



November 2021

Dear Vice-President Timmermans and Commissioner Vestager.

We are writing regarding the **latest draft of the General Block Exemption Regulation (GBER)** that was published on the 6th of October, and as a follow up to previous correspondence on the **draft of the new Climate, Energy and Environmental State aid Guidelines (CEEAG)**¹. We want to express our concern as a coalition of more than 40 diverse organisations working together to speed up the development of community owned renewables across Europe². In our previous letter, we expressed the conclusion that the draft CEEAG was not in line with the objectives of the European Green Deal. This is primarily due to the omission of any mention and acknowledgement of Renewable Energy Communities (RECs) in the draft CEEAG.

We would like to acknowledge that the mention of RECs in the GBER, in particular the inclusion of a 1MW threshold that would exempt RECs from competitive bidding, is a step in the right direction. However, this threshold would only allow solar PV projects to be exempted. Wind projects, which make up a significant portion of REC projects, are still excluded under this threshold and would be forced to participate in competitive bidding. Furthermore, we still do not have any indication that this threshold, or acknowledgment of RECs in general will be reflected in the CEEAG. At the very least, the rules on RECs in the GBER should also apply in the CEEAG. We also request that the GBER clarify and encourage Member States who might see this holistic society encompassing system change as a political obligation, rather than a chain of selective support mechanisms. The European Commission should define a coherent support and change policy for the whole society and all sectors. This will specifically include RECs, beside and alongside the whole societal framework.

The European Green Deal promises a new direction for European policy making. The challenge facing us becomes ever clearer. Even the International Energy Agency (IEA) in its Net Zero Scenario says we need to be at carbon neutral electricity by 2040³. To achieve these targets we need citizen and community engagement, which is vital to ensure the acceptance of this colossal transformation, as also a recent polling proves⁴. That is why we were deeply disappointed that any mention of RECs has been omitted in the draft CEEAG guidelines, a part of an important policy that could help or hinder the European Green Deal.

As we mentioned in our previous letter, the proposed CEEAG draft not only failed to include any reference to RECs, but it also made it more difficult for them to access support schemes. Both the multi-technology approach and the ever more restrictive criteria for bidding exemptions create barriers for

¹ EU state aid guidelines must support community energy – letter: <https://communitypowercoalition.eu/2021/07/15/eu-state-aid-guidelines-must-support-community-energy-letter/>

² The European Community Power Coalition: <https://communitypowercoalition.eu/>

³ IEA (May 2021) Net Zero by 2050: A Roadmap for the Global Energy Sector: <https://www.iea.org/reports/net-zero-by-2050>

⁴ Across Europe, 86% of people questioned said they would support new wind and solar projects near to where they live. They also expressed a strong interest in joining a local energy cooperative and supported government measures to accelerate the rollout of wind and solar power. <https://europeanclimate.org/resources/europeans-support-new-wind-and-solar-projects-in-their-local-area/>



energy communities to access public funds. This creates additional challenges for RECs to be able to participate on a level playing field with energy incumbents.

This leaves these draft guidelines in direct contradiction to the Renewable Energy Directive (REDII) and creating obstacles to the aims of the European Green Deal. RECs are a key tool for Member States to achieve a swift and popular energy transition. Without the engagement of communities, citizens and local governments in the energy transition there is a risk of backlash and anti-renewables sentiment taking hold.

Article 22 (7) of the REDII mandates Member States to take into account the specificities of RECs when designing their support schemes. When this important requirement is not referenced and built-in to the draft CEEAG, it leaves Member States with an unclear message.

Based on the above, we welcome the proposal of a 1MW threshold for RECs introduced in the draft GBER, which we feel is adequate for solar projects. However, this threshold still entirely ignores community wind projects. Not only do wind projects make up a significant number of projects developed by RECs, they are also projects that are likely to face more public acceptance issues. We recommend introducing a threshold of 18 MW for wind projects - which already exists in the current state aid guidelines, because this would allow RECs to grow along with the scale of wind technology. Both of these thresholds should be mirrored in the CEEAG so that they are in line with the requirements of the RED II. Last but not least, we strongly believe that these thresholds should be accompanied with an official acknowledgement of RECs in the provisions of the CEEAG, highlighting their role in the energy market and in achieving a faster and democratic energy transition.

Both the draft CEEAG and GBER need to be revised and brought in line with the REDII and the spirit of the European Green Deal. Specifically, they should include provisions and references to RECs so as to make competition law a supportive tool of a climate safe future, not a barrier to it. They should also be aligned and include specific thresholds for RECs, maintaining the 1MW threshold for REC solar projects and introducing a threshold of 18MW for REC wind projects.

Yours Sincerely,

The European Community Power Coalition