

EREF response to the public consultation on the Citizens Energy Package

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EREF welcomes the Commission's initiative to develop a Citizens' Energy Package (CEP). Citizens and communities must be recognised as structural market actors, with enforceable rights and practical access to markets and infrastructures. Ensuring non-discriminatory grid access and fair participation opportunities for citizens, SMEs, cooperatives and energy communities is essential for a 100% renewable, decentralised, and resilient energy system.

Unlocking this potential also delivers clear system-wide benefits. Energy communities and citizen participation reduce overall expenditure on energy by lowering infrastructure costs, alleviating price volatility, and enabling affordable price levels for consumers, if the overall energy system architecture is aligned with a more distributed and decentralised, approach and specificities of renewable production cycles and combined with high efficient storage technologies for all sizes and for all application needs, from short-term to long-term storage, and high grid intelligence. Renewables strengthen Europe's resilience, reduce dependency on outside supply through shorter supply chains and local value creation, support domestic labour markets, and increase public support for renewable energy projects. Smart energy management in combination with storage, demand response, and energy sharing can avoid costly grid extensions, while broadening the base of active participants enhances Europe's energy security. Citizens' renewables respond to the societal responsibility to care for local renewable energy demand and supply.

EREF has long emphasised the untapped potential of Europe's energy citizens. Already in 2016, [CE Delft calculated](#) that around 83% of EU households (an estimated 187 million) could actively participate in the energy system, either by producing renewable electricity, storing energy, or providing demand-side flexibility. The study showed that more than half of households could generate energy, while even more could contribute flexibility through electric vehicles, smart boilers, or stationary batteries. Nearly a decade later, part of this potential has been realised through more than 9,000 energy communities across Europe. Yet much remains untapped, and only the implementation of effective operational frameworks in Member States will allow the full realisation of citizen participation in practice.

Diagnosis: from good legislation to effective implementation

The EU has adopted robust legislation on citizens' participation in the energy transition, first through the 2019 Clean Energy Package, through the Renewable Energy Directive II/III and the reform of the Electricity Market Design. The challenge is no longer the absence of legislation, but the absence of full transposition into national frameworks, and also of effective and uniform implementation. Rights granted on paper often remain inaccessible in practice.

EREF is participating in the [RESCHOOL](#) project consortium, which focuses on empowering energy communities as relevant actors in the energy value chain, as collective self-consumers,

providers, and prosumers. The project supports four pilot energy communities in Girona, Amsterdam, Stockholm, and Athens/Rafina, providing insights into the integration of energy communities into European energy markets and systems. First findings illustrate persistent barriers across different regulatory contexts across Member States ([link to full report](#)):

- **Netherlands:** A long tradition of energy cooperatives is now reinforced by the new Energy Act, which legally recognises communities and active consumers. Yet severe grid congestion, rising connection costs, and the phase-out of net metering create major risks for the viability of community projects. Despite legal progress, communities still lack practical access to flexibility markets and revenue streams.
- **Sweden:** Energy communities remain without a clear legal definition. While demand for local self-consumption is rising rapidly, and pilots such as in Hammarby Sjöstad are pioneering virtual sharing, transposition of EU rules is incomplete. Without swift reforms, initiatives remain marginal and excluded from markets despite the potential to relieve grid stress.
- **Spain:** The self-consumption framework is highly developed and citizen participation is growing, but energy communities lack an enabling framework. Definitions exist only on paper, and reforms on aggregation and flexibility are still pending. Communities, therefore, rely on collective self-consumption schemes with limited scope, while regulatory uncertainty holds back their expansion.
- **Greece:** Thousands of energy communities have been established, supported by ambitious legislation, but grid saturation and confusing parallel legal definitions undermine their impact. Pending reforms on virtual net billing and access to finance will determine whether communities can remain viable actors or be sidelined by incumbents.

Across these cases, the picture is consistent: the EU's legal framework is sound, but incomplete and/or inconsistent transposition, administrative barriers, real or alleged grid congestion, and lack of effective market mechanisms mean citizens cannot yet act as genuine participants in the energy system.

Policy recommendations

EREF strongly recommends the Commission to use the Citizens' Energy Package to create more certainty in frameworks and help Member States, including through dedicated guidances and recommendations, in setting up the necessary enabling frameworks:

1. **Ensure full and uniform implementation of EU law:** establish robust monitoring and enforcement mechanisms for citizen and community rights under RED II/III and the Electricity Market Design, with indicators and annual Commission reporting linked to EU governance processes such as the NECPs and the European Semester.
2. **Strengthen the legal status of energy communities:** recognise them as distinct market actors with defined rights and responsibilities. Provide dedicated guidance

distinguishing energy communities as organisational forms from energy sharing as an activity, to avoid confusion and dilution.

3. **Ensure citizens' access to local flexibility markets:** citizens, communities and SMEs must be able to participate in and benefit from local flexibility markets. This requires defining tradable flexibility products and guaranteeing fair remuneration for demand response and congestion management, thereby reducing grid stress and unlocking demand-side potential.
4. **Invest in decentralised and digitalised grids:** adapt infrastructures to distributed generation and energy sharing. Require DSOs to assess non-wire alternatives before reinforcement and to procure standardised flexibility products, including storage, open to small actors, in synergy with the forthcoming European Grids Package.
5. **Remove administrative barriers:** establish one-stop shops for citizens' initiatives at national/regional level and simplify permitting/licensing with proportional requirements.
6. **Ensure dedicated and accessible financing windows:** create funding streams tailored to citizen and SME initiatives, with single access points and technical assistance to overcome complexity. Tariff and connection cost structures must be proportionate so that smaller projects are not priced out.
7. **Support workforce development:** invest in skills and reskilling for local jobs in renewable energy, flexibility provision and system operation, ensuring that citizens-led projects can be delivered at quality and scale.
8. **Safeguard the integrity of citizen initiatives:** frameworks must ensure that energy communities remain citizens-led, transparent and locally rooted, with governance safeguards that prevent misuse of the label without overburdening smaller actors.
9. **Integrate citizen energy into regional and national planning processes:** distribution development plans, Renewable Acceleration Areas, and other sectoral plans should explicitly reflect the role of energy communities and citizens' participation as contributors to national targets.
10. **Guarantee citizens' information rights:** fully implement the Market Design provisions on transparent billing, clear contractual information, and access to consumption data. Citizens must be able to compare offers, switch suppliers without barriers, and participate in energy sharing or community schemes on an informed basis.

The CEP is a crucial opportunity to consolidate citizens, SMEs and communities as relevant pillars of Europe's renewable energy transition. EREF urges the Commission to ensure existing rights are effectively implemented, barriers removed, and smaller actors given non-discriminatory access to markets and infrastructures. Only then can Europe realise the vast potential of citizens to deliver a decentralised, cost-efficient and resilient energy system.

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