Municipalities: with great power come green responsibilities?

Highlighting effective ways for local governments to support energy communities and socially inclusive renewable energy projects

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Sun4All

Table of Contents

Sun4All

1.   Executive summary

Local governments are major players in driving the green transition, but insufficient capacities related to financing, human resources and skills could hamper the implementation of climate and energy policies in the EU. Local governments are also instrumental in ensuring that the benefits of the transition are distributed in a socially just way. Innovative energy schemes like energy communities are often seen as a good way to achieve this, although significant support, especially from municipalities, is required to make these initiatives into true socially-driven energy models.

This policy brief highlights the different roles that local governments can play to foster socially inclusive renewable energy schemes, building notably on the Sun4All experience, which exemplifies the many kinds of municipal involvement and business models that can exist when dealing with energy poverty and energy sharing schemes.

The policy brief also lays out a set of recommendations for local authorities regarding funding, policy, technical assistance and governance (full list on page 18):

Funding
- Offer dedicated funding to citizen-led renewable energy projects that have a clear social mission, and ensure simplified application procedures.
- Make use of the different national and European funds available to them, such as the upcoming Energy Communities Facility, to promote the development of energy communities with a strong social mission.

Policy
- Adopt long-term objectives for local, inclusive community-owned energy production systems in their territories (e.g. SECAPs).
- Adapt internal rules (e.g. urban planning rules, procurement rules) to promote renewable energy projects, including by introducing conditionalities related to citizen participation/local ownership and social criteria.
- Design community energy programmes for social housing and social dwellings (e.g. emergency shelters, long-term & disability care facilities, public schools).

Technical assistance, capacity-building
- Set up local one-stop shops for energy-related issues, including energy communities, which offer specific training related to energy poverty.
- Fully exploit technical assistance and capacity-building opportunities available at the EU level for regional and local governments.

Governance
- Engage in cooperation/knowledge-sharing activities with other EU municipalities.
- Rely on existing inter-municipal cooperation structures locally to foster the involvement of smaller municipalities in renewable energy schemes.
- Foster cross-departmental collaboration within local and regional public administrations, especially between energy and social services.
- Create networks of local energy stakeholders.
- Establish participatory policy processes at the local level to increase citizen participation in the energy transition beyond the concept of energy communities.

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2.   Introduction

The European legislation on climate and energy is increasingly striving to involve citizens in the transition towards a carbon-neutral society. The Clean Energy for All Europeans package adopted in 2019 provides citizens and local stakeholders with new roles and rights to carry out energy-related activities, such as production, consumption, storage, and sharing. Importantly, it introduced renewable energy communities and citizen energy communities – through which citizens, public authorities and SMEs can jointly own, democratically control, and self-consume local energy – as new collective and mission-driven actors in the energy market.

With the adoption of the Fit for 55 in 2023/2024, the EU has new, ambitious targets and legislation on renewable energy, renovation, energy efficiency, etc. What's more, the REPowerEU plan provided a clear role for energy communities to help achieve these goals. It sent a strong political message to the local level with the (non-binding) objective of setting up at least one renewable-based energy community in every municipality with a population higher than 10,000 by 2025.

Local governments are spearheading these local energy and social innovations on the ground, acting as laboratories before initiatives are scaled up, replicated, mainstreamed, and eventually transforming the way our energy systems are organized and governed. Faced with many remaining barriers (legal uncertainty, administrative issues, lack of support or resources) and with specific environments that require tailored solutions, local innovative energy projects have had to find creative ways to develop and thrive.

The current challenge is how to go from local experimentation to making successful local energy schemes the new normal in the EU. Regional and local governments are the most tangible and practical level of public administration to achieve this while ensuring that the transition *leaves no one behind*.

This policy brief highlights the key role of local governments in implementing the Fit for 55 package, and in particular in fostering the development of energy communities. It argues that local governments are instrumental in ensuring that local energy innovations can be implemented and that their benefits are distributed in a fair way within society. The paper also makes policy recommendations targeted at the local level. This paper is part of a three-part series on the topic of energy communities and energy poverty, built on the insights of the [Sun4All project](#).

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3. Local governments: at the forefront of the climate and energy transition

Regional and local governments are major players in achieving the European Green Deal, whose ambition is to achieve climate neutrality in the European Union by 2050. Approximately 70% of all EU legislation has an impact on municipalities and regions. In addition, local and regional governments in the EU possess either a shared or sole responsibility in about 68% of energy and climate-related policy areas and accounted for 58% of the total general government expenditure related to climate initiatives in 2019.[1]

Policy developments and increased investment needs in the field of climate and energy are adding new demands on public administration at all levels.[2] Regional and local governments are especially concerned when it comes to spatial planning, permitting, and procurement. In addition, to reach climate goals, local governments are expected to strengthen their climate investments.[3]

This section highlights the role of local and regional governments and their need for additional capacities to implement the energy transition – beyond the sole lens of energy communities.

