

**THE CONCEPT OF ENERGY COMMUNITIES:  
THE GREEK LEGAL FRAMEWORK  
AS A GOOD PRACTICE FOR BULGARIA**

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# A brief overview

- Law 4513/2018 as a Precursor of Today's Legal Framework - main principles & characteristics of previous energy communities' regime
- Directives (EU) 2018/2001 (RED 1) and (EU) 2019/944 and their transposition in Law 5037/2023
- Legal Form and Foundation Procedure of Energy Communities
- Primary Purpose
- Members
- Activities
- Elaborating on some useful terms (self-production – energy netting)
- Distribution of Surplus

# INTRODUCTION

## LAW 4513/2018 AS A PRECURSOR

- Establishment 11 months before issuance of EU Directive (EU/2018/2001)
- Objectives: social and solidarity-based economy, innovation, and energy sector improvement, addressing energy poverty
- Main principles and characteristics of Energy Communities under Law 4513/2018
  - legal form: cooperative
  - goals: primarily the sharing of benefits among members and the local community
  - financial profit was conceived as an accessory and not as a main aim
  - the proximity criterion has been pivotal to their design
  - one head one vote principle:

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## DIRECTIVES (EU) 2018/2001 (RED 1) AND (EU) 2019/944 AND THEIR TRANSPOSITION WITH LAW 5037/2023

- Clean Energy for All Europeans package encouraging European citizens to become producers of the clean energy they consume (*pro-sumers*)
- Two categories established:
  - Renewable Energy Communities (RECs)- Article 22 Renewable Energy Directive 2018/2001 and
  - Citizen Energy Communities (CECs)- Article 16 Electricity Market Directive 2019/944
- Proximity feature as regards RECs
- Bigger range of activities for CECs
- Definitions related, but substantial differences arising from the political considerations of the Directives
- The Energy Communities established by virtue of Law 4513/2018 continued to exist after Law 5037/2023; the new Law barred the establishment of Energy Communities governed by Law 4513/2018 from 1.4.2023. They are entitled to be converted into one of the above new Energy Community types.

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**CHARACTERISTICS OF  
RENEWABLE ENERGY COMMUNITIES (RECS) AND  
CITIZEN ENERGY COMMUNITIES (CECS)  
UNDER GREEK LAW 5037/2023**

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## LEGAL FORM AND FOUNDATION PROCEDURE OF ENERGY COMMUNITIES

- Legal form of **cooperatives**: *“voluntary association of persons with an economic purpose, which [...] aims, in particular, through the cooperation of its members, at the economic, social, cultural development of its members and the improvement of their quality of life in general within a joint enterprise”*

### Process of establishing :

- Articles of association
- Necessary documents, depending on the type of the energy community (REC or CEC)
- Registration in the General Commercial Registry (G.E.MI.)
- Acquisition of legal personality and commercial status

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## PRIMARY PURPOSE

- The primary purpose of both, the Renewable Energy Community and the Citizen Energy Community, is *not financial gain* and profit distribution to the members of RECs and CECs, but to offer
  - environmental,
  - economic and
  - social benefitsto their members and the region of activity.
  
- Financial gain not entirely excluded but put in a secondary place.

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# MEMBERS

## Renewable Energy Communities (REC)

- Natural persons
- Municipalities / Local Government Organizations
- **Small and medium-sized enterprises (SMEs)**
- Agricultural cooperatives and civil cooperatives of Law 1667/1986.
- **Non-profit legal entities** governed by public or private law.
- **Proximity criterion**
- Minimum number of members: 30 with exceptions
- In both cases, each member may hold, in addition to the mandatory cooperative share, one (1) or more optional cooperative shares, with a maximum participation limit of 20%
  - One head one vote rule

## Citizen Energy Communities (CEC)

- Natural persons
- Municipalities / Local Government Organizations
- Legal persons of public or private law (**does not require in particular SMEs or NGOs**)
- Agricultural cooperatives, and civil cooperatives of Law 1667/1986.
- **NO Proximity criterion**
- Minimum number of members: 30 with exceptions



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# ACTIVITIES

## Renewable Energy Communities (REC)

- operate **within a region**
- Must engage in **at least one of the following activities:**
  - generation, consumption, storage, and sale of electricity of renewable energy sources.  
Additionally
- May engage in various activities, such as:
  - virtual net metering, attracting capital, advising and education, network development, supporting vulnerable consumers etc.

