

*The European Prosumer:  
the unknown creature*



Marta Ballesteros

# Comparative legal analysis

## Regulatory framework on residential prosumers in the Energy Union

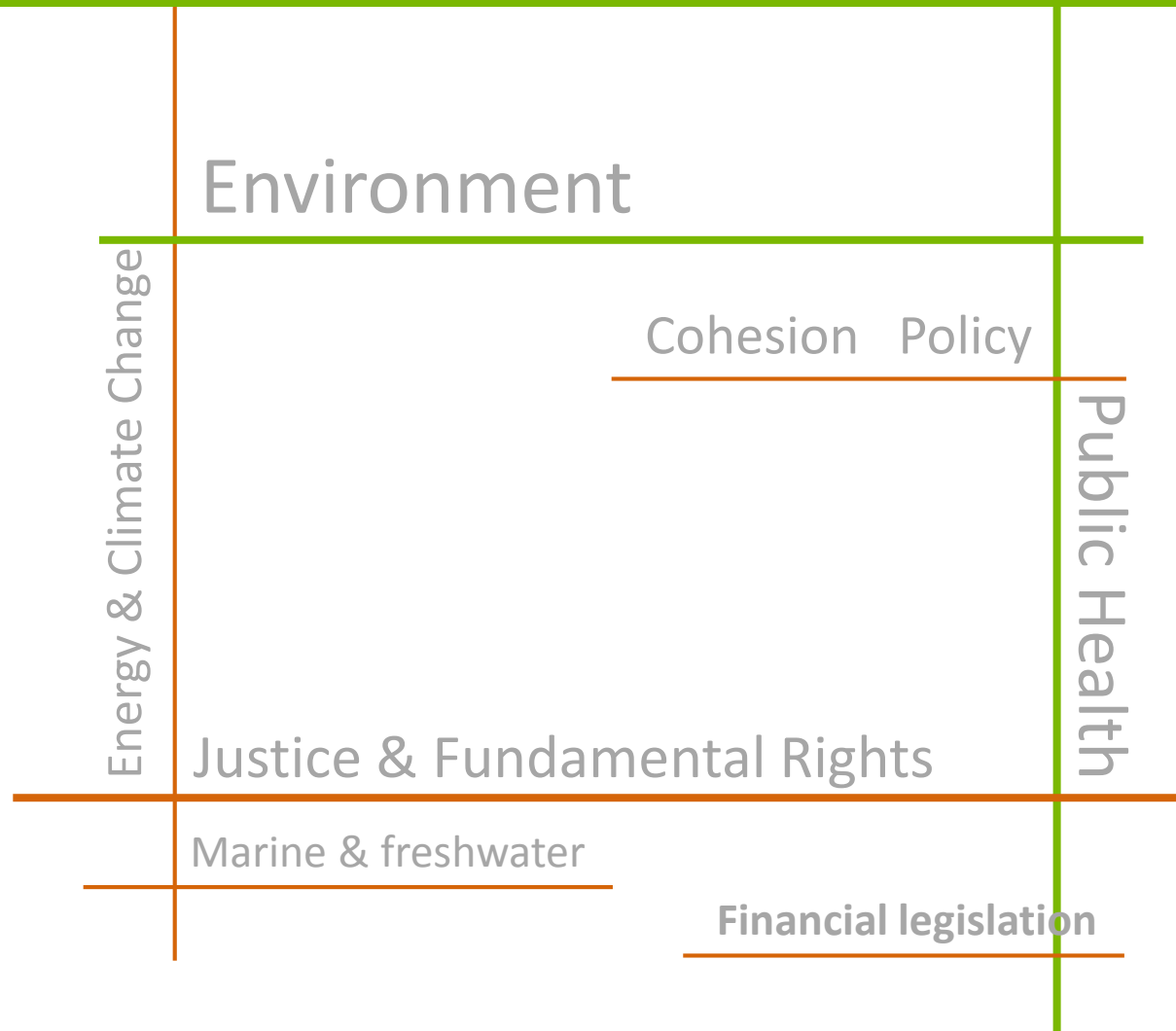
- Background: Prosumers in EU law/policy
- Study on residential prosumers in the Energy Union - Methodology
- The concept of residential prosumer
  - Legal basis
  - Definition
- Financial implications of feeding into the grid
- Permitting and grid access
- Financial Incentives
- Conclusions