3.1. A dire need to bolster capacities

Insufficient capacities at regional and local levels could hamper the implementation of climate and energy policies and limit the effectiveness of related investments.[4] Regions and cities that are already facing major administrative, technical, human, and budgetary capacity constraints. According to the European Investment Bank, 69% of municipalities across Europe say that a lack of environmental and climate assessment skills is a barrier to green investments.[5] Local and regional governments in cohesion regions[6] often lack the technical capacity to access the available EU funds and increase the investments needed to carry out the green transition. They also suffer from an overall lower quality of governance, which can significantly impact these regions' transformation capacity.[7] There is for instance a clear correlation between the quality of governance and the impact of cohesion policy investment in the EU.[8] Adequate action would help prevent

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[1] Council of European Municipalities and Regions (2023). Powering the Future: Driving Europe's Climate and Energy Policies through Regions and Municipalities Multilevel Governance, Exemplary Policies, and Financial Dynamics. December.

[2] Pisani-Ferry, J., Tagliapietra, S. and Zachmann, G. (2023). A new governance framework to safeguard the European Green Deal, *Policy brief*, Bruegel, September.

[3] As shown for the case of France by Colin, A. et al. (2022). Local authorities: the need for investment and human resources for climate neutrality, Institute for Climate Economics (I4CE). October.

[4] European Scientific Advisory Board on Climate Change (2024). Towards EU climate neutrality Progress, policy gaps and opportunities, *Assessment Report 2024*, Publications Office of the EU, January.

[5] European Investment Bank (2023). Investment Report 2022/2023: Resilience and renewal in Europe.

[6] EU regions with gross domestic product (GDP) per capita below the EU average benefiting from the EU's Cohesion Policy.

[7] Ibid.

[8] European Commission (2024a). Ninth report on economic, social and territorial cohesion. Publications Office of the EU.

'development traps'[9], particularly in less developed and transition regions, as well as potentially save billions of money every year.[10]

Bolstering local staff should be at the heart of decarbonization strategies. While staffing needs to implement the green transition are difficult to quantify, available studies can point to general trends. For instance, I4CE estimates the need for at least 25,000 additional dedicated staff in France annually by 2025, representing an additional €1.5 billion per year.[11] A study commissioned by the Dutch Public Administration Council showed that cities and municipalities in the Netherlands would need to at least double their current staff resources, and this, only to lead decarbonization efforts in the building sector.[12] When extrapolating these results across the EU, this could mean 200,000 new local employment positions to achieve building decarbonisation objectives,[13] although the reliability of such estimations remains limited.

The additional staffing costs are proportionally greater for smaller municipalities than for bigger ones, which suggests the need for targeted support and strengthened cooperation between municipalities (eg. to pool resources, to share expertise).[14] The *Communauté de Communes Coeur de Savoie* in France, the only rural pilot of the Sun4All project, exemplifies this: this inter-municipal cooperation structure makes it possible for very small and sometimes isolated municipalities to take part in the initiative, which would likely not have been possible otherwise.

Additional staff needs in the context of the green transition also mean additional skills needs. Municipalities will both have to recruit people with the right skill sets to fill the positions needed to drive the transition and to train their current staff in line with the needs of the transition.[15] Recruitment difficulties, due to overall skill shortages and attractiveness issues, may thus become a major concern and will require broader action at local/regional and national levels (regarding education and training policies, but also housing, availability of public services in territories, good wages and working conditions in green occupations, etc.). This is all the more important as large retirement waves in Member states' civil services are expected in the next ten years.[16] It is also likely that municipalities

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[9] Meaning "falling behind EU and national average growth rates, as well as their own past performance". Source: Ibid.

[10] European Commission (2023). Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Enhancing the European Administrative Space', COM/2023/667 final, October.

[11] Colin, A. et al. (2022). Op.cit.

[12] Ancelle, A., Bourgeois, M., Joubert, J. (2022). Human capacity in local governments: the bottlenecks of the building stock transition, *Policy paper*, Energy Cities, April.

[13] Ibid.

[14] Ibid.

[15] Cedefop identifies a particular set of occupations are central to their development of smart and green cities: Smart and green city management professionals (sustainability/climate analysts, legal experts); ICT professionals; Energy professionals (design, installation and maintenance); Urban space specialists (urban planners, horticulturalists, waste management, sanitation); Transport and mobility specialists; Environmental protection specialists; Specialists to boost citizen engagement; Construction and building specialists. Source: CEDEFOP (2022). Cities in transition: How vocational education and training can help cities become smarter and greener, *Policy brief*, July.

