

D.T2.3

INVOLVING ENERGY REGULATORS

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Short Description
The document proposes guidelines to implement the A.T2.3 activities. Specifically: meets with the regulatory agency and energy related ministries to present T1 results and discuss barriers and improvements to existing regulations

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INTRODUCTION

The objective of this task concerned the activity of each partner/national partners (except PP12) in involving regulatory agencies and/or energy ministries in order to present the results of T1 and discuss obstacles and improvements to existing regulations. Energy regulators were invited to participate in the Sounding Board and provide feedback to policy recommendations. Within this document, the Municipality of Udine as WPL consolidates a summary report of the discussions with the energy regulatory authorities involved, organized and conducted by the respective partners of the Alpgrids Project at national level.

The activities carried out aim at enhancing the efforts made by the partners in their respective member countries. As can be seen from the report, despite the efforts made by all the partners of the Project, the results in the action of involving the National Authorities and Ministries differ from country to country. The availability and openness to external subjects by the Authorities and Ministries vary according to the target countries. The difficulties generated by the Covid_19 pandemic have substantially affected the activities of some partners. In general, the results achieved are satisfactory and lay an excellent basis for the launch of policies and tools useful for the development of the Local Energy Communities in the target countries.

REPORTS AND FEEDBACKS COLLECTED BY PROJECT PARTNERS

PP1 AURAE

AURA-EE : AURA-EE had the opportunity to be involved in a number of workshops organized by the Climate and Energy Department of the Energy Transition Ministry, on the issue of energy communities. The workshops took place on February 9th, March 16th, April 27th, May 27th, June 24th, July 22nd, September 15th and gathered national representatives of the main stakeholders on renewable energy. During these workshops, the participants could contribute to

- the definition of 10 measures to support the development of local governance in RES projects. These measures concern the set up of local subsidies, the elaboration of a communication campaign, the improvement of grid connexion, the strengthening of financing solutions, etc.
- the elaboration of the future decree on energy communities, transposing the EU directives. Several discussions took place on the participation of municipalities, the geographical perimeter of the projects, the role of small and medium enterprises, etc.



PP2 IRE; PP6 DEMEPA; PP10 UDINE

IRE Liguria: relations with the Regulator are quite scarce. IRE Liguria is much easier to cooperate with the Liguria Region, but hardly with the national regulator. Structured relations with the Ministry of Economic Development (reference Ing. Capra) are still open and could lead to developments in the coming months.

Udine: we had contacts with the GSE (Electricity Services Manager) to whom we presented the Alpgrids Project and the Udine Pilot Action. The GSE has entrusted a tutor to Udine. However, the support offered by the tutor does not appear to be particularly useful for the activities that the Municipality is conducting. Udine also actively participated by presenting its experience to two Focus Groups organized by the GSE on 21 April 2021 and 27 May 2021.

DeMEPA: the Regulatory Authority for Energy, Networks and the Environment (ARERA) was requested to have a common chat with all the Italian partners of Alpgrids to understand the evolution of the existing law that will be revised. The Alpgrids document produced by the ENERGAP partner will be sent to the Authority to request this plenary meeting. The person who is able to give answers to the questions is actually only one within the Authority (Deputy Director of the Authority's Energy and Environment Directorate). Previously DeMEPA had presented the Udine pilot project to the Authority, making some considerations on the existing regulations (exclusion of existing PV systems). New developments are expected in the coming months.

PP3 WEIZ AND PP5 4WARD ENERGY GRAZ

General info about the Meeting

Minutes:	Involving Energy Regulators in Austria (A.T 2.3)
Participants:	Karin Emberger (E-Control), Thomas Nacht (PP5), Andrea Dornhofer (PP3)
Date:	12. November 2021
Disclaimer:	This is not a transcript of the discussion with the e-Control but the summary of the discussions.

