



## Self-consumption delivers the full benefits of a consumer powered EU energy transition

In the frame of the ongoing discussions on Article 21 of the RED II Recast, the signatories of this letter call on you to recognise and develop a stable, reliable and non-discriminatory framework for self-consumers in Europe.

Self-consumption is a core element of the energy transition and delivers several benefits:

- The right framework for **self-consumption in Europe is key to reduce energy poverty and increase the resilience of energy consumers** (i.e. hospitals, schools, houses) to system failures.
- **Installations used for self-consumption support the competitiveness of industrial and commercial consumers**, providing European local businesses with stable, clean and affordable energy.
- **Self-consumption drives technological developments which provide European companies with the opportunity to maintain global industrial leadership.** Future business models will emerge from the increasing penetration of small-scale renewables in all sectors of the economy: on-site generation combined with storage, digitalisation and home automation appliances will guarantee direct renewable supply to key sectors of the economy such as electro-mobility, or zero-emission buildings. Such installations will also procure valuable services to the electricity grids, setting the stage for the uptake of new services for energy supply and aggregation.
- **Self-consumption provides qualified and local jobs for Europe.** Rooftop solar installations could support more than 150.000 jobs in the EU28 by 2020<sup>1</sup>. Today the sector

<sup>1</sup> (Solar Job Study, SolarPower Europe – Ernst & Young)

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employs over 80.000 people, thus a doubling in employment can occur with the right framework for self-consumption.

To grasp the full benefits of a consumer powered Energy Union, the signatories of this declaration call on you to ensure a progressive framework for self-consumption:

**A broad definition of self-consumption is needed to ensure that all parts of society can benefit from this right.** The definition must include homeowners, tenants, apartment dwellers, businesses, industrial users and commercial users. There should be no discrimination between categories of self-consumers.

**Promote innovative business models for self-consumption, as this will support the competitiveness of European businesses.** Commercial and industrial consumers producing their own energy will benefit from reduced production costs and more stable electricity prices. Putting barriers to the development of industrial and commercial self-consumption deprives European small and medium businesses from a global competitive advantage.

**Recognise that self-consumption has negligible system costs in comparison to its societal and economic benefits.** Recent studies led by independent and national experts<sup>2</sup> show that the overall impact of self-consumers in the energy sector is, and will remain, very low until 2035.

**Most importantly, levies and charges should not be applied to electricity consumed through self-consumption.** This makes economic sense as the self-consumed electricity does not travel over the grid and is not traded.

**Recognise that self-consumption combined with battery storage and other smart technologies will increase the resilience of distribution grids,** support distribution system operators for congestion management, contribute to the reduction of network charges and deliver huge system savings for consumers.

**Approach grid charges with proportionality, as we recognise that the electricity consumed from the grid could be subject to network charges, taxes and fees.** However, network charges should reflect the effective impact of self-consumption on the grid, including the benefits provided to the electricity system. Member States should therefore conduct a mandatory assessment of these impacts.

**Support an exemption for self-consumers that do not receive any financial incentives from national levies aimed at financing the energy transition.** Self-consumers are active players of the energy transition and contribute financially to the uptake of additional renewable capacity at national level. Charging them is effectively asking them to pay twice for the energy transition and this is not only unfair but makes no economic sense.

**Ensure that self-consumers receive at least the wholesale price for the renewable electricity fed into the grid, if no support scheme is in place.** This could be facilitated either through non-discriminatory access to all relevant market segments or through a guaranteed minimum price and obligated buyer schemes.

**The development of innovative business models (leasing, third party ownership, peer to peer, collective self-consumption, PPAs, etc.) is vital to make self-consumption more attractive, fair and inclusive.** For example, third party ownership models could allow low-income consumers to become self-consumers, and corporations could find new ways to save costs while using renewable energy.

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<sup>2</sup> (Agora Energiewende, UNEF, etc.)