



Citizen Energy Community (networks)

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Energy communities – what is it?

- New form of producing and consuming energy that **empowers consumers and local actors**, allowing them to become active in the transition;
- **Legal entity** with participatory and open governance model;
- Also allows to **reinvest benefits** within the community, therefore reinforcing solidarity between members
- May engage in a **variety of activities**; production, supply, distribution, aggregation, self-consumption, energy sharing, energy service provision, including energy charging services
- **Several categories** (Renewable Energy Community (Renewable Energy Directive), Citizen Energy Community (Electricity Market Directive), others) – with specificities depending on the type of energy and services provided.

Microgrids and citizen energy communities

- Public network + exemption categories: small isolated system, direct lines, closed distribution system (CDS), community network (Citiworks, Case C-439/06)
 - Model 1: Public micro-grid in cooperation with renewable or citizen energy community
 - Model 2: Citizen energy community network (includes households)
 - ~~Model 3: Closed distribution network (industrial and commercial microgrid)~~

Citizen energy community network

- Article 16 (4) Electricity Market Directive (EU) 2019/944:

“Member States may decide to grant citizen energy communities the right to manage distribution networks in their area of operation [...] without prejudice to Chapter IV or to other rules and regulations applying to distribution system operators”

- Article 16 (2) Electricity Market Directive:

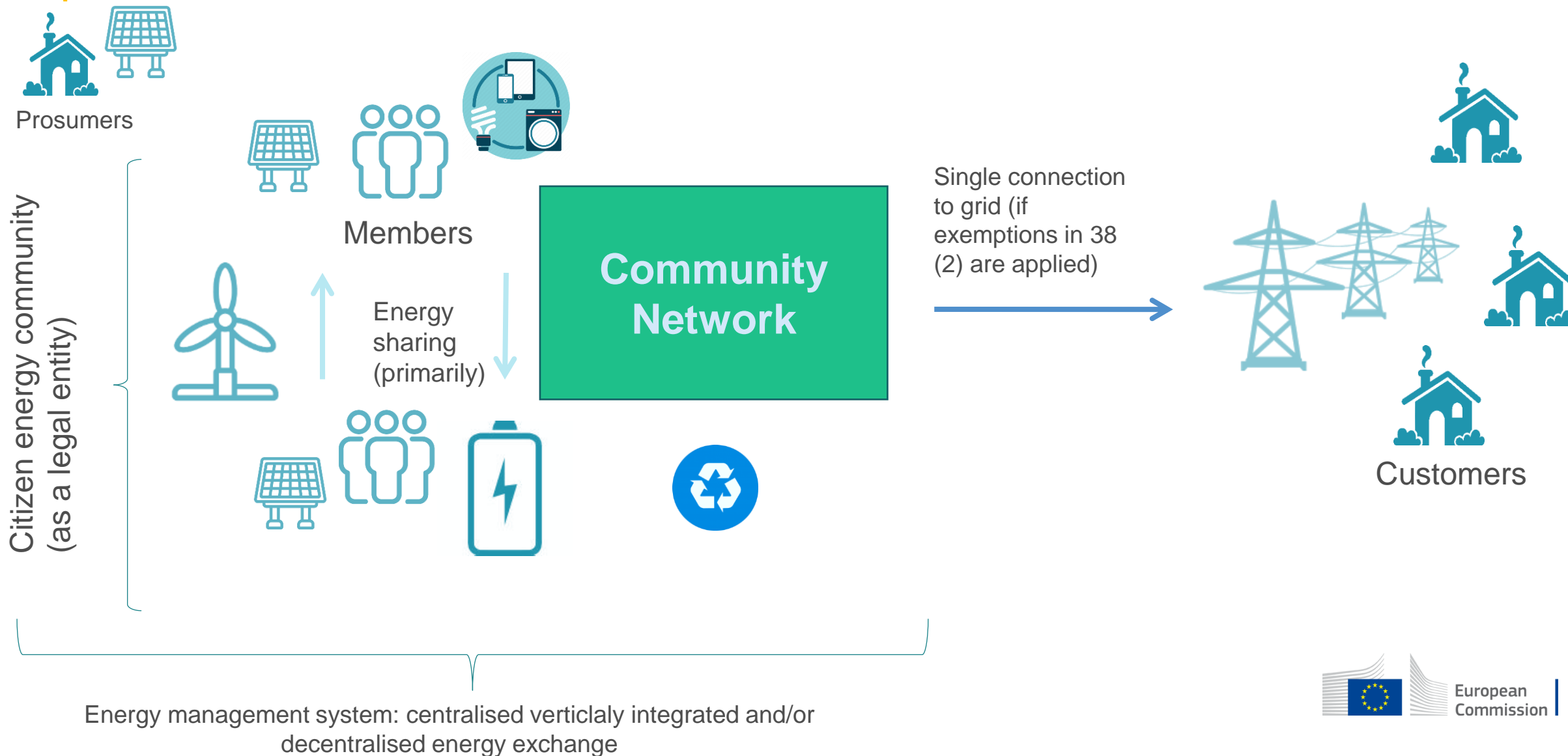
“Member States may provide in the enabling regulatory framework that citizen energy communities are subject to the exemptions provided for in Article 38 (2)”

→ Geographically confined area, single connection to larger public network

Applicable rules and exemptions

- TPA, Unbundling, freedom of choice supplier, open market key for EU internal market and competition
- Pursuant to Article 35: exception unbundling requirements for public DSOs in case less than 100.000 connected customers (model 1 and 2)
- Pursuant to Article 38 (2): exemption for citizen energy community network (model 2)
 - Exemption market-based procurement: may directly use its own equipment for flexibility to cover energy losses and non-frequency ancillary service
 - Negotiated TPA community networks: possibility for network user to ask review NRAs
 - Exemption unbundling (in case of centralised vertically integrated model): Operation charging points or storage facilities
- Islanding option not included in EU law

Citizen energy community « microgrid » (model 2)



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Thank you



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