CLEAN ENERGY FOR EU ISLANDS

Feedback from the EU-wide island community

COVID-19 Update

Third Status Report

Status report

Clean Energy for EU Islands

Feedback from the ground: COVID 19 Update

COVID-19 has added a fundamental concern to health and livelihoods of the island communities, including job losses, food security, movement of people to and from islands, and remittances among many others. Different measures have been taken from the European- to the national- and regional/local level to fight the pandemic and minimise its negative consequences on the well-being of European societies.

In the third edition of the Clean Energy for EU Islands policy briefs, we will take stock of the COVID-19 situation and its impact on the islands' energy transition. The focus of your policy brief should be on the impact of COVID-19 on national- and regional/local-level policies and regulations affecting the clean energy transition of the islands in your country – positively or negatively.

The aim of this document is to assist in a first mapping of the direct and indirect effects of the recent developments and measures taken within the EU on the islands' clean energy transition efforts. Please provide short descriptions supported through concrete examples and links for further reading.

These short reports will provide an overview of examples of some of the main legislative and regulatory challenges and opportunities for decarbonising islands across the EU in the context of the COVID-19 pandemic. The overview will assist the colleagues in the European Commission in their efforts towards more incentivising policies as well as to inspire other colleagues to take actions in building more crisis resilient island community.

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Croatia – The Island movement

Policy brief

Introduction to the measures taken policy

The recent measures taken (i.e. the lockdown) have had a major impact on the economy as well as on the energy transition of the Croatian islands. Most projects are late or put on hold. City or municipal budgets have no revenue this year because they have given up claiming classic levies so that local businesses can survive, and now they do not have a budget to co-finance amounts in European projects (15-20 percent). It is similar to citizens and their investments who are also on hold. The main reason is that Croatian islanders are focused on tourism, and as the main industry was not brilliant this year, they are afraid to invest in anything due to unknown circumstances that we will encounter this and next year (development of the COVID-19 pandemic).

Short assessment: pros and cons of the policy

The balance between advantages and disadvantages of the COVID-19 lockdown and pandemic situation regarding islanders appear to be positive. People are more aware of the sustainable development of the islands and its impact on then. Awareness of energy use, interest in growing their own food, etc. is increasing. The disadvantages are temporary because, this year, there will be no investment in renewable energy systems from low incomes, but it is expected to increase next year.

Which are the particular implications on the island context?

Raised awareness of sustainable development plus adequate income from own work will result in increased use of renewable energy sources. There are also tenders which are published by The Environmental Protection and Energy Efficiency Fund. Only this year there were 20 tenders for energy efficiency and renewable sources for different sectors. Co-financing was 80% or 60% of investment. For example, the tender for using renewable energy sources in households was closed after 2 hours because all budget was spent and there were more than 7.500 household owners who applied for it.

LINKS TO FURTHER READING

Announcement of a new tender for households in 2021

New regulations and policies on the horizon

This Regulation establishes quotas to encourage the production of electricity from renewable energy sources and high-efficiency cogeneration, for the purposes of conducting tenders for the allocation of market premiums and tenders to encourage the guaranteed purchase price. The quotas set by this Regulation are determined taking into account the Energy Development Strategy of the Republic of Croatia until 2030 with a view to 2050 and the Integrated National Energy and Climate Plan for the Republic of Croatia for the period 2021 to 2030, in order to meet

renewable energy targets. energy sources and high-efficiency cogeneration, to which the Republic of Croatia is committed in implementing an environmentally sustainable energy policy. The total quota of all groups of production plants to encourage the production of electricity from renewable energy sources and high-efficiency cogeneration, which contributes to achieving the goals in the production of electricity and heat from renewable energy sources and high-efficiency cogeneration is 2,265,000 kW. The total quota allocated to individual groups of generation plants to encourage the production of electricity from renewable energy sources and high-efficiency cogeneration is:

