The European Commission aims to achieve net-zero greenhouse gas emissions by 2050, with an intermediate goal of a 55% reduction in net greenhouse gas emissions by 2030 compared to 1990 levels. The EU is in the process of revising its objectives for renewable energy to attain a 42.5% share of renewable energy sources in its energy mix by 2030. To achieve these goals, the EU has introduced the concept of Renewable Energy Communities (RECs). In May 2022, the EU and its Member States committed to establishing one REC in every city with a population of over 10,000 people by 2025.

Currently only 2 million EU citizens are involved in a REC, representing 9,252 RECs across the different Member States (50% of them in Germany). However, research shows that, if fully unleashed, the potential of RECs could cover half of the EU’s renewable energy production and involve 264 million citizens by 2050. By promoting the formation of RECs and fostering citizen participation, the EU can achieve its renewable energy goals efficiently, socially and democratically.

**Table:**

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<th>Key legislation</th>
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**REC?**

- RECs are community-driven organisations for the production and supply of renewable energy

**Key legislation:**


**RECs enhance climate sustainability:**

- Increase renewable energy capacity in Europe, strengthen energy security, increase energy efficiency and lower energy consumption

**RECs bolster economic prosperity:**

- Provide stability in energy costs, alleviate energy poverty, mobilize private capital in the clean energy transition

**RECs foster social well-being:**

- Empower consumers, enhance social cohesion and democracy and increase local acceptance of renewable energy projects

**There are currently not enough RECs to meet the Commission’s ambitious energy targets.**

**Three main obstacles remain:**

- **Awareness:** Not being aware of the existence of energy communities is the main reason for low engagement (COMETS et al, 2022).

- **Financial resources and expertise:** Key barriers to setting up and operating RECs are limited financial resources and expertise.

- **Fragmented legal implementation and national regulatory gaps:** Fragmented implementation of EU rules at the national level hampers the uptake of RECs, creating discrepancies between Member States. Incorrect transposition of the EU directives enables the co-optation of RECs by incumbent energy suppliers.

**Why are citizens not informed about RECs?**

Although many existing EU sponsored platforms already provide information about RECs, none of them enable citizens to receive tailor-made, actionable information about RECs in their area and how to join.

**Why is it so difficult to address these legal and financial barriers and to make the most of available resources?**

Despite existing assets, there is no systematic bridge between supply (providers of financial resources and expertise) and demand (citizens and collectives). A direct, critical connection between citizens, communities, experts, investors and public institutions is missing to enable successful REC establishment.

**Why does the EU legal framework fail to safeguard the community focus of RECs?**

There is still no operational tool to support the values enshrined in the Renewable Energy Directive and the Electricity Market Directive. This creates a risk of misuse of the REC concept that threatens the envisioned community-based model.
Policy recommendations

Based on this analysis of the practical and legal challenges surrounding RECs we identify a clear need to (i) provide citizens with tailor-made, actionable information about RECs and how to join them; (ii) improve the process of connecting potential REC participants to overcome challenges in financing as well as legal and technical obstacles; and (iii) foster the community-based nature of RECs. By solving these problems, we believe we can fundamentally improve the formation and growth of RECs across Europe. Therefore, we propose the creation of an innovative online matchmaking platform designed to connect and empower actors interested in forming or joining a REC. This platform places citizens at the core and serves as a hub for connecting key actors, including local municipalities, private businesses, financial, legal and technical experts, academics, NGOs, energy consultants, and potentially institutions affiliated with the EU.

Our policy recommendations are addressed to the European Commission’s DG Energy. The user-based matchmaking platform for the uptake of RECs is based on three main pillars:

**Platform creation and governance.** DG Energy should commit resources to the creation of an EU-wide online platform (both web and mobile app) facilitating the connection and empowerment of citizens to establish RECs. Two options arise:

1. DG Energy taking on the administrative responsibilities of the platform in-house; or
2. Having a long-standing entity with experience in supporting RECs (e.g., REScoop) create and maintain this EU-wide platform.

- The online platform’s development should be initiated through a targeted tender or call for proposals, inviting skilled software developers to collaborate with DG Energy and affiliated parties.
- Once established, the platform’s management should be further enhanced by appointing designated administrators for each Member State or region.

**Conscious platform design.** The platform should be purposely designed to foster the community-based nature of RECs, thereby preventing undue influence by incumbent energy companies and commercial interests that may conflict with the needs of local communities. This would ensure that RECs are established in alignment with the substance and intent of the European Green Deal and the Renewable Energy Directive, while complementing Member States’ transposition of the Directive.

- The platform design should set a clear “in-app” threshold for the percentage share of community ownership required for new RECs joining the platform. This is a tangible way for EU institutions to enforce the provisions of the Renewable Energy Directive to enhance community ownership in the energy sector (a regional example of this kind of threshold being currently implemented in practice is Wallonia, which requires new wind energy projects to initially offer 25% ownership to citizen participation).
- The platform design should enhance transparency regarding commercial interests by including special user categories for corporations, financial institutions, and incumbent energy utilities.

**Platform promotion and scaling up.** The matchmaking platform’s success hinges on user growth, as its benefits increase exponentially with more participants. Therefore, DG Energy must actively promote the platform to existing RECs, associations, national authorities, experts, business service corporations, and various stakeholder groups. By leveraging existing REC-oriented resources and networks, DG Energy can ensure that the platform reaches a critical user base allowing for the effective uptake of RECs in the EU. An EU-led platform also enables a direct connection between the EU and its citizens.