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LOCAL ENERGY COMMUNITIES

Exploring Research, Technologies and Regulations for Their Implementation in Europe

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Economics

During the Roundtables, the participants were discussing the main challenges faced by LEC to develop business cases. The first challenge discussed was about how to give value to Local Energy Communities.

Different possibilities were identified by the actors. First LEC could become a grid service provider even if the DSO will still “rent” the grid. This is the main element identified by the actors to give value to LEC. Acting as a service provider (via aggregators for examples), the LEC could become a market actor.

However, some risks or fears are still there especially on the economic viability of LEC. For the participants, the viability is there only where flexibility services are needed.

As discussed in the technological roundtables, some investments are needed to develop energy communities.

The participants identified different sources: Bank and also consumers via crowdfunding ect... But some questions are there. Why Bank should be interested in LEC? Are they bankable?

This is one of the important barriers because huge investment are needed to create a safe and sustainable energy communities. (Do we have some data on that?) All the participants agreed that it's mandatory to add a sort of “ethical added value” to make the investment attractive for both investors and local residents.

Despite the different challenges, the participants identified several benefits related to the development of LEC from the economic perspective.

First the grid renovation should be easier thanks to a higher sense of ownership at the LEC level. Second, the LEC should have less dependence to energy prices volatility and finally LEC as service providers could bring flexibility services to TSO/DSO, which is the main economic benefit and driver in this moment in terms of remuneration

Conclusion from moderators:

In order to facilitate LEC penetration from a business models/beneficial contractual, bankability point of view new approaches has to be studied. Also, energy cooperatives, even if they are currently the most used LEC business models, needs to be upgraded/updated in case LEC would be presented as economically attractive and not only with an ethical added value. In this sense LEC could also consider not only to sell electricity/heat/energy but to promote other kind of services related to smart grids like mobility services (via EVs) and ICT/Communication services.