Grupe proizvodnih postrojenja	Klasifikacija proizvodnih postrojenja ovisno o primarnom izvoru energije i instaliranoj snazi	kvota (kW)
a.2	Sunčane elektrane instalirane snage veće od 50 kW do uključivo 500 kW	210.000
a.3	Sunčane elektrane instalirane snage veće od 500 kW do uključivo 10 MW	240.000
a.4	Sunčane elektrane instalirane snage veće od 10 MW	625.000
b.1	Hidroelektrane instalirane snage do uključivo 50 kW	4.000
b.2	Hidroelektrane instalirane snage veće od 50 kW do uključivo 500 kW	10.000
b.3	Hidroelektrane instalirane snage veće od 500 kW do uključivo 10 MW	10.000
c.4	Vjetroelektrane instalirane snage veće od 3 MW	1.050.000
d.2	Elektrane na biomasu instalirane snage veće od 50 kW do uključivo 500 kW	6.000
d.3	Elektrane na biomasu instalirane snage veće od 500 kW do uključivo 2 MW	20.000
d.4	Elektrane na biomasu instalirane snage veće od 2 MW do 5 MW	15.000
e.2	Geotermalne elektrane instalirane snage veće od 500 kW	20.000
f.2	Elektrane na bioplin instalirane snage veće od 50 kW do uključivo 500 kW	15.000
f.3	Elektrane na bioplin instalirane snage veće od 500 kW do uključivo 2 MW	30.000
	Inovativne tehnologije, sukladno klasifikaciji proizvodnih postrojenja iz energetskog odobrenja, a koje su dobile potporu za razvoj u okviru Europske unije	10.000

HROTE (Croatian energy market operator) conducts a public tender for the award of market premiums, i.e. a public tender for the conclusion of contracts for the purchase of electricity with a guaranteed purchase price by announcing quotas annually for individual technologies of production plants with dynamics that ensure market competition and planned entry into the production system facility.

In the public call for tenders, it is necessary to define the criteria for time projections of entering the incentive system and the start of payment of incentives for production facilities of the winner of the tender, and in order to achieve the goals in an optimal cost way, the explanation concludes.

Given that this is a dynamic process in which some contracts by technology can be realized in the short and long term, and which cannot exceed a period of four years from the year of contracting the premium, and in accordance with the objectives to be realized in an optimal cost manner , HROTE is given the right and obligation to determine the dynamics of opening certain quotas, i.e. to monitor the dynamics of project implementation.

With the entry into force of this Regulation, among other things, the previous regulations governing the incentive system ceased to be valid, and it defines incentives with market premiums and incentives with a guaranteed purchase price. However, as the necessary by-laws were not adopted in 2016 to enable the launch of the premium model, the development of the sector has stalled. Last year, the long-awaited shifts finally took place and the first tender for the market premium / guaranteed purchase price will be announced this year. First a tender for small projects (solar panels, biomass, biogas ...) within guaranteed prices, and then a tender for a market premium for large projects (wind farms) ...

The explanation of the Decree states that with the entry into force of the Law on Renewable Energy Sources and High-Efficiency Cogeneration, the adoption of the Decree determining the quotas for encouraging the production of electricity from renewable energy sources and high-efficiency cogeneration plants for the period from 2016 to 2020 is determined. implementation of tenders for the allocation of market premiums and tenders to encourage the guaranteed purchase price. Without the adoption of the decree in question from 1 January 2016, it was not possible to grant state aid to encourage the production of electricity from renewable sources. The existing system of state aid, although determined for the period from 2014 to 2020, covers the next period, given the expected possibility of realization, i.e. construction of production facilities in the period from 2023-2026.

LINKS TO FURTHER READING

Regulation on quotas to encourage the production of electricity from renewable energy sources and high-efficiency cogeneration

Denmark – Energy Academy

Policy brief

Introduction to the measures taken

When the pandemic started, we saw in early March the whole Denmark being locked down. This meant that we also saw a very fast response from most of the islands shutting down and blocking visitors from cities. The local population simply was afraid of contamination. Islands in general have been very safe for people, with very few virus infections registered. But at the same time, Danish people were advised to stay home during the holidays and, then, suddenly, Danish islands became very attractive as holiday destinations.

