Local tools for the financing of renewable projects

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Agenda

(1) Citizen energy in European law

(2) Local participation in renewable projects

(3) Outlook and conclusion
(1) Citizen energy in European law

- **Renewable Energy Directive II (2018):** Art. 21 and 22 on renewable self-consumers and energy communities:
  - Member States shall ensure an enabling framework, notably with regard to the possibility to generate, consume, store and sell renewable energy, and a non-discriminatory market access
  - Transposition into national law by 30 June 2021

- **State Aid Guidelines 2022 (CEEAG):**
  - Exceptions from requirement of a competitive bidding process (tender) for aid allocated to renewable energy communities (max. 6 MW for photovoltaics, 18 MW for onshore wind)
(2) Local participation in renewable projects

- **Direct forms of participation:**
  - Investment in own PV plant, local renewable project (e.g. citizen wind energy projects), crowdfunding
  - Participation in an energy community (variety of possible legal forms; German example: Bürgerenergiegenossenschaft)

- **Indirect forms of participation:**
  - German Renewable Energy Act (EEG) enables participation of local communities in project revenues; tax incomes
  - Specific support schemes to facilitate project development of energy communities
(2) Local participation in renewable projects

- **Citizen energy communities (Draft EEG 2023):**
  - New definition: min. 75 per cent of voting rights for local residents; remaining voting rights held by micro, small or medium-sized enterprises or local authorities
  - Exceptions of participation in tenders for ground-mounted solar (6 MW) and onshore wind (18 MW)
  - Remuneration (market premium model): highest bid awarded in tenders of previous calendar year (solar), two calendar years ago (wind)
  - Introduction of a yearly report on citizen energy
(2) Local participation in renewable projects

- **Financial participation of communities (§ 6 EEG):**
  - **Onshore wind:**
    - Communities within radius of 2.5 km can be offered max. 0.2 ct/kWh (= 2 €/MWh) by project developers without legal consequences
    - Agreements between communities and developers may be concluded prior to approval of a project according to BImSchG
  - **Ground-mounted solar:**
    - Site community can be offered max. 0.2 ct/kWh
    - Agreements prior to approval, but not prior to adoption of a development plan (*Bebauungsplan*) by local community

- Financial participation cost-neutral for project developers
- Draft EEG 2023: possibility to require nature conservation-compatible design of the solar project
(2) Local participation in renewable projects

- **Support schemes to facilitate project development:**
  - **Citizen energy fund in Schleswig Holstein:**
    - Min. 7 residents with majority of voting rights
    - Preparatory measures for citizen energy projects (e.g. electricity generation, new mobility, etc.)
    - Eligible measures: pre-planning costs, expenditures for environmental impact assessment, legal and tax consultancy, etc.
    - Grant of up to 200,000 euros, free of interest for 2 years; to be paid back when the project is implemented

- **New federal support scheme for citizen wind energy:**
  - Max. 70% of costs for planning and approval of citizen wind energy projects, max. 200,000 euros
  - Grant to be paid back if an EEG support is registered
(3) Outlook and conclusion

• Only a high level of local acceptance of projects will lead to a successful implementation of energy transition

• RED II puts citizen energy at the heart of energy transition, need for transposition into national law

• Direct and indirect participation crucial to activate the local level and to increase project acceptance

• New framework for citizen energy in EEG 2023 could be major stimulus for local energy transition
Interesting links and further readings

- IÖW analysis on potential of energy sharing: [https://www.ioew.de/publikation/energy_sharing_eine_potenzialanalyse](https://www.ioew.de/publikation/energy_sharing_eine_potenzialanalyse)
- Energie-Atlas Bayern, Overview on citizen energy: [https://www.energieatlas.bayern.de/buerger/buergerenergie.html](https://www.energieatlas.bayern.de/buerger/buergerenergie.html)
- Schleswig-Holstein, Citizen energy fund: [https://www.ib-sh.de/produkt/buergerenergiefonds/](https://www.ib-sh.de/produkt/buergerenergiefonds/)
- Umweltbundesamt, Preparatory study on support scheme for citizen energy projects: [https://www.umweltbundesamt.de/sites/default/files/medien/479/publikationen/cc_65-2021_foerderprogramm_fuer_buergerenergiegesellschaften_in_der_vorentwicklungsphase.pdf](https://www.umweltbundesamt.de/sites/default/files/medien/479/publikationen/cc_65-2021_foerderprogramm_fuer_buergerenergiegesellschaften_in_der_vorentwicklungsphase.pdf)
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