[16] European Commission (2023). Op. cit.

Sun4All

will have to increasingly seek outside expertise via technical consultancy firms and outsource some of their work, leading to other types of increases in their operating costs. Furthermore, municipal staff will need to offer more continuous training opportunities to up- and reskill their staff so that they are able to "procure, develop and deliver services in a greener way".[17] However, in many municipalities, professional mobility and access to training tend to be limited and "the skills pool depends on the overall level of local development and economic activity".[18] Additional investments into lifelong learning and new policies are therefore required.

3.2. A special role in making sure the transition benefits everyone

In the current context of the transition to a carbon-neutral economy, new opportunities are emerging to reduce inequalities within the energy system. However, for now, the benefits of clean solutions, including renewable energies, are unequally distributed. The literature suggests that more socioeconomically advantaged groups have been less able to "adopt low-carbon energy technologies, such as residential solar PV systems, and thereby benefit from associated energy policies, reinforcing existing inequalities".[19] Current energy policies have often overlooked the issues of a just transition; focusing, in the case of solar energy, on increasing PV capacity from a technical perspective.[20]

In addition, energy poverty appears as a complex issue that requires "institutional, structural and multifaceted interventions",[21] involving all levels of government. **local governments, being the closest to citizens, are on the frontline in addressing energy poverty and have a role of their own.** Among other things, local governments can help better target energy-poor citizens, identify the local contributing factors to this phenomenon, and design measures adapted to the local context and citizens' needs.[22] They can also bridge the gap between other governance levels (local/regional networks, national governments, EU) as well as between other relevant local stakeholders and initiatives.[23] The competence to tackle energy poverty can however be spread between different governance levels, meaning that municipalities may rely on other government levels (e.g. intermediate levels between the municipality and the regional level), in order to receive funding to take concrete policy action in this regard.

The decentralization of energy production could be an opportunity to ensure that the benefits of the energy transition are distributed in a socially just way, taking especially into account energy-poor households. Innovative local initiatives based on energy sharing, such as through energy communities, could in

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[17] CEDEFOP (2022). Op. cit.

[18] European Commission (2023). Op. cit.

[19] Kraaijvanger, C., Verma, T., Doorn, N., Goncalves, J. (2023). Does the sun shine for all? Revealing socio-spatial inequalities in the transition to solar energy in The Hague, The Netherlands, Energy Research & Social Science, 104(103245), October.

[20] Ibid.

[21] Koukoufikis, G. et al. (2023). Energy Communities and Energy Poverty, *Policy report*, Joint Research Centre, Publications Office of the EU.

[22] Powerpoor (2021). Energy poverty guidebook for energy planning, December.

[23] Ibid.

Sun4All

theory shift power dynamics and implement more socially-driven energy models. At the same time, given the important resources needed to establish and run energy communities (not just in terms of money, but time, skills, social capital), **there is also a risk of increasing inequalities**.[24]

For now, energy communities are still rarely addressing energy poverty or engaging with vulnerable groups.[25] There are several reasons for this, ranging from low levels of awareness to financial barriers (the need to focus all resources on core activities to get the project off the ground) and legal obstacles. **When they do, it is often partly thanks to the support of municipalities.** It could be because they have "an intrinsic interest in creating socio-economic community value as part of their local energy and climate planning".[26] In addition, their knowledge of local social actors, the availability of financial and human resources (beyond volunteer work in citizen projects), and their expertise and experience in securing funds can also be seen as significant value added.

The next section will explore the different roles that municipalities can have in promoting innovative schemes like energy communities in their territory and in ensuring that these initiatives benefit vulnerable people.

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[24] Standal, K. et al. (2023). Can renewable energy communities enable a just energy transition? Exploring alignment between stakeholder motivations and needs and EU policy in Latvia, Norway, Portugal and Spain, Energy Research & Social Science, 106(103326), December.

[25] DellaValle, N. and Czako, V. (2022). Empowering energy citizenship among the energy poor, Energy Research & Social Science, 89(102654), July.

[26] Hinsch, A., Rothballer, C. and Russell, L. (2022). Municipalities and renewable energy communities – a perfect match, *Factsheet*, COME RES, Horizon 2020 project no. 953040, April.

4. Local governments: a laboratory for social innovation in the energy sector

Drawing on experiences from the Sun4All project, it is clear that there is no one-size-fits-all approach to social and energy innovation. Within the project, the Solar for All scheme from New York State was replicated in four European municipalities (see Box 1). Even though the municipalities were guided by the same overarching framework, local factors[27] (geographical setting, regulatory context, stakeholders ecosystem, skills and experience of the people involved, led to varied results.

