

## Energising the Semester

### *How the European Semester could further energy democracy in the EU*

While the European Union acknowledged the right of citizens to actively participate in the energy sector through the 2019 Clean Energy for all Europeans Package, transposition remains patchy across Member States.<sup>1</sup> This is highly problematic, as energy communities can stabilise energy prices, build local energy security and grid security through peak shaving,<sup>2</sup> and boost household income by up to 1000 euros per year. Crucially, they can help Member States accelerate their transition away from fossil fuels to renewables, contributing to achieving both the EU's climate goals and objectives of the REPowerEU plan, while enhancing security of supply and reducing costly imports. Case base evidence (e.g., from France and Spain) also indicates that energy communities tend to procure European-made technologies (e.g., solar panels, solar thermal collectors, heat pumps), thus contributing to the EU's reindustrialisation objectives.

Thus, the contribution of energy communities to socio-economic stability, social justice and community-level empowerment, makes them vital solutions that should be considered and mainstreamed through the European Semester process. The Semester is a fitting tool, as its focus on economic and social policy coordination aligns with the social benefits of energy communities' market activities. This is particularly relevant considering that since 2020 the scope of the Semester process has been broadened to include "common priorities" of the Union, including progress of Member States towards achieving Sustainable Development Goals (SDGs), and Green Deal objectives.

**REScoop.eu and CAN Europe call for the further integration and mainstreaming of energy communities in the Semester process.**

**This would enable:**

- 1. A more structured, time-bound, and transparent finalisation of the transposition of the Clean Energy Package Directives** (The Renewable Energy Directive (2018/2001) that recognises "Renewable Energy Communities", and the Internal Electricity Market Directive (2019/944) that recognises "Citizen Energy Communities").
- 2. Policy coherence within broader EU and national strategies** (amongst others the National Energy and Climate Plans, Heating and Cooling plans, National Building

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<sup>1</sup> <https://www.rescoop.eu/policy/transposition-tracker>

<sup>2</sup> <https://www.rescoop.eu/toolbox/ensuring-access-to-affordable-secure-renewable-energy-local-ownership-through-energy-communities>

Renovation Plans, Social Climate Plans, Cohesion Policy Operational Programs, Territorial Just Transition Plans and the upcoming Citizens Energy Package).

3. **Protecting EU funds from corporate capture.** When Member States lack clear definitions for energy communities, in line with EU Directives, and a holistic enabling framework, funds are siphoned by large enterprises. This has been the case for example in Hungary and Greece.<sup>3</sup>

## Reforms for investments. A new governance framework for energy communities

[The proposed governance framework](#) for the upcoming EU Budget, whereby funds will be tied to national reforms through "National and Regional Partnership Plans", presents an important opportunity to make funding for energy communities contingent to dedicated **enabling reforms**. This would be particularly relevant for Central and Eastern European countries, where EU funds make up to 80% of climate and energy investments, yet remain laggards in the transposition of the Clean Energy Package provisions.

The Citizen Energy Package (CEP)<sup>4</sup> presents an important opportunity to more structurally **integrate energy democracy into the governance framework of the EU**. Since one of the focus of the CEP will be to empower citizens and communities in the energy market and address barriers faced by energy communities, it will be crucial to enhance and complete the transposition of the Clean Energy Package Directives by Member States., Leveraging the Semester for this process would ensure a more aligned, structural, and coherent implementation.

## Methodology

The present briefing note takes stock of 1) the documentation of energy communities in Semester reports, and 2) their inclusion in the Country Specific Recommendations (CSRs), building on the methodological approach adopted by CAN Europe on a similar assessment for fossil fuel subsidies.<sup>5</sup> The Semester Reports and CSRs of 2023, 2024 and 2025 were examined, inputting the following key words: "energy communities", "community energy", "prosumers", "decentralised energy", "self-consumption", "citizen energy", "cooperative energy", "energy sharing", "consumer empowerment", "distributed energy".

<sup>3</sup> <https://friendsoftheearth.eu/publication/report-on-the-corporate-capture-of-energy-communities/>

<sup>4</sup> [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14737-Citizens-Energy-Package-protecting-and-empowering-consumers-in-the-just-transition\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14737-Citizens-Energy-Package-protecting-and-empowering-consumers-in-the-just-transition_en)

<sup>5</sup> [https://caneurope.org/content/uploads/2024/12/Fossil-fuel-subsidies\\_European-Semester.pdf](https://caneurope.org/content/uploads/2024/12/Fossil-fuel-subsidies_European-Semester.pdf)

The analysis was conducted based on the following criteria:

Considered	Included in Semester Report & Country Specific Recommendations
Partially considered	Included in Semester Report only
Not considered	Included in neither Semester report nor Country Specific Recommendations

**Figure 1:** energy communities in the 2023, 2024 and 2025 Semester process

<i>Member State</i>	Decentralised energy / energy communities (2023)	Decentralised energy / energy communities (2024)	Decentralised energy / energy communities (2025)
Austria	Not considered	Partially considered	Partially considered
Belgium	Not considered	Partially considered	Considered
Bulgaria	Partially considered	Partially considered	Partially considered
Croatia	Considered	Considered	Considered
Cyprus	Not considered	Partially considered	Partially considered
Czech Republic	Considered	Partially considered	Considered
Denmark	Not considered	Partially considered	Considered
Estonia	Not considered	Partially considered	Partially considered
Finland	Not considered	Partially considered	Partially considered
France	Considered	Considered	Partially considered
Germany	Not considered	Partially considered	Partially considered
Greece	Considered	Partially considered	Partially considered
Hungary	Partially considered	Partially considered	Partially considered
Ireland	Not considered	Considered	Considered
Italy	Partially considered	Partially considered	Partially considered