The Danish state provided free tickets for bicycles and pedestrians, and very cheap tickets for all. What looked gloomy in the spring appeared like an "invasion" during the summer and still does. Tourism has been record high! Still, with very few cases of virus infection. The lock-down and strict rules about distance, masks, disinfection, etc. have worked.

Short assessment: pros and cons of the policy

The pandemic situation offered the opportunity to raise awareness about local tourist destinations. It has taught us how to have web meetings instead of long travels. It has put the focus on using local resources.

But at the same time, it also made us even more isolated when it comes to decentralisation. Isolation also means that the citizens stay home for business, apart from tourism. Energy planning has been centralised to such a degree that we see very little action on the ground: on islands.

New regulations or policies on the horizon

It looks like the lock down continues at least for the coming year. New regulations are released quite often from the government but, all in all, it looks like a strict set of rules limiting contact will stay for a longer period.

A new subsidy program for more energy efficient buildings has been created. This is good for islands because we see quite a high number of relatively older houses with poor insulation standards. This program can be a positive door opener for island campaigns. Islanders in particular are now counting the money they earned in the difficult summer. And this maybe also be an opportunity to offer help to reinvest in local improvement.

LINKS TO FURTHER READING

https://www.landdistrikterne.dk/pressemeddelelser/endelave-er-aarets-oe-2020-2021/

https://www.landdistrikterne.dk/denne-sommer-har-vi-set-en-ny-form-for-landdistriktsstoette-og-den-virker/

https://www.byggeriogenergi.dk/nyheder/nyheder-2020/store-tilskud-til-energibesparelser-paa-vej/

France – Ile de Ponant

Policy brief

Introduction to the measures taken

The health crisis has led to delays in the implementation of renewable energy projects but also in energy renovation work.

The lockdown has forced residents to spend more time at home. They have seen the anomalies in their homes and many now want to start renovations.

In addition, since October 1, 2020, state subsidies for the energy renovation of housing will be extended to all households regardless of their income conditions. The premiums will decrease according to income. These can be combined with those of the Rénov'iles sur Sein, Molène and Ouessant program.

Short assessment: pros and cons of the policy

Benefits:

- The inhabitants have significant aid for the energy renovation of their homes.

Disadvantages:

- Construction companies have a long waiting list for interventions.
- State aid is fully dematerialized.

LINKS TO FURTHER READING

https://www.maprimerenov.gouv.fr/

Greece – DAFNI

Policy brief

Introduction to the measures taken

While Greece has contained the COVID-19 pandemic effectively by taking restrictive measures from the early signs of the pandemic outbreak, the negative impact on tourism, investment and public finances is a setback to Greece's longer-term recovery from its previous financial crisis. These measures led to a significant drop in energy demand with various consequences for the energy sector as a whole. At the same period, however, the government has taken various initiatives to foster the clean energy transition including:

- the "E-mobility" program that subsidizes the purchase of electric cars, bicycles and motorcycles.
- Financial support under the "Just transition" program of projects for the development of sustainable economic activities in lignite areas that will be most affected by the energy transition
- The new adopted legislative framework (Law 4685/2020) "Modernization of the environmental legislation". that simplifies the licensing and permitting process of RES projects

Short assessment: pros and cons of the policy

Due to the measures taken in order to restrict the COVID-19 outbreak, gross energy consumption is anticipated to decrease by almost 11% in 2020. The share of renewable energy however is not negatively affected. On the contrary, Greece achieved a new record on RES penetration on September 14th with 51% percent of electricity consumed that day coming from sun and wind.

In terms of energy market, electricity suppliers were able to buy electricity in lower prices as the average wholesale monthly system marginal price has decreased by more than 20€/MWh compared to 2019 levels. Nevertheless, despite this sharp drop in electricity prices, Greece still faced one of the highest electricity prices in the EU.