In the case of Sun4All, the four pilot cities – Almada (Portugal), Rome (Italy), Barcelona (Spain) and the *Communauté de Communes Coeur de Savoie* (France) – ended up implementing different schemes. These included subsidy programmes for energy bill assistance and renovation (France - 1st pilot), to collective self-consumption schemes in social housing dwellings and municipal buildings (Spain, Portugal and France - 2nd pilot), to the establishment of renewable energy communities using PV installations on school roofs (Italy). Depending on their size, capacities, political and societal context, environment, and so on, municipalities can play many different roles. In the next section, these different roles are outlined.

Box 1: Solar for All, a New York State utility bill assistance programme[28]

Taking advantage of virtual net metering facilities in place in the State, the Community Solar programme in New York allows for anyone in the vicinity of a solar power plant, to subscribe and access clean and affordable power and get tangible benefits on their energy bill. This approach benefits households that want to invest in solar projects but do not have the capacity due to investment limitations or space limitations on the rooftop.

Given that this approach has limitations regarding inclusiveness, the New York State launched the Solar for All project, which targets users that usually could or would not join these initiatives. This means that a large part of the investment is made by the New York state's budget which, after a competitive bidding process under New York State procurement rules, selects a company to deliver the project and sells the electricity. This is then bought by NYSERDA on behalf of low to moderate income households across the state.

Households that qualify under the Solar for All scheme, will then receive the electricity at no cost which amounts for $5-15 dollars a month. To be eligible, households must rent or own their home and check income eligibility. The programme relies on voluntary application from customers and is boosted by significant outreach on the ground, extensive digital marketing, and support from

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[27] Such as, geographical setting, regulatory context, local ecosystems of stakeholders and the skills and experience of the people involved.

[28] The information in this box is directly taken from Grizans, J. (2023). Sun4All Capacity and Training Package, Sun4All, Horizon 2020 project no. 101032239, October.

Sun4All

local/regional partners such as housing providers or local community organizations.

The Solar for All programme was launched in 2018 and reached approximately 4,000 participants in 9 community solar projects by the end of 2020. New York State Energy Research & Development Authority is developing an "Expanded Solar for All" program to automatically enroll 160,000 + National Grid low-income bill discount program participants, with estimated savings of $10 per month for each person.

4.1. Leading

Local governments can make sure that renewable energy production benefits everyone in their territory, including by setting up innovative and inclusive energy schemes.

Municipalities can establish energy-sharing schemes to distribute municipal solar production. They can choose to redistribute the energy and/or the profits of selling the energy directly to vulnerable households. This is for instance the case in the Barcelona pilot that introduced collective self-consumption in two social housing blocks managed by the Municipal Institute of Housing and Renovation. Tenants that enrolled in the scheme consume energy directly from a solar photovoltaic system on their own roof paid for by the municipality, which leads to a reduction in their consumption and their bills. In addition, surplus energy from the panels is purchased by the electricity company, and the profits are also used to reduce the beneficiaries' monthly expenditures. However, municipalities may face difficulties in redistributing their surplus energy due to high grid access prices, volatile energy prices, the risk of losing public subsidies, rules governing municipal budgets, and more.[29]

Municipalities can also use local renewable energy production in a more indirect way, without necessarily setting up or engaging in energy sharing. The first pilot scheme implemented by the *Communauté de Communes Coeur de Savoie* (CCCS) consisted in **offering subsidies to vulnerable households**, using the money generated by the municipality's existing solar power plants (after maintenance and credits are paid). Two types of subsidies were available: a one-time €500 subsidy to help owners isolate their home or change their heating system; and a €200 bill assistance subsidy for vulnerable tenants, in addition to a free and individual energy advice session.

Municipalities can also **reinvest new profits from municipal solar plants** into existing municipal programs targeted at vulnerable groups, such as **renovation programmes for social housing, emergency shelters, other social initiatives**, and/or to **lower the costs of municipal services**.[30] This can for

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[29] Kerneïs, K. and Defard, C. (2023). A comparative analysis of the regulatory framework in Sun4All pilot cities, Sun4All, Horizon 2020 project no. 101032239, May.

[30] Hinsch, A. (2023). Enabling energy communities: A toolkit for just transition regions, European Commission, November.

instance be a good solution to concretely help homeless services that are currently struggling to deal with the impact of high-energy costs, especially since shelters and day centers tend to be very energy-intensive and occupy poor-quality buildings.[31]

In general, 'recruiting' vulnerable households into these schemes, despite the low-risk approach, is difficult and requires considerable time, effort and thus, resources. Lack of trust (e.g. in institutions, due to bad landlord-tenant relations, due to competing energy offers from private companies, etc.), lack of awareness and interest, and lack of time are some of the reasons behind this. Solutions to drive people's empowerment exist and should be implemented (adequate communication, collaboration with associations and existing networks, dedicating one single person to be in contact with the beneficiaries, etc.). However, 'top-down' approaches should not be discarded either, as shown by New York state's project to automatically enroll vulnerable households in their scheme. Such initiatives can create a positive image of renewable energy and community-oriented energy projects and can complement other bottom-up or citizen-led initiatives in the territory.