# Intro to Milieu

- High quality legal and policy services
- Multi-disciplinary capacity to deliver quality outputs
  - lawyers/policy analysts/economists
  - scientific/technical/legal support
  - worldwide network of consultants
  - Main client: European Institutions



# Milieu Sectors



# Milieu Services

- Implementation & Enforcement Studies
- Conformity Checking Studies
- Legal Analysis and drafting legal text
- Policy Analysis and drafting
- Evaluation and Impact Assessments
- Stakeholder Consultations
- Approximation of Legislation & Convergence
- Institutional Capacity Building

# Prosumers in the Energy Union: Background

- **EU Policy:**
  - Clean Energy for all Europeans; ‘A fair deal for consumers’
- **EU law:**
  - Directive 2018/2001 promotion of the use of energy from renewable sources
    - Art 21: Renewables self-consumers
    - Integrated national energy and climate plans
    - Transposition on 30 June 2012
  - Regulation 2018/1999 on Energy Union Governance
    - Reporting: progress reports
  - Directive 2019/944 on common rules for the internal market in electricity
    - household customers’ and Active customers.

# Study on residential prosumers in the Energy Union: Methodology

- The focus of the study was residential prosumers using systems such as small scale solar PV to generate electricity from renewable sources.
- National reports for 28 Member States, Norway and Iceland from installation to generation, consumption and feeding, metering, billing.
  - Comparable approach: standard template and pilot reports
  - Country fiches
- Comparative analysis of key questions based on selected countries (except for the definition of prosumer):
  - mature market for solar PV
  - anticipated growth of the market for solar PV

# Study on residential prosumers in the Energy Union: Methodology

- Comparative analysis: selection of 4 criteria
  - Definition of residential prosumers;
  - Institutional framework: competent bodies on issues affecting prosumers;
  - Permitting requirements: permits, application fees and one-off costs;
  - Conditions to sell or feed the electricity produced in surplus;
  - Grid access: Rules, network costs and charges; metering systems and billing
  - Incentives, taxes or tariffs
  - Barriers;
  - Legal framework for energy communities and particularly energy cooperatives;
  - Complaint procedures



# Definition of residential prosumers & Legal basis

- No definition of the term ‘prosumer’ in **EU law** but Clean Energy Package refers to:  
**Renewables Directive 2018/2001 – Art 21 & 22**
  - ‘self-consumer’ individually, jointly and renewable energy communities - third parties managing the installation are not self consumers
  - Entitled to generate electricity, incl for own consumption
  - Entitled to sell and receive remuneration (at market price)
  - Promotion: regulatory barriers, incl procedures (registration/license) and disproportionate charges or fees
- **Common rules on internal market in electricity Directive 2019/944 – Art 15 & 16**
  - household customers’: purchase electricity for their own consumption,
  - Active customers: consume, store or sell electricity generated on their premises but not as a commercial/professional activity.
  - Consistent provisions to RED for electricity market

# Definition of residential prosumers & Legal basis

- The 'Residential prosumer' term is hardly used in **national law**
  - Most countries refer to self consumption, self-supplier, self-production;
  - Active consumer or household consumer is used in a couple of countries
- Most countries include definitions of equivalent concepts in the law; few are included in national strategies or sectoral codes
- No legislation specific on prosumers but provisions in existing legislation regulate it

# Definition of residential prosumers: consumption v production

- Some countries consider prosumers as self consumption which is defined as
  - ‘electricity produced and not fed into the grid’ (in opposition to other uses) of
  - electricity from renewable sources and
  - installations owned by the prosumer and connected to him and to the grid.
- Some countries refer to self-producer generating electricity mainly for its own use (IT 70%) from renewable sources
- Some countries combine consumption, production and connection and refer to: ‘consumption of electricity from renewable energy generation installations that are connected to the consumer and connected to the grid.
- Some others refer to consumer installations, active consumer, self suppliers
- Several to small or micro production/generation

