

EUROPEAN AND WESTERN BALKAN COOPERATION IN ENERGY LAW

Citizen-led energy democracy: Experiences of Energy Communities

Lessons learned

Mr. Miloš Kuzman, Vice-President of UPES was the moderator of the first panel of the second day of the conference and opened the panel that was devoted to the one of the new institutes of the energy transition – energy communities and their roles in enhancing the sustainable energy system.

Ms. Ivone Rocha, Partner in Deloitte Legal TELLES, Portugal, thoroughly presented the case of the waste-to-energy plant based in Portugal that found the local solution for the global problem regarding energy pricing. As a result of the implementation of the European Competition Law as well as the internal market regulations, the waste-plant-company transitioned to a market-based model operating without the government's subventions after 20 years of benefitting from feed-in-tariff. Carrying out the waste management activity, which has a prior public element, the waste-plant-company has faced difficulties providing stable revenue on the very competitive energy market. In order to overcome those obstacles, the waste-plant-company started mapping stable local consumers that are geographically connected to the plant itself. In the end, the company has mapped around 11 000 consumers that have made an association which formed the energy community. In that way a win-win situation was created in which:

- the waste-plant-company has found sufficient number of consumers, that are prioritizing the energy from the waste plant and, in that way, ensured the stable revenue;
- local community has found stable generator of the energy and, in that way, provided energy security for members of the energy community.

After this presentation, participants of the conference had an opportunity to focus on the model of the energy communities developed in the regulation of the Republic of Serbia and Bosnia and Herzegovina. Mr. Rade Mrdak, Special Advisor in the Ministry of Mining and Energy of the Republic of Serbia, presented legal regulation of the energy communities in the Republic of Serbia, with special focus of the further development of this institute, which can be expected by annexing Regulation of the energy supply and delivery by the end of this year. Also Mr. Mrdak highlighted similarities between the institute of the cooperative and the institute of energy communities. Mr. Mario Jašić, from GIZ, gave us the vivid picture of the complexity of the legal regulation of the Bosnia and Herzegovina by presenting the model of the energy communities both in Federation of BiH, as well as in Republika Srpska. Mr. Jašić underlined different regimes that ought to be applied on the citizen energy community (CEC) and renewable energy community (REC) and showed separate quotas for REC. Additionally, it was mentioned that Bosnia and Herzegovina has 1 registered REC, which represents a vast success in practical development of this institute and solid pathway to energy transition.

The complexity regarding the connection of the energy communities to the grid was elaborated by Mr. Dušan Vukotić, from the Serbian DSO. Mr. Vukotić empathized the difference of the TSO and DSO in the EU and in the Republic of Serbia and raised “green energy paradigm” which brought up the question – is it possible for green energy to be available for everyone baring in mind the impact it would have on voltage stability and price of the energy. Moreover, Mr. Vukotić stressed the importance of the proximity of the consumers and the generators of the electricity, and highlighted that the power of the total installation capacity of one energy community must have defined limits in order maintain to stability of the grid.

In the end of this panel, participants heard the closing lecture by Eugenio Bruti Liberati, Full Professor of Administrative Law, Università del Piemonte Orientale, Vice-President of EFELA, who reminded us of the legal, political, social and ecological aspect of the energy community. Professor highlighted the public objective of this institute emphasizing its non-commercial element, but, on the other hand, pose a question worth a debate regarding sharing of the profit among the members of the energy community. Professor Bruti Liberati, as well as other participants of this panel, once again showed the pivotal role that the institute of energy community has in achieving energy transition, which is hard to imagine without citizen-led energy democracy.