4.2. Investing

Local governments can invest directly or indirectly in an innovative energy project led by other actors like citizens.

Rather than being a frontrunner in socially inclusive energy projects in their territory, municipalities can also invest in citizen-led initiatives. They can become a member of an energy community and invest in the project directly, for instance holding shares in the cooperative. This can for instance be a good option for smaller municipalities with fewer human resources. This also helps to increase trust among the population towards these new energy projects. Importantly, some municipalities will only invest in energy communities that have a clear social mission like fighting energy poverty or reinvesting in local social initiatives.[32] Alternatively, local governments can choose to invest in a local project alongside an energy community as a partner.[33] However, while such types of cooperation are possible in theory, legal uncertainties often lead to municipalities not willing to "take the risk" and thus giving up on the project.

Another way to invest in such projects is to **make the rooftops of public buildings or unused municipal land available to citizen-led energy generation projects**.[34] In light of challenges regarding split incentives and legal difficulties for renters in adopting solar PVs, using roofs from nearby public buildings (e.g. schools), or unused public land, can constitute a solution to make energy-sharing available to low-income renters.

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[31] FEANTSA (2023). Exchange of views with civil society organisations on priorities for the European Semester 2023 against the background of the energy crisis, *Online meeting*, 16 February.
[32] This is the case in Rome.
[33] D'Herbemont, S. and Roberts, J. (2023). Procurement Guide for Community Energy, based on the Municipal Guide of the H2020 COMPILE project, REScoop.eu, 25 January.
[34] European Environment Agency (2022). Energy prosumers and cities, *Briefing no.19/2022*, 28 October.

Social housing, when operated by municipalities, can also be a key lever to generate and redistribute energy equitably. For instance, a Dutch study showed that in the city of the Hague, technical rooftop solar potential is situated in areas where households have low access to solar energy, including a large proportion living in social housing. Therefore, targeting social housing appears as a great lever to provide renewable energy to lower-income households so that they too can reap the benefits of the transition and reduce their energy bills.

4.3. Supporting

Local governments can also play a more supportive role, by creating good conditions for energy communities and socially inclusive renewable energy schemes in general to emerge and thrive in their territories.

Local and regional governments, depending on their spatial planning and permitting mandates, can adopt **simpler procedures in urban planning to facilitate the installation of renewable energy projects.** In Rome for instance, renewable energy generation plants with a capacity of up to 1 MW are now subject to a simplified authorization procedure.[35] National authorities can also enact laws to ease these processes. In Barcelona for instance, installing any photovoltaic structure used to require the approval of an urban municipal architect, but now a simpler registration procedure has been set at the national level, considerably easing the process.[36] However, in some places, heritage conservation concerns may lead to additional procedures outside the competencies of municipalities. In France, projects can be subject to the prior authorization of the architects of the Buildings of France, among whom there is still a lot of prejudice and lack of information about renewable installations like solar panels.

A role that is accessible to most municipalities, or at least local and regional governments, is to **promote energy communities and community-benefits schemes in general through public procurement and concessions**. While the legal setup for such procedures needs to be further strengthened and explored, there already is some evidence of municipalities that adapt their procurement procedures when it comes to energy services to include criteria related to governance and citizen participation. For instance, in its bid to establish a virtual power purchase agreement for renewable electricity, the municipality of Ghent introduced a requirement whereby at least half of the electricity production facility had to be owned by a citizen energy community.[37] To ensure the inclusiveness of the project, municipalities can also include social criteria in these procedures (e.g. number of low-income households involved, number of local businesses and/or associations involved, the share of profits or energy savings distributed within the local community). However, the lack of legal expertise at the local level, coupled with rigid European and national rules, may hinder municipalities and other local

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[35] Swens, J. and Diesterlmeier, L. (2022). Developing a legal framework for energy communities beyond energy law. In Löbbe S., et al. (Eds), Energy Communities: Customer-centered, market-driven, welfare enhancing? (pp59-71). Academic Press.
[36] Kerneïs, K. and Defard, C. (2023). Op. cit.
[37] Giovannini, S. and Claeys, B. (2024). Power purchase agreements: how can cities make the most of them? Energy cities, *Briefing*, January.

governments from adapting their local procurement rules. In addition, the higher costs and risks associated with citizen-led initiatives compared to well-established companies also play an important role in such decisions.