On the other hand the Specific RES Account that remunerates RES producers was negatively affected since all mechanisms feeding the account (CO2 prices, wholesale market revenues and RES levy) decreased significantly, leading the account to a deficit hard to manage.

On the long term, the delay in development and licensing procedures for new investments threats the RES sector future growth. RES projects under development, which secured a tariff through a tender, now race to meet strict connection deadlines, with the risk of bank guarantees forfeiture since no force majeure event has been predicted on RES tender rules.

LINKS TO FURTHER READING

Public consultation (Greek)

Letter from mayors of the Region of southern Aegean (Greek)

Note on new Law 4685/2020 by the Hellenic Wind Energy Association HWEA/ELETAEN (English)

Law 4643/2019

Which are the particular implications on the island context?

Islands were affected by the COVID related measures in multiple ways, the most important being the sharp drop in tourism creating sincere uncertainty for the financial sustainability of major investments in the sector. In terms of COVID cases, the islands managed in most cases to avoid extended spread of the virus but with a high toll in terms of revenue.

This fact could cause chain reactions in the sustainable development orientation of islands undermining the need for climate change adaptation and mitigation measures on one hand or creating a positive attitude towards investing in sectors other than tourism on the other. The restriction of movement and the social distancing rules pose an additional challenge to citizen engagement activities on the islands, leading to the cancelation of many public events or their transformation into digital ones. This situation makes it even more difficult to inform and familiarize islanders and stakeholders with clean energy transition projects, it reduces the possibility of their direct involvement with similar ventures, and ultimately acts negatively on their degree of interest in relevant aspects.

In financial terms, the loss of revenues creates the need for policies battling energy poverty and for promoting energy efficient retrofitting of buildings in the islands. In the energy market, the drop in oil prices, which is the main fuel in the Greek non-interconnected islands, could lead to a delay of the installation of RES-based projects as they do not present the same cost reduction effect right now. However, all studies show that RES can lead to a sustainable growth much less vulnerable than tourism. To this end, there is a great need for measures that support the collective implementation of clean energy projects on islands, promote sector coupling, efficiently manage the local resources and infrastructure, creating added value and new jobs for the island local communities. Such activities are held back, amongst other reasons, because of the current lack of motives and funding programs for the energy communities.

LINKS TO FURTHER READING

Impact of the Coronavirus Pandemic on the Greek Energy Market

Greek Energy Market Report 2020

Ministry to seek EU recovery fund support for RES special account

Policies, measures and actions on climate change and environmental protection in the context of COVID-19 recovery - Greece.

JTF aid for 6 islands closing polluting local power stations

New regulations or policies on the horizon

The government has been committed to a plan of using the EU recovery-fund support for mature projects in key energy-related domains. Greece is entitled to approximately 32 billion euros from the EU recovery fund that was and established to counter the impact of the global pandemic.

According to the government's plan, approximately 37 percent of the recovery funds will be used for the following green-energy projects affecting the islands:

- **A new wave of energy efficiency upgrades of buildings**: A total of 130,000 efficiency upgrades of buildings have so far received subsidy support over a decade-long period

through Greece's Saving at Home program. The ministry is looking to significantly increase this rate to 60,000 upgrades per year through the recovery funds program.

- **Island grid interconnections to the mainland:** Major projects are currently under development by the Greek TSO, IPTO, including the 3rd and 4th phase of the Cyclades interconnection, the interconnection of Crete, the Dodecanese island complex and the island of North-eastern Aegean Sea.
- **Transmission and distribution network upgrades:** Important investments are needed in the grids to accelerate the accommodation of RES
- **Installation of energy storage projects of different types:** Hybrid projects are prioritised for non-interconnected islands, especially smaller islands while the lessons learned from Naeras (Ikaria) and Tilos projects are going to be explored for further replication on both the islands and the mainland.
- **Electromobility**: The government seeks to fund the continuation of the existing subsidy program with emphasis among others to tourism related vehicles. Additionally the announcement of an island that will become a pilot model for e-mobility expansion by running exclusively with electric vehicles is still pending.
- **Just transition fund**: The government plans to provide financial support to six Greek islands through the Just Transition Fund in order to tackle issues expected following planned withdrawals of local petrol-fuelled power stations. JTF support for these islands will be used to tackle sector unemployment, retrain personnel, and also offer other support.
- **Spatial planning for RES development**: There is need for a Spatial planning legislation for RES installations adjusted to the islands characteristics
- **Smart power meter installations**: A severely delayed project in Greece is expected to finally progress as a major step towards the digitalisation of distribution networks enabling future demand side management.