## Citizen Energy Communities (CEC)

- operate **within one or more regions**
- Must engage in **at least one of the following activities:**
  - generation, self-consumption, or sale of electricity from renewable energy sources, storage, distribution and supply of electricity, aggregation, flexibility and balancing, as well as the provision of energy efficiency, electric vehicle charging, and other energy services to members
- May additionally carry out **all of the RECs' activities**
- May benefit from financial incentives and support measures of REC's as long as proximity provisions are applied

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## VIRTUAL NET METERING AND NET BILLING

- **Virtual net metering:** the offsetting of electricity produced with the electricity consumed at the self-consumer's facilities, providing that at least one of these facilities is not located in the same or adjacent area with the stations, or, it is supplied from a different supply.
- **Virtual net billing:** in real-time self-production with the ability to sell excess energy, without setting power limits.
- Offsets only the energy produced that is self-consumed in real time. The rest of the energy is sold to the grid and compensated in one of the ways provided for by law

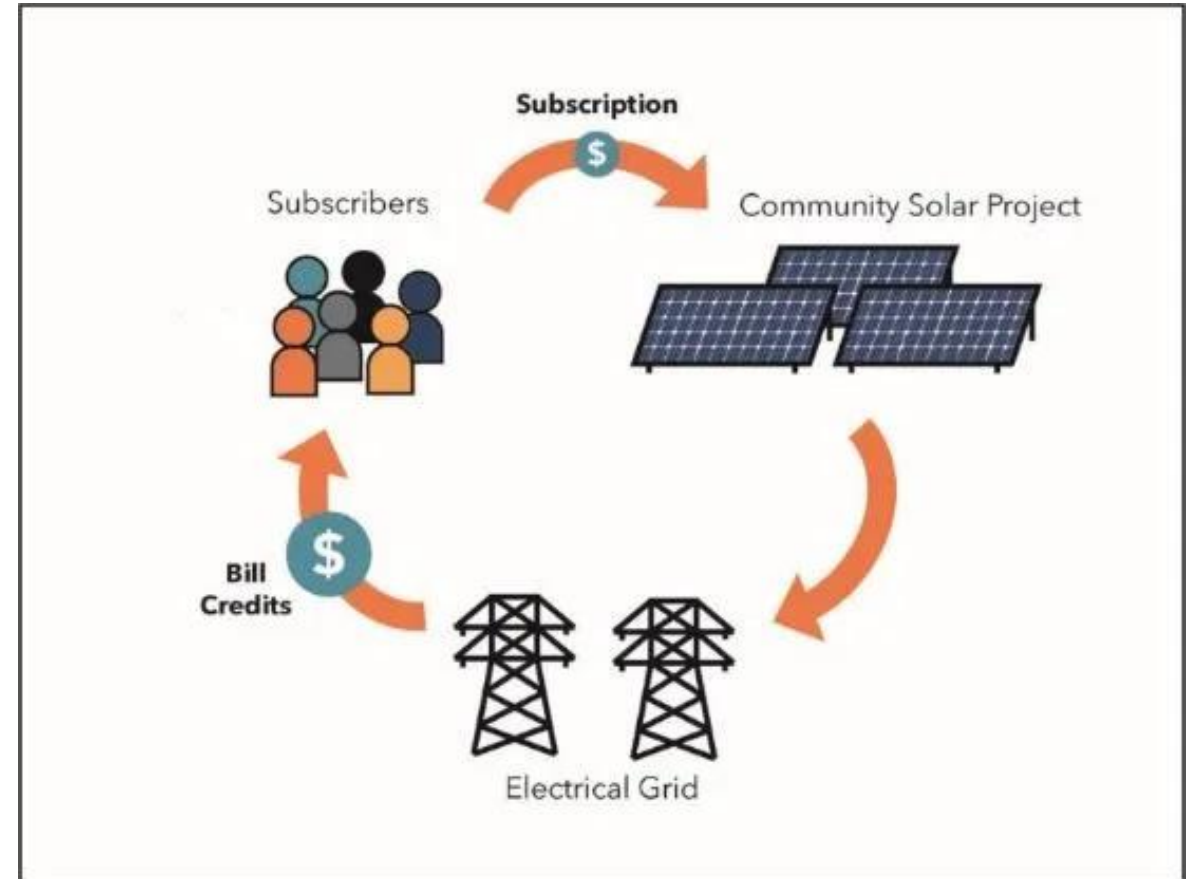


Image credit: Maria McCoy and John Farrell, ILSR - <https://ilsr.org/national-community-solar-programs-tracker/>

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## DISTRIBUTION OF SURPLUS

- Energy Communities of **Law 4513/2018** - two types of energy communities regarding this matter:
  - for-profit and non-profit
  - only for-profit Energy Communities could distribute surplus
- For-profit Energy Communities needed to meet certain membership criteria
- **Law 5037/2023: both RECs and CECs:**
- must retain at least 10% of surpluses of each financial year for the formation of the regular reserve, up to a certain limit
- Additionally, at least 70% of the surplus for each financial year shall remain with the REC/CEC in the form of extraordinary or special reserves
- Only up to 20% of REC/CECs profits may be distributed to its members

# THANK YOU

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