

newTRENDS

Stakeholder workshop

Policy instruments for prosumaging in the EU

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RESEARCH QUESTIONS

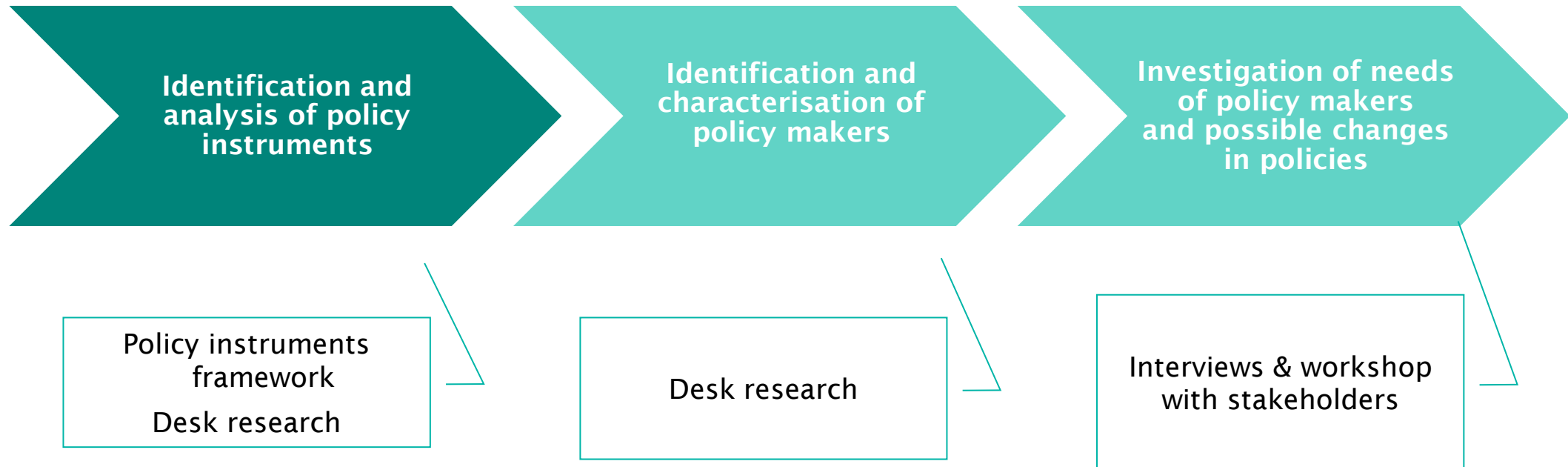
- What policy instruments does the EU use to support the transition towards prosumaging?
- What are the demand-side policy needs at European level?



Policy instruments

all rules and regulations, both formal and informal, that shape and determine the environment of a given trend

METHODS - WORKFLOW



METHODS: POLICY INSTRUMENTS FRAMEWORK

Policy area	Policy type	Policy instrument
Regulation	Codes/standards/ mandates	Building/grid codes and standards
		Product standards
		Sectoral standards
		Auditing
	Obligation schemes/quotas	Obligation schemes
	Other regulation	Carbon Emissions Reduction Target
Economic and financial instruments	Direct investment	Energy market regulations
		Government procurement
	Fiscal/financial incentives	RD&D funding
		Tariffs
		Grants and subsidies
		Loans/soft loans
		Taxes—tax relief/exemption
	Market-based instruments	User charges
		GHG emissions allowances trading scheme
White certificates		
Soft instruments	Performance labels	Endorsement label
	Information campaigns	
	Voluntary approaches	Negotiated Agreements (Public-private)
		Public Voluntary Schemes
		Unilateral Commitments (Private)