Ireland – Irish Islands Federation

Policy brief

Introduction to the measures taken

Health-oriented measures have been put in place by the Irish Government, regional and local authorities to mitigate the spread of COVID-19 to the islands. These measures include the island-specific travel restrictions that were in place during the lockdown period from March 26th until June 29th 2020. These restrictions allowed travel to and from the islands for residents only. There are also reduced capacities of ferries and many measures including disinfection of seats between journeys, provision of hand sanitizer, and the mandatory wearing of masks.

As a result of COVID-19 impacts on island life and the potential long-term damage to island communities and their future sustainability, there will be new thinking on policy development and implementation. This new thinking will need to take account of the new realities we are faced with across the Union including the need to use our climate action goals as a gateway to clean energy transition.

There have of course been many direct and indirect impacts on the islands' economic, educational and social activities (including mass gatherings) as a result of the pandemic and it is clearly recognised that there is a need to reflect on the reliance on tourism as a main economic driver in the islands' context.

Community actions across the islands in the context of climate change including the organisation of Sustainable Energy Communities and the associated administration and guidance have significant potential as elements that can support the fight against COVID 19. There are examples of island groups currently using their collective structures to enable COVID specific actions.

The Irish Island Federation (Comhdháil Oileáin na hÉireann) has created a new position of Climate Action Officer to ensure the inclusion of Clean Energy Transition in the ongoing work of the organization and to work with other relevant groups and agencies at local, national, and European level. The importance of the development of the green economy in the context of climate action and the economic future sustainability of island communities is clearly recognized by the Irish islands.

Sorcha De Bruch, Principal Officer in the Islands Division of Department of Culture, Heritage & the Gaeltacht recently presented the intention to support the sustainability of island and coastal communities as a key theme in the new Rural Development Strategy 2020-2025. Island policies currently being developed are part of the Commitment in the Programme for Government which aims to identify main challenges and opportunities for island communities to support their social, economic, and cultural development. This action should be especially helpful in the context of rebuilding island economies post-COVID-19.

Short assessment: pros and cons of the policy

In light of the significant role that clean energy transition will play in the sustainability of island communities as part of the post-COVID-19 reality, there is a commitment to fully engage the islands of Ireland.

There are of course significant challenges ahead as the island communities will endeavour to cope with the economic damage caused by the pandemic and will need support in implementing Clean Energy Transition as part of the rebuilding.

Which are the particular implications on the island context?

The new Government Interdepartmental Committee on Islands Development includes representation from the Department of Communications, Climate Action and Environment. This department has already prepared a significant input document for the process.

The development of the new specific islands policies will enable the provision of supports including financial resources to provide for Clean Energy Transition on the islands.

LINKS TO FURTHER READING

The Irish Government COVID-19 Transport July Stimulus plan clearly recognises the importance of the island-led initiative to prove the viability of Green Transport in a small island community context and the potential for replication to other island and mainland communities. Click on the link for July Jobs Stimulus Plan

https://www.gov.ie/en/publication/b8bc5-july-jobs-stimulus-plan/

New regulations or policies on the horizon

The RESS-1 auction was completed in September. Further auctions, including an auction exclusive to offshore wind, are planned to launch in 2021.

Further community engagement initiatives such as citizen investment opportunities are under consideration for future RESS auctions.