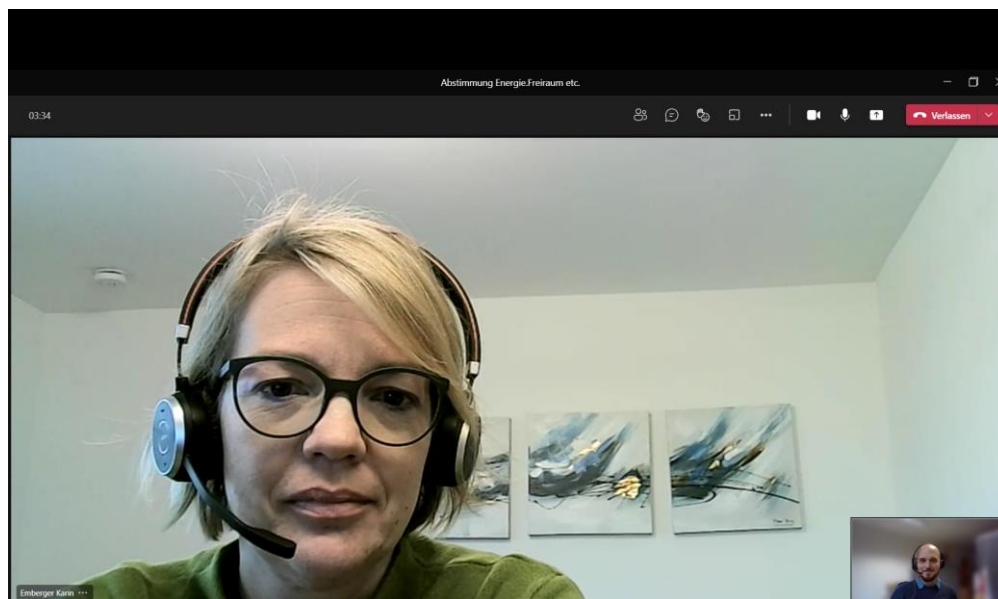


Figure 1: Screenshot of the online meeting with the e-Control

Measures to promote LECs discussed

The Austrian pilots and the achieved results of WP2 have been presented and the barriers for Energy Communities and Micro Grids have been discussed.

Measures for the WEIZ SECAP

The following measures to promote micro grids and energy communities, that were initiated by the Austrian ALPGRID partners were discussed:

- Measure 1: Raising awareness for joint consumption of renewable energy through PR promotion and development measures.
Feedback: This measure was well received, as joint consumption or collective self-consumption is a complex matter. The general public requires information and knowledge regarding energy related issues, as they normally do not occupy themselves with those topics. It is necessary to reduce false expectations and provide a clear picture.
- Measure 2: Funding of start-up costs (legal, technical, economic consulting services) for the implementation of local and regional energy communities or direct line systems.
Feedback: The local funding of energy communities was well received, since the process of creating energy communities is rather complex and will most likely require community external support. The

funding of direct lines systems was seen critical, as the creation of redundant systems is not in the interest of the regulator.

- Measure 3: Funding of start-up costs (production and storage facilities for renewable energy sources) for the implementation of local and regional energy communities or direct line systems.
Feedback: This measure was generally well received, as with measure two the critique on direct line systems did maintain, but in general funding for production and especially storage facilities is advisable to further increase the share of renewables and also increase the overall flexibility of the energy system.
- Measure 4: Implementation of a regional renewable energy community within the municipality of Weiz with different stakeholders.
Feedback: This measure was very well received, since renewable energy communities will need a boost and representative best practices will provide a good vantage point for other initiatives for renewable energy communities.

Pilot Action presentation

Presentation of the WEIZ and Thannhausen pilot

To further highlight the actions of the ALPGRIDs project the pilots in Thannhausen and Weiz were presented to Mrs. Emberger. No particular feedback was given to the pilots apart from them being interesting projects.