EXISTING POLICY INSTRUMENTS IDENTIFIED AT EU LEVEL

Regulations

Regulation	Codes/ standards/ mandates	Building/grid codes and standards	<ul style="list-style-type: none"> ▪ Rights of renewables self-consumers (RED II, art. 21) ▪ Energy required by nZEBs should be covered to a very significant extent by RES, including energy produced on-site or nearby (EPBD, art. 2) 	!
		Product standards	<ul style="list-style-type: none"> ▪ Numerous IEC standards, e.g., for PV systems, electric installations, and batteries 	
		Auditing	<ul style="list-style-type: none"> ▪ Summary & assessment of the enabling framework for renewables self-consumption to be included in the MS' National Energy and Climate Plans and progress reports (RED II, art. 21 (6)) 	!
	Obligation schemes /quotas	Obligation schemes	<ul style="list-style-type: none"> ▪ At least 32% of RES in the EU gross final consumption of energy in 2030 (RED II art. 3 (1)) ▪ Measures promoting the installation of small-scale RES on or in buildings eligible to be considered for the fulfilment of the energy savings obligation (EED, art. 7 & Annex V (1)(e)) 	
	Other regulation	Energy market regulations	<ul style="list-style-type: none"> ▪ MSs to put in place an enabling framework to promote and facilitate the development of renewables self-consumption (RED II, art. 21 (6)) 	

„Enabling framework” (REDII, art. 21 (6))

- (1) accessibility of renewables self-consumption to all final customers, including those in *low-income or vulnerable households*;
- (2) address unjustified *barriers to the financing* and other unjustified regulatory barriers;
- (3) *incentives* to building owners to create opportunities for renewables self-consumption, including for *tenants*;
- (4) non-discriminatory *access to support schemes* as well as to all electricity market segments;
- (5) contribution of renewables self-consumers to the overall *cost sharing of the system when electricity is fed into the grid* (REDII, art. 21 (6))

EXISTING POLICY INSTRUMENTS IDENTIFIED AT EU LEVEL

Economic and financial instruments

Economic and financial instruments	Direct investment	Government procurement	<ul style="list-style-type: none"> Public procurement on renewables self-consumption under Renovation Wave (renovation of at least 3 % of the total floor area of heated and/or cooled public buildings each year) (EED, art. 5)
		RD&D funding	<ul style="list-style-type: none"> Horizon Europe, including Pillar II Global Challenges (...), Cluster 5: Climate, Energy and Mobility
	Fiscal/ financial incentives	Tariffs	<ul style="list-style-type: none"> MSs required to consider time-differentiated network tariffs, where smart metering systems have been implemented (ER, art. 18 (7)) Feed-in tariffs as support schemes that can be applied by MSs (RED II, art. 2 (5) and 21 (2)(d)) Exemption of local closed operation systems from tariff approval (ED, art. 38 (2)(b))
		Grants and subsidies	<ul style="list-style-type: none"> European Regional Development Fund, Cohesion Fund, Just Transition Fund
		Loans/soft loans	<ul style="list-style-type: none"> InvestEU programme
		User charges	<ul style="list-style-type: none"> Prohibited and permissible forms of charges and fees for renewables self-consumers (RED II, art. 21)
	Market-based instruments	GHG emissions allowances trading scheme	<ul style="list-style-type: none"> MSs to use revenues from auctioning of GHG emission allowances to develop renewable energies (ETS Directive, art. 10(3)(b))



Permissible forms of charges and fees in relation to renewable self-consumers' self-generated renewable electricity *remaining within their premises* :

- if the self-generated renewable electricity is effectively supported via support schemes, only to the extent that the economic viability of the project and the incentive effect of such support are not undermined;
- if the overall share of self-consumption installations exceeds **8 % of the total installed electricity capacity of a Member State**, and if an additional condition is met concerning disproportionate burden on electricity system or excessive incentives are provided (from 1 December 2026)
- if the self-generated renewable electricity is produced in installations with a total capacity of more than **30 kW**.

EXISTING POLICY INSTRUMENTS IDENTIFIED AT EU LEVEL

Soft instruments

Soft instruments	Information campaigns	Contact points in MSs	<ul style="list-style-type: none">MSs to establish contact points for renewables self-consumers and develop programmes to inform citizens on renewables self-consumption (RED II, art. 16 & 18)
	Voluntary approaches	Unilateral Commitments (Private)	<ul style="list-style-type: none">Renewable Energy Communities (RED II, art. 2 (16))Citizen Energy Communities (ED, art. 2 (11))