Local governments can also consider power purchase agreements to support community-led projects,[38] using similar governance and social criteria. However, oftentimes, local governments are not able to commit funds over long periods, meaning they cannot engage in long-term agreements or power purchase agreements.[39] This also prevents them from consuming the energy produced by an energy community, even when they contribute to it.

Regional and local governments – with the means to do so and/or acting as a channel to access EU/national funds – can also set up a **dedicated fund to support the development of energy communities** but should also include **social conditionalities**. Similarly, when setting up schemes derived from European funds, regional managing authorities can apply the same principles. Italian Regional Development Funds are pioneers in this regard, requiring social criteria for initiatives to qualify for support,[40] such as the participation of households facing economic difficulties, suffering from a disability, or under 35 years old,[41] in the Lazio Region.

Beyond funding, **municipalities can also clearly include the development of energy communities and socially inclusive renewable energy schemes in their political objectives and long-term development plans.** This sends a strong signal for anyone willing to start such a project[42] as well as for potential investors. Interviews with pilot leaders of the Sun4All projects have systematically shown how instrumental political commitment and willpower is for the development of such initiatives. For instance, the *Communauté de communes Coeur de Savoie* (regrouping of municipalities in the Savoy region) in France has adopted a detailed action plan for energy and climate action, with the production of renewable energy at its heart. The plan also includes supporting local and citizen-led renewable energy generation initiatives including through partnerships with energy cooperatives.[43] The city of Valencia in Spain set itself the target of having 100 energy communities by 2030.[44] The Rome municipal council set up an intersectoral working group "Energy communities and solar systems".[45] When public buildings or money is concerned, the municipality puts a strong emphasis on energy communities with a clear social mission, namely initiatives "fostering the participation of economically disadvantaged people, third sector entities, foundations or associations engaged in

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[38] Bolle, A. (2019). How cities can back renewable energy communities, Energy Cities, May.
[39] Vernay, A. and Sebi, C. (2023). Energy community business models and their impact on the energy transition: Lessons learnt from France. Energy Policy, 175(113473), April.
[40] REScoop (2023). Leveraging European Public Funds to Support Energy Communities, *Policy brief*, May.
[41] Regione Lazio (2022). Public notice for the realisation of technical-economic feasibility studies of the renewable energy communities in Lazio. Lazio Innova. Retrieved in March 2023.
[42] Hinsch, A., Rothballer, C. and Russell, L. (2022). Op. cit.
[43] Communauté de communes Cœur de Savoie (2020). Detailed territorial climate-air-energy action plan.
[44] REScoop and Energy Cities (2022). Community Energy Municipal Guide, Sccale 203050, Horizon 2020 project no. 101033676, November.
[45] Rome city (2022). Creation of the Intersectoral Working Group on "Energy communities and solar panels", *Rome Municipal Council resolution,* 15 December.

inclusion and social solidarity projects (e.g. related to this fight against energy poverty)".[46]

Lastly, even if the municipality does not play an active role in an energy community project present on its territory, it can still provide the initiative with **endorsement and visibility**.[47] They can use their own well-established and trusted channels to communicate on the project and thus help an energy community broaden its audience[48] or secure citizen funding (e.g. crowdfunding).

4.4. Advising

Local governments can make their expertise available to local energy projects.

Municipalities can provide capacity-building support to energy communities acting or developing on their territory, e.g. training on participation in public procurement procedures, technical support regarding business models,[49] technical assistance for planning permission procedures, [50]and advice on how to tackle energy poverty. This can be done in the framework of one-stop shops established either at local or regional levels, accessible to both citizens and collective initiatives. Importantly, energy and social issues often work in silos in the policy world, meaning that experts in energy and energy communities might not always be familiar with energy poverty and other inclusivity and diversity-related matters. In addition, municipalities focusing first on energy advice should be aware that it is only part of the solution for reducing energy poverty and should make sure to include tailored energy advice as part of broader programmes (bill assistance support, retrofitting, etc.),[51] like in the case of Sun4All.

In addition, under the revised Renewable Energy Directive (REDIII), Member states need to carry out a mapping for the development of renewable energy in their territory, including designating 'renewable acceleration areas' with specific permitting rules to speed up and facilitate the establishment of renewable energy installations.[52] **Local governments, depending on the national planning framework and local mandates,[53] have a clear role to play in this mapping and could make this information publicly available to support the development of socially inclusive renewable energy projects**. For instance, the *Communauté de Communes Coeur de Savoie* has developed a solar register, an online tool that displays the energy potential of roofs in the municipalities, and which can be then used to assess whether a building is suited to the installation of solar