Latvia	Partially considered	Considered	Considered
Lithuania	Partially considered	Partially considered	Partially considered
Luxembourg	Partially considered	Partially considered	Not considered
Malta	Not considered	Not considered	Partially considered
Netherlands	Not considered	Partially considered	Partially considered
Poland	Considered	Partially considered	Partially considered
Portugal	Considered	Partially considered	Considered
Romania	Not considered	Partially considered	Partially considered
Slovakia	Partially considered	Partially considered	Partially considered
Slovenia	Partially considered	Partially considered	Partially considered
Spain	Partially considered	Partially considered	Partially considered
Sweden	Not considered	Partially considered	Partially considered

Results show that energy communities are becoming increasingly mainstreamed in the Semester process, albeit with some important caveats:

- The references within the Semester Reports are often concise, simply taking stock of the total number of energy communities in the country, without dedicated links to national strategies, specific recommendations (e.g., setting a national target), and broader comments on how to create an enabling framework.<sup>6</sup>
- The number of Member States where energy communities are actively “Considered” remains stagnant between 2023 and 2025.
- Most references to energy communities are contextualised under the activities of ‘flexibility’ and ‘energy sharing’,<sup>7</sup> thus ignoring the potential of such entities to take up

<sup>6</sup> This is a legal obligation for Member States, under Article 22 of the Renewable Energy Directive (on Renewable Energy Communities), as well as all elements of Article 16 of the Internal Electricity Market Directive (on Citizen Energy Communities).

<sup>7</sup> CEER’s report “Regulatory and Consumer Considerations for Decentralised Energy Opportunities” offers an important benchmark to differentiate between energy sharing, self-consumption, and energy communities. Available at: <https://www.ceer.eu/publication/regulatory-and-consumer-considerations-for-decentralised-energy-opportunities/>

other activities in the energy sector, including citizen-led renovations, electric car sharing, and community heating and cooling projects.<sup>8</sup>

## Recommendations

The Commission should commit through The Citizen Energy Package to use the Semester to systematically encourage the growth of energy communities, and more broadly citizen energy. This should be done by:

- **Intra- and interinstitutional alignment** between DG ENER, DG EMPL, DG GROW, DG ECFIN, the European Parliament's Committee on Economic and Monetary Affairs, and the Council's Employment Committee, and Social Protection Committee.
- **Embed energy communities in the Annual Sustainable Growth Survey.** Given their legal basis in the Clean Energy Package and their recognition in various EU strategies (Green Deal, REpowerEU, Affordable Energy Action Plan, forthcoming Citizens' Energy package), energy communities can be further enhanced by mainstreaming the concept into the EU's core economic and social policy priorities.
- **Systematic guidance on energy communities, transposition, and enabling frameworks in Country Specific Recommendations** (currently only addressed to 7 out of 27 EU Member States).
- **Semester Reports should have a specific section dedicated to citizen energy (beyond the current limited framing around 'consumer empowerment').** The section should monitor Member State progress in transposing all relevant elements of Article 22 of the Renewable Energy Directive (on Renewable Energy Communities), as well as all elements of Article 16 of the Internal Electricity Market Directive (on Citizen Energy Communities). Member States should also report on progress towards energy communities' participation in activities such as community-led heating and cooling, housing renovations, flexibility, and electric mobility.<sup>9</sup>
  - This analysis should also take stock of broader trends around energy communities, self-consumption, opportunities for collaboration between local authorities and citizens, and other forms of citizen energy. Clear links should be made to other national strategies (e.g., National Building Renovation Plans, Social Climate Plans etc.), thus ensuring policy embeddedness and coherence.

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<sup>8</sup> In its "Second Generation Legislation for Energy Communities" analysis, REScoop.eu takes stock of the opportunities arising through the revised Energy Efficiency (EU 2023/1791), Energy Performance of Buildings (EU 2024/1275, and Renewable Energy Directives (EU 2023/2413). Available at: <https://www.rescoop.eu/toolbox/second-generation-eu-legislation-for-energy-communities>

<sup>9</sup> Ibid

- Semester reports can encompass broader issues affecting the energy sector (e.g., necessitating the creation of local/regional One Stop Shops, speeding up permitting through digitalisation and increased administrative capacity, simplifying procurement rules for local authorities to implement citizen-led renewable energy projects).
- **A key Semester benchmark should be whether Member States have fulfilled their obligation under Article 22 paragraphs (3) and (4) of the Renewable Energy Directive, which calls on EU countries to carry out an analysis of the potential and barriers of energy communities at the national level.** This analysis falls under the responsibility of Member States, most of whom have failed to conduct this to date.
  - The Semester should instruct Member States to include in their 'potential' analysis broader macroeconomic indicators such as the number of jobs that energy communities can create, and the economic savings incurred through avoided fossil fuel imports.

**Lastly, we note that the Semester process itself should be more transparent and democratic.** Commission representatives should develop their Semester recommendations for energy communities based on 1) the assessment already conducted by national authorities, as required by Article 22(3) of the Renewable Energy Directive. 2) Open public consultations on the state of transposition at the national level. 3) expert interviews with national coalitions or federations of energy communities. The latter hold the necessary expertise and in-depth knowledge of the national context.

## Conclusion

The EU is traversing a critical moment in its transition to renewables. Boosting citizen participation in this transition will crowd in private capital, increase social acceptance, expedite permitting procedures, and overall increase regional and social cohesion. Despite significant progress by several Member States, and ongoing support by the European Commission, the transposition of the EU legislation for energy communities remains haphazard. A change in course is needed: an EU-level harmonized effort, coordinated through the European Semester process. This will result in greater predictability for local communities and (citizen) investors, expand cross-border investments (e.g., through cross border energy communities), and ensure a just and competitive transition.

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