# Definition of residential prosumers

## size or generation capacity: small and micro installations

- Some countries define residential prosumers in relation to the size/capacity of the installation & determine the legal conditions
- The levels of capacity to define micro generation are different:
  - 3.6 kW - 11 kW nominal capacity in EE
  - 6 kW- 11 kW IE
  - 10 kW - BE, CZ, LT, SK, SL
  - 40-50 kW - in DK, FL, PL, SE, UK,
  - 100 kW - ES, RO, NO, IS

# Financial implications of feeding/selling electricity into the grid

The majority of the countries enable prosumers to feed electricity into the grid; the conditions are different in the countries analysed:

- Some countries enable them to sell the electricity
  - At fix tariff (AT, FR, HR) preferential prices (BG) or market prices (IT, ES, Lux, RO)
- Some enable them to get remuneration: AT, DE, HR, PT, PL
  - Based on pre-determined tariff or average price at market closure \*0,9
  - Metering system might also be used

# Financial implications of feeding into the grid or selling the electricity produced

- Some enable them to get compensation: BE, DK, EL, SL, NL, Lt
  - Metering system and/or billing conditions
- No compensation or reimbursement : N, SK or certain types of installations in HR or ES

## Cost of permitting and grid access

### Permitting:

- Authorisation for constructing or/and placing electricity generation installations is necessary in all countries.
- However most of the analysed countries do not require building permits or planning permission for placing solar PV panels in rooftops and therefore there are no fees (e.g. UK where are considered 'permitted developments' )
  - PL: exemption of construction permit if capacity lower than 40kW; but inspection
  - CZ and SK ask for one-off fees: 50% reimbursed when the installation is RES small.
- Notification to the CAs is required in most countries

# Permitting and grid access

## Energy generation permit:

- Most countries do not require an energy generation authorization/permit or fees for small RES installations.
- In few there is a charge that is reduced for prosumers' self consumption(e.g. DE)
- In HR the application for construction permit and energy permit are linked + analysis of cost effectiveness of the connection to the grid. The fee is not prohibited (25 Euros)
- In the NL, the Ministry of Infrastructure and Environment has developed an online 'environmental permit checker' to know if a permit is required. The license is required if the excess of energy is sold directly to other residential prosumers.
- IN CZ 50% of the application fees under the Nova Zelena Usporam programme are reimbursed when it is for residential prosumers



## Cost of permitting and grid access

### Charges for network access :

- Request for connection is a general requirement and includes costs
  - In some countries there is a cost to connect to the grid/supply connection point, repowering electricity lines to the level of the supply point; repowering the transformer to the level of the connection point.
  - In some countries there is a cost of registration of the installation and getting the certificate required for contract with DSO (e.g. DE, ES, PT) .
  - In others there is a one-off network charge
  - However, in most cases residential prosumers are exempted from paying the connection allowance

## Cost of permitting and grid access

### Charges for network use :

The majority of the countries has systems requiring prosumers to pay for the use of the grid. The network costs represent an important cost for prosumers.

- Costs are fix (independent of the volume of electricity purchased) in BE Wallonia, the NL, PT.
- Costs are variable in other countries like BG, CZ, HR, HU, IT, SK, UK. In DE fee is reduced for self consumption
- FR, SL and ES two type of fees to cover variable and fix costs.

# Financial Incentives

- Most countries have support schemes to promote RE/ prosumers
- There is no convergence or harmonized structured approach for financial incentive schemes to self-generation
- In some countries recent policy changes have reduced/eliminated the direct price incentives to RES, including residential prosumers
- Options used include
  - Feed in Tariffs
  - Premiums
  - Tax reductions
  - VAT reduction

# Thank you

Milieu Consulting SPRL

112 Chaussée de Charleroi | Brussels 1060 | Belgium

T. + 32 2 506 1000 |

Marta Ballesteros

e. [marta.Ballesteros@milieu.be](mailto:marta.Ballesteros@milieu.be)

m. + 32 495 26 5990 | Skype: milieu\_mb



[www. Milieu.be](http://www.Milieu.be)