Barriers for LECs development discussed

Discussion on barriers for Energy Communities or Micro Grids:

Following the discussion on the pilot sites, the current barriers regarding energy communities and micro grids were discussed, resulting in the following results:

- **Administrative and organisational barriers**
One of the key barriers for energy communities is the substantial effort required for administrative and organisational issues. The founding process and the member-management as well as the accounting for the energy community are barriers for which one will need support or standardised processes. To meet those challenges, the Koordinierungsstelle Energiegemeinschaften (not a part of the E-Control) has been founded to provide potential new energy communities with the required information.
- **Participation of low-income households:**
So far, the energy transition in the private sector was mostly a topic for wealthier citizens, as (substantial) financial means are necessary to realise renewable energy project or invest into an EV. Thus, energy communities it must be ensured, that they will not exclude low-income households.
- **New Grid Tariffs:**
The E-Control is proposing a new structure for grid tariffs, that focus more on power-based tariffs rather than energy-based tariffs. This might pose a future challenge to energy communities as renewable energy communities currently rely on benefits resulting from reduction on the energy-based grid tariffs. On the other hand, the power consumption from the energy community is not priced, so there would be great potential for participants in the energy communities if they optimize generation and consumption as best as possible. Once that system changes, the benefit approach for energy communities needs to be analysed.

- **Legislative barriers:**

While the rules for energy communities are clear and precise, when it comes to the interaction with the Austrian Energy System, as defined in the ElWOG, the legislation for the intra-community ruleset is not that clear. In addition, tax topics are yet to be solved.

Discussion on future developments regarding regulation:

The final part of the discussion focused on the developments in electricity grid tariff regulations. As mentioned above, the grid tariffs will move from an energy based approach to a power based approach. This topic is summarized at E-Control under the term “Tarife 2.1” which will provide a better grid tariffs system for the current challenges in the energy systems such as increasing amounts of EVs and decentralised generation units.

PP4 ENERGAP AND PP11 SELNICA

General info about the Meeting

To both stakeholders the ALPGRIDS project and its achievements were presented especially microgrids pilot projects, barriers and challenges in other Alpine countries.

In Slovenia, Ministry for Infrastructure, Directorate for energy is responsible for national policy in the field of microgrids and communities. Agency for energy is market regulator and takes care for energy market roles and relations. Therefore, ENERGAP has organized the meetings separately with both of them to have overview about the current status and future developments in this field. Both important stakeholders were very cooperative and has given a lot of information and are willing to cooperate also in the future to see pilots and good practices in other countries. Due to the restrictions the meetings were organized via phone and online. There were 4 participants from Agency for energy including the the Director and 1 from Ministry – responsible senior advisor in the field.

According to the governmental organisation in Slovenia – SELNICA as a local authority is responsible for organizing energy policy for its area. The policy should be inline with National and EU policies and aims. The policy (Local energy concept) should be confirmed by ministry before to be adopted.

Dates: 6th of December 2022 and 15th of February 2022

Results of discussions:

- Ministry and Agency are well aware of the importance of microgrids and communities. Ministry is preparing a special programme and tools to foster their development in Slovenia. They see it very positive that local authorities are already working on the measures related to microgrids and communities within their local energy policies. It will be as a bottom-up approach to foster microgrids.
- **Financial challenges:** In Slovenia there are many sources for RES energy production. Some subsidies are already available to be used for microgrids. Agency is preparing the regulation that network charges will be subsidized if producer and consumer are at the same transformer station. Slovene Eco fund has subsidies for individuals and companies to set RES for self-consumption, including batteries. The Regulator regularly announces the calls for RES energy production for bigger facilities. Also, Ministry for agriculture announces the call for RES self-consumption in farms.
- **Technical challenges:** Slovenia has old and not well-maintained grids; and the question is how to provide sufficient capacity for the connection of small RES systems (FV and others). It is true that the network was not designed for decentralised resources during construction and therefore does not allow regulation and flow back to the main network. The Agency is leading regulatory change activities that will guide system operators in improving the network.
- **Guidelines for the integration of electricity storage facilities:** storage is currently used and treated as an ancillary service. Ministry will prepare new regulatory documents specific for storage.
- **Future promotion of the electricity micro grid** – ministry is preparing new regulatory framework for fostering it. The regulator carries out the activities for individual system operators to ensure the operation of energy communities within the legal and regulatory framework.
- **Administrative barriers:** are existing but they will be step by step removed from the procedures in next months. Ministry has established a special centre for the RES investment support (“one stop shop”) – a center where all information and advisory support will be given to companies or

individual investors. With clear description of the procedures and guidelines for the investors the RES, microgrids and communities will be faster implemented. The Ministry and Regulators agreed that clear and standardized protocols should be prepared.