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[46] Ibid.
[47] D'Herbemont, S. and Roberts, J. (2023). Op. cit.
[48] REScoop and Energy Cities (2022). Op. cit.
[49] D'Herbemont, S. and Roberts, J. (2023). Op. cit.
[50] European Commission (2024b). Joining or setting up a rural energy community, Rural Energy Community Advisory Hub.
[51] Simcock, N., Bouzarovski, S. (2023). A cure-all for energy poverty? Thinking critically about energy advice, Critical Social Policy.
[52] Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, Official Journal of the European Union.
[53] CEMR (2023). Op. cit.

panels.[54] Such mapping exercise could also help visualise possible untapped potential in less wealthy areas, and serve as evidence for public intervention in this regard. However, this kind of mapping requires significant human and financial commitment from municipalities, and may thus require regional or national support.[55]

Lastly, municipalities can support energy communities and socially inclusive renewable energy schemes in identifying energy-poor households. Members of energy communities will not have access to the same information about vulnerable households as public administrations, let alone households suffering from energy poverty. While reaching out to civil society organisations can help reach out to some vulnerable groups specifically, municipalities have access to reliable data and can also bring different perspectives on the issues (from the health, social, energy, urbanism departments, etc.). In addition, national energy poverty indicators may not be fitting to a local context and **customised local energy poverty indicators**, when they exist, may be more relevant. However, not all municipalities will have the resources to conduct comprehensive energy poverty diagnosis in their territory, even when guided by existing methodologies,[56] due to very high coordination requirements, the potential need to collect new information, etc.

4.5. Connecting

Local governments can connect different stakeholders within their territory.

Local governments are natural networkers and thus have the ability to connect different kinds of actors. Because of their intrinsically collaborative and multi-stakeholder nature, energy communities would benefit from the municipalities' network to reach different types of actors, from legal/technical experts to local and regional energy agencies, distribution system operators, social landlords, chambers of commerce, cooperatives, civil society organisations, SMEs, etc.

Energy communities can be an enabler of public-private cooperation, which can be a great way to strengthen the social fabric and cohesion of a territory**.** Industrial buildings, offices or spaces hold a great potential to install generation plants. With upcoming regulations on mandatory solar installations on roof surfaces, this potential should be realised sooner than later.[57] Municipalities should make sure to capitalise on these local resources and integrate themselves and their citizens into these energy loops. In addition, local governments can help energy communities identify local companies that could take over day-to-day operations while governance and ownership remain in the hands of citizens,[58] or even provide

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[54] Communauté de communes Cœur de Savoie. Solar register of the Savoy community of communes.
[55] Kerneïs, K. and Defard, C. (2023). Op. cit.
[56] 56 local energy poverty indicators proposed by the Covenant of Mayors together with the Energy Poverty Advisory Hub. Source: European Commission (2023). Energy Poverty Advisory Hub Handbook 1: A Guide to Energy Poverty Diagnosis.
[57] Kerneïs, K. and Defard, C. (2023). Op. cit.
[58] Hinsch, A. (2023). Op. cit.

services such as energy management software and apps (e.g. CleanWatts).[59] local governments can also rely on energy utilities, retail suppliers, and distribution system operators to better identify vulnerable households and understand their consumption patterns.[60] Finally, although not strictly related to energy communities, local governments can also promote the integration of community energy principles into the practices of regional utilities' projects.[61]

Lastly, local governments can help mainstream citizen participation in the energy transition in their territory, which can in turn increase trust in citizen-led projects like energy communities. This can be done by organising debates and dialogues (e.g. to define renewable acceleration areas), setting up permanent citizens assemblies, involving citizens in local energy councils, as well as introducing participatory budgeting practices. The involvement of a municipality in a citizen-led energy community project can also be discussed via these assemblies. local governments also have a role to play to ensure that residents living in the immediate neighbourhood of renewable installations as part of citizen-led energy projects are properly consulted and "are given a fair chance of becoming involved in the governance and financial ownership of the project".[62] This is paramount to prevent more well-off citizens outside a project's perimeter from imposing projects on more deprived local residents,[63] making it a crucial just transition issue.

To sum up, this section showed the different roles that municipalities can take on to support the energy communities and socially inclusive renewable energy schemes in their territory and especially how they can harness the potential of renewables and citizen energy to make the transition more equitable and inclusive. Their ability to do so differs however greatly depending on the resources, expertise and political support available to them, with smaller and rural municipalities facing specific challenges. The next section will thus draw several recommendations aimed at local and regional governments, keeping in mind that there is no one-size-fits-all approach and that tailored solutions are the way to go at the local level.

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[59] Ibid.

[60] Bourgeois, M. (2022). A call for local renewable energy for all Europeans, *Policy paper*, Energy Cities.

[61] Ibid.

[62] Bolle, A. (2019). Op. cit.

[63] "In France, a recent study has shown the greater financial weight of the Paris region in terms of project ownership located outside of its geographical perimeter. According to reports on investments via Lendosphere […] 13% of all nationwide investments on the platform came from Paris citizens alone." Source: Bolle, A. (2019). Op. cit.

