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Community energy: a strong political will that calls for additional resources

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Community energy projects under local governance (also known as “citizen” projects^{[1](#)}) are based on the active involvement of citizens and local authorities in the governance and financing of projects within their territory. In this respect they are an important tool to enhance local ownership of the energy transition. Building on research conducted in 2021 by a working group coordinated by the French Ministry of the Ecological Transition, ADEME and IDDRI, in November 2021 the Environmental Minister presented 10 support measures for community renewable energy. In particular, the French government plans to develop 1 000 new projects by 2028, which would imply ensuring at least a fivefold increase in their development from this year onwards, while the level of dedicated public aid would theoretically remain unchanged. How can this objective be achieved? And what are the challenges for the future?

Unprecedented political recognition

While representing a “niche” in relation to the full range of renewable energy projects being developed, community energy projects are receiving growing political attention with regard to their added value on the local ownership and acceptance of projects, but also the [maximisation of local economic benefits](#). These are critical issues in a French political context marked by the emergence of local opposition movements and strong political polarisation of the renewable energy issue.

This recognition of community energy first materialised through the EU Renewable Energy Directive of 2018, which called upon Member States to promote “renewable energy communities” and to build an enabling regulatory framework in this field.

This recognition is now also confirmed at the French level, through this first action plan, with a first noteworthy development: community energy projects have never previously been the subject of a national target.² The objective proposed by the working group and taken up by the government thus sends a strong and novel political signal. Even more so given that it should also take shape through a strategic roadmap in the next Multiannual Energy Programme (PPE), in line with article 23 of the French Climate and Resilience bill of 2021.

This objective is also surprisingly ambitious: according to the network of community projects Énergie Partagée, some 260 projects have been initiated over the last 10 years, for an installed electrical capacity of 540 MW (less than 1% of the total). **In order to achieve the objective set, 140 projects will now need to be launched every year, an unprecedented scale change, which raises questions about the means employed to achieve it.**³

Seen by some as being overly ambitious in view of past dynamics, this objective nevertheless remains well below the level observed in Germany, where [40% of renewable energy capacity is in the hands of citizens and farmers](#).

An action plan with a broad focus

Based on the analysis of obstacles produced by the national working group, the [10 support measures for community renewable energy focus](#) on different tools for action, ranging from the definition of the national objective and its inclusion in the future PPE, to the improvement of support mechanisms for projects, via local support and public awareness campaigns.

However, the guidelines established have not helped to produce a precise definition of all the tools and measures that should be implemented in the future, taking full account of the implications of the scale change required to achieve the objective of 1,000 new projects by 2028. Three challenges can be highlighted.

Support measures, the key to success

Unsurprisingly, the adequacy of support measures remains the key challenge in achieving this scale-up. The action plan sets out the general commitment to “encourage community projects in national public support measures”. In this regard, several points require special attention in the current context:

- Due consideration must be given to the practical implications of the reform of the “participatory bonus” in the national renewable electricity tenders, which now has much more stringent criteria, [without however removing the obstacles that limit the participation of local projects in calls for tender](#).

- **The prohibition on the cumulation of national aid (especially feed-in tariffs) and regional support schemes:** this is a blow for many emerging local projects, but also for the regions, which are long-standing pioneers in providing support for community projects. This non-cumulation provision is not a fatality and alternative solutions should be defined with the stakeholders concerned.⁴
- A specific challenge concerning the definition of support measures for community projects in gas and renewable heat, which should be explored in more detail in 2022.

This all raises questions about the objective of ensuring at least a fivefold increase in the development of community projects from this year onwards, with the level of dedicated public aid theoretically remaining unchanged (or even declining in view of the first two challenges identified).

An operational definition of renewable energy communities

Clarification of the eligibility criteria for obtaining “renewable energy community” (CER) status is a second key challenge, given that future aid measures could directly concern these CERs.

The work by the national stakeholder group has helped to clarify a number of points requiring attention. One key challenge emerges: establishing a sufficiently stringent definition to guarantee that only community projects are eligible, while avoiding unnecessary complexity that might ultimately hinder widespread use at project level. This is the challenge facing the finalisation of the corresponding implementing decree, which is currently being examined at the Conseil Supérieur de l’Energie (French Higher Council for Energy).

Ensuring the collective dynamics are sustained

Although the 10 measures announced by the Minister provide a clear signal concerning the political ambition, much remains to be done to ensure this ambition takes shape in the field. This will therefore be the focus of continued research in 2022, aimed at defining a strategic roadmap and clarifying the operational scope of the different measures.

¹ The need to clarify the terminology has been highlighted in previous research by IDDRI, in 2016 and 2019 in particular. The national working group mainly used the term “community” projects, which emphasises the involvement of citizens and local authorities, whereas in politics and the media, the notion of “citizen energy” is still predominant. More recently, the emergence of “renewable energy communities” as a new regulatory subject has added to this confusion.

² It is nevertheless worth noting that the Occitanie region was the first to set itself a quantified objective, in late 2019, aimed at developing 500 community RE projects by 2030, involving at least 100,000 citizens.

³ According to Energie partagée's key figures, the 267 certified projects (in progress or in operation) total 544 MW of electrical capacity and 21 MW of heating capacity. According to initial estimates, reaching the goal of developing 1,000 projects by 2028 would require that about 5% of new wind and solar capacity be developed through community projects.

⁴ This principle of non-cumulation was integrated into the 2021 photovoltaic tariff decree, initially justified by compliance with European law. However, the guidelines on State aid for energy and the environment do not provide for the impossibility of cumulating aid, provided that it can be justified, that the maximum aid thresholds are not exceeded and that this aid does not lead to excessive profitability for the projects considered.