- **Energy poverty** is a rising issue also in Slovenia. Through energy communities this topic could also be tackled. Ministry is running the project to systematically approach the energy poverty. Energy agencies and other stakeholders cooperate. The topic of energy communities will be included as a potential positive contribution.

PP7 BAUM AND PP8 ROTH

There are two reasons, for which no meetings and contacts with Energy Regulators have taken place explicitly in the context of the Alpgrids projects by the German project partners BAUM and Rothmoser:

1. The COVID-19 situation makes such meetings and contacts still difficult and there is little scope that this will change to the positive within the forthcoming months.
2. The federal elections on 26 September 2021 and the start of a new federal government in December are expected to have a considerable impact on the national legal context for microgrids.

We are carefully observing the ongoing developments, notably how the new German government will implement the relevant EU directives for Energy Communities. Possibly, we can have fruitful meetings and contacts with energy regulators at a later stage, but we cannot report any so far for the reasons mentioned.

CONCLUSIONS

While solid and cooperative relationships have already been structured in France, Austria and Slovenia with excellent results, the relationship between partners and Authorities / Ministries is still ongoing in some target countries of the Project.

In France for the partner AURAE, it was possible to discuss and present in the course of public workshops, 10 measures to support the development of local governance in RES projects. It was also possible to cooperate in the drafting of the future decree on energy communities, transposing Community directives.

In Austria the partners 4Ward and Energy Graz had the opportunity to present to the National Regulator the results achieved by the Austrian pilot projects resulting from the work carried out in the Alpgriids Project by promoting measures in favor of the development of microgrids and LECs and obtaining positive feedbacks from the representatives of the Authority. Specific barriers were also discussed (administrative and organizational, economic for low-income families, tariff and legislative), analyzing risk aspects and related opportunities to overcome existing obstacles.

The Slovenian partners were able to count on the collaboration of the Ministry of Infrastructure (Energy Directorate) and the Energy Agency (market regulator). The discussions conducted by the partners with the two identified national actors have highlighted the challenges that the country is facing on the Energy Communities, in particular those of a technical, legislative, financial and administrative nature. Furthermore, the discussion touched on a topic strictly connected to the LECs: that of Energy Poverty, on which the Ministry and Agency are cooperating with various stakeholders and within which to insert policies in favor of LECs at a national level.

The Italian partners are respectively in contact with 3 different national actors: Ministry of Economic Development, GSE (Electricity Services Manager) and ARERA (Regulatory Authority for Energy, Networks and Environment). In all three cases, some difficulties are highlighted in identifying the willingness of national actors to open a discussion on the issue. The talks and contacts have started and new meetings are being planned. The identified actors were duly informed of the activities of the Alpgriids Project and project documents were made available to them to be evaluated and commented on. New developments will be reported in the coming months of the activities.

In Germany the partners Baum and Roth have not yet had the opportunity to cooperate with the national authorities and ministries. The events resulting from the Covid_19 pandemic and the recent federal elections did not facilitate the process. As for Italy, the reports and the results deriving from the existing collaboration may come in the coming months.

Overall, the activity of the partners at national level is producing decidedly positive results. The difficulty of cooperating and getting in touch with National Authorities and Ministries is an aspect that must always be taken into consideration. Despite the obstacles specified above, the partners of the Alpgriids Project managed to share the objectives of the Project with the individuals identified, show the best practices of the pilot projects, discuss and identify solutions to overcome the technical, administrative and financial barriers related to LECs and promote innovative approaches that take into account aspects related to social inclusion.