5. Policy recommendations targeting local and regional governments

Funding

- Offer dedicated funding to citizen-led renewable energy projects that have a clear social mission, and ensure simplified application procedures.

- Make use of the different national and European funds available to them, such as the upcoming Energy Communities Facility, to promote the development of energy communities with a strong social mission.
  - o Such business models include: plans to reduce membership fees for vulnerable groups, to redistribute profits/energy within and outside of the energy communities to vulnerable groups or to social projects, to collaborate with social housing providers or local social services, etc.).
  - o Local and regional governments should use their territories' specificities to leverage funds (Interregional cooperation projects, just transition funds, cohesion funds, agricultural funds, European Islands Facility, etc.).

- Get proactively involved in the design of the upcoming Social Climate Plans, which will be drafted by national governments (due by the end of 2025) to push for dedicated funds to tackle energy poverty through innovative schemes like energy communities.

Policy

- Adopt long-term objectives for local, inclusive community-owned energy production systems in their territories. For instance, signatories of the [Covenant of Mayors for Climate and Energy](#) initiative can define a comprehensive set of actions to support energy communities and socially inclusive renewable energy schemes and fight energy poverty in their Sustainable Energy and Climate Action Plans (SECAPs).

- Adapt internal rules (e.g. urban planning rules, procurement rules) to promote renewable energy projects, including by introducing conditionalities related to citizen participation/local ownership and social criteria.

- Design in priority community energy programmes tailored to residents of social housing or other social dwellings (e.g. emergency shelters, long-term care and disability care facilities, public schools).

- Designate the areas best suited for installing renewable energy installations, in line with the new EU rules on 'renewable energy areas' (RED III), and make the mapping publicly available.

- Develop customised local energy poverty indicators to better identify energy-poor households in their territory and provide tailored solutions - making use of available technical support from the national and/or EU levels.

Technical assistance, capacity-building

- Set up one-stop shops at the local or regional levels for energy-related issues, including energy communities, which also offer specific training related to energy poverty and inclusivity issues.

- Fully exploit technical assistance and capacity-building opportunities available at the EU level for regional and local governments (EU Energy Poverty Advisory Hub, Technical Support Instrument, upcoming Network of Centres of Excellence as part of the ComPAct initiative[64]).

Governance

- Engage in cooperation and knowledge-sharing activities with municipalities in other EU countries (via the Covenant of Mayors, EU-funded projects, etc.)

- Rely on existing inter-municipal cooperation structures locally to pool resources in order to promote the involvement of smaller municipalities in energy communities and other socially inclusive renewable energy schemes, and to raise awareness on these issues.

- Foster cross-departmental collaboration within local and regional public administrations, especially between energy and social services.

- Promote the collaboration between different types of actors in the context of energy communities and and other socially inclusive renewable energy schemes (local governments, social housing providers, citizens, cooperatives, SMEs, researchers, energy agencies, DSOs, civil society organisations, etc.), through concrete joint projects and by creating networks of local energy stakeholders.

- Establish participatory policy processes at the local level to increase citizen participation in the energy transition beyond the concept of energy communities.[65]

All of the actions proposed in this brief require significant time, skill levels, technical and human resources as well as financing, that may not be available to most municipalities in the EU, especially considering the many changes already coming their way as part of the energy transition. Some of these recommendations may also require legal clarifications from the national or EU levels, in particular regarding procurement rules, so that they can truly to adopted broadly by local governments and move beyond the experimentation stage. These recommendations are thus deeply reliant on the level of support received from the national and European levels on these matters.[66]

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[64] European Commission (2023). Op. cit.
[65] Examples can be found through the EnergyPROSPECTS Project about energy citizenship.
[66] Recommendations for the EU level are available at: Kerneïs, K. (2023). The EU framework on energy communities: How to ensure energy communities can contribute to a fairer energy system, Sun4All, Horizon 2020 project no. 101032239, October.
Recommendations for the national level are upcoming (June 2024).

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6. Conclusion

In conclusion, local governments stand at the forefront of climate action and social innovation in the energy sector. Energy communities and socially inclusive renewable energy schemes represent one promising way to promote more local, inclusive, and democratic energy systems, but there is still plenty of room to ensure they benefit everyone in society, including the most vulnerable. However, municipalities face tremendous financial and capacity constraints, regulatory hurdles, and implementation delays, which is bound to negatively impact their ability to fulfil this role and, more generally, to implement the European Green Deal in a manner that leaves no one behind. European and national policymakers should therefore more effectively and systematically consider the means required to implement policies at the regional and local levels. They must ensure the provision of appropriate support and, above all, enhance capacities on the ground to align with the ambitious objectives set out for the Continent.