EMERGING NEW POLICY INSTRUMENTS AND POTENTIAL CHANGES IN THE EXISTING ONES

Regulations

Regulation	Codes/standards/mandates	Auditing	<ul style="list-style-type: none"> Benchmarking of prosumaging across the EU (similar to benchmaking of Smart Metering rollouts)
	Obligation schemes /quotas	Obligation schemes	<ul style="list-style-type: none"> Obligation for MSs to require the use of minimum levels of energy from RES in buildings in their building regulations and codes and, where applicable, in their support schemes (Fit for 55 proposal for RED II recast, art. 15a) At least 40% of RES in the EU gross final consumption of energy in 2030 (Fit for 55 proposal for RED II recast) Set targets for MSs on minimum share of prosumers in the population of final energy consumers Stringent and quantified RES targets for building sector, e.g., 50% of RES share in buildings; ensuring that 40% of heating is provided by heat pumps in 2030 and 70% in 2050
		Carbon Emissions Reduction Target	<ul style="list-style-type: none"> Obligation for MSs to link any support for prosumaging with emissions reduction and/or energy savings



EMERGING NEW POLICY INSTRUMENTS AND POTENTIAL CHANGES IN THE EXISTING ONES

Regulations

Economic and financial instruments	Direct investment	Government procurement	<ul style="list-style-type: none"> Include PV systems and batteries in Green Public Procurement scheme 	!
	Fiscal/financial incentives	Tariffs	<ul style="list-style-type: none"> Introduce the right of consumers for time-differentiated network tariffs in all MSs 	
		Grants and subsidies	<ul style="list-style-type: none"> Obligation for MSs to check that any grants/subsidies for prosumaging are offered to stakeholders meeting certain minimum energy efficiency standards 	
		Loans/soft loans	<ul style="list-style-type: none"> Require MSs to establish national loan schemes/guarantees for prosumagers 	
		Taxes—tax relief/exemption	<ul style="list-style-type: none"> Exemption of PV/batteries from VAT 	
		User charges	<ul style="list-style-type: none"> Change conditions for permissible forms of charges and fees for renewables self-consumers set in RED II 	!
Market-based instruments	GHG emissions allowances trading scheme	<ul style="list-style-type: none"> Require MS to earmark certain part of revenues from GHG auctioning to prosumaging support 		

EMERGING NEW POLICY INSTRUMENTS AND POTENTIAL CHANGES IN THE EXISTING ONES

Soft instruments

Soft instruments	Performance labels	Endorsement label	<ul style="list-style-type: none"> Introduction of Eco-Design measures for PV panels and inverters Introduction of Energy Labels for residential PV systems
	Information campaigns	Contact points in MSs	<ul style="list-style-type: none"> Introduce obligatory quality assessment in information campaigns (e.g., consumers' satisfaction)
	Voluntary approaches	Negotiated Agreements (Public-private)	<ul style="list-style-type: none"> Establish an EU-level PPP to directly support prosumaging (e.g., through R&I)
		Public Voluntary Schemes	<ul style="list-style-type: none"> Introduce an EU-level voluntary scheme on prosumaging for local authorities (e.g., within the Covenant of Mayors)



STAKEHOLDERS NEEDS – INSIGHTS FROM INTERVIEWS

- Prosumaging parameters desired to be modelled:
 - Share of household energy consumers/SMEs/local authorities part of an energy community/collective self-consumption schemes
 - Share of energy poor and vulnerable consumers in the residential sector that are renewable self-consumers/part of an energy community
 - Share of energy consumers in the residential sector equipped with a gas boiler, heat pump and electrolyser
 - Share of energy consumers equipped with smart meters
- Desired more knowledge on quantitative aspects of prosumaging:
 - Uptake of RE production installations per category of consumer (social: energy poor and vulnerable; middle class; high class <-> economic: residential, service and industry sector)
 - Uptake of RE production installations per category of energy community (geographical: rural versus urban)
 - High granularly of consumer profiles based on: cultural, social, economic, environmental and physical characteristics



STAKEHOLDERS NEEDS – INSIGHTS FROM INTERVIEWS

- Energy demand models as a useful tool supporting designing new policy instruments:
 - analysis of cross-sectoral measures and instruments
 - interlinkages between sectors and players

- Models documentation:
 - Better understanding of models limitations, assumptions done and uncertainty levels
 - Comparison of models developed by different teams should be available
 - Interoperability and transposing datasets between models

DISCUSSION

- Which policy instruments are the most impactful / important for transition towards prosumaging? Why?
- What can be the impact of emerging policy instruments on prosumaging? E.g.:
 - minimum RES levels in national building codes (Fit for 55)
 - new user charges (fees) for prosumers for using the power grids
 - Eco-design, Energy labels & Green Public Procurement for PV systems
- What is the currently most pressing policy gap in the field of prosumagers in the built environment? What policies are missing or should be changed?

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