data on energy communities numbers and operations

Legal - Policy

Energy communities prerequisites may limit (or not create incentives) for the involvement of vulnerable individuals

Policy coordination across several sectors and spatial levels is often lacking

Technology – Business models

Main focus on RE production limited scope on renovations

Often small in size, face resource limitations

Often depend on volunteer work and on investments from members

Conclusions

- Energy communities can help address energy poverty, but their engagement in this issue remains limited and their potential towards energy poverty alleviation remains largely unexplored
- Improving conditions requires support from large institutions like the EU bodies, national authorities, NGOs, and the private sector to ensure policies encourage inclusivity
- Policies at all levels should eliminate barriers that exclude vulnerable and low-income households from participating in energy communities
- Exploring variations in energy community configurations and implementation models can aid in addressing energy poverty
- Future research and dedicated policies should focus on creating clear definitions and data, assessing the impact of EU legislation, and understanding the perspectives of vulnerable groups

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Thank you



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