Work has commenced on the transposition of the recast of the European Union Renewable Energy Directive (RED II) which entered into force in December 2018, as part of the Clean Energy for all Europeans Package. The Directive defines "Renewable Energy Communities" (RECs), introduces a governance model for them, and the possibility of energy sharing within the REC. It also provides an "enabling framework" to put RECs on equal footing with other market players and to promote and facilitate their development.

Update – Programme for Government

Earlier this year a new Programme for Government was agreed by the new Government parties. Regarding energy, the programme states:

Energy will play a central role in the creation of a strong and sustainable economy over the next decade. The reliable supply of safe, secure, and clean energy is essential in order to deliver a phase-out of fossil fuels. We need to facilitate the increased electrification of heat and transport.

This will create rapid growth in demand for electricity, which must be planned and delivered in a cost-effective way.

Energy Efficiency

We will implement a new National Energy Efficiency Action Plan to reduce energy use, including behavioural and awareness aspects of energy efficiency such as building and data management.

A Revolution in Renewables

We are all committed to the rapid decarbonisation of the energy sector. We will use this as an opportunity to create new, quality jobs across the country. We will take the necessary action to deliver at least 70% renewable electricity by 2030.

To achieve this, we will:

- Hold the first Renewable Electricity Support Scheme (RESS) auction by the end of 2020, with auctions held each year thereafter, including the first RESS auction for offshore wind in 2021.
- Give cross-government priority to the drafting of the Marine Planning and Development Bill, so that it is published as soon as possible and enacted within nine months.
- Produce a whole-of-government plan setting out how we will deliver at least 70% renewable electricity by 2030 and how we will develop the necessary skills base, supply chains, legislation, and infrastructure to enable it. This new plan will make recommendations for how the deployment of renewable electricity can be speeded up, for example, the provision and permitting of grid connections.
- Complete the Celtic Interconnector to connect Ireland's electricity grid to France.
- Commence planning for future interconnection with our neighbours.
- Finalise and publish the Wind Energy Guidelines, having regard to the public consultation that has just taken place.
- Develop a Solar Energy Strategy for rooftop and ground, based photovoltaics, to ensure that a greater share of our electricity needs is met through solar power.
- Continue Eirgrid's programme 'Delivering a Secure, Sustainable Electricity System' (DS3).
- Ensure that the energy efficiency potential of smart meters starts to be deployed in 2021 and that all mechanical electricity meters are replaced by 2024.
- Strengthen the policy framework to incentivise electricity storage and interconnection.
- Support the clustering of regional and sectoral centres of excellence in the development of low-carbon technologies.
- Invest in research and development in 'green' hydrogen (generated using excess renewable energy) as a fuel for power generation, manufacturing, energy storage, and transport.

We will also produce a longer-term plan setting out how, as a country, we will take advantage of the massive potential of offshore energy on the Atlantic Coast. This plan will set out how Ireland can become a major contributor to a pan-European renewable energy generation and transmission system, taking advantage of a potential of at least 30GW of offshore floating wind power in our deeper waters in the Atlantic.

This plan will focus on utilising our existing energy and maritime infrastructure. It will seek to create the right investment environment, support ocean energy research, develop and demonstrate floating wind, tidal, and wave power, together with developing innovative transmission and

storage technologies, such as high-voltage, direct-current interconnection, and green hydrogen on an all-island basis.
This plan will set out a path to achieving 5GW capacity in offshore wind by 2030 off Ireland's Eastern and Southern coasts. Bringing Communities with Us: We need to bring communities with us, as new energy infrastructure gets installed.

We will:

- Increase the target for the number of Sustainable Energy Communities.
- Prioritise the development of microgeneration, letting people sell excess power back to the grid by June 2021.
- Ensure that community energy can play a role in reaching at least 70% renewable electricity, including a community benefit fund and a community category within the auction.
- Continue to work with the EU to agree on community participation as an integral part of installing new renewable energy and a route for community participation in the projects.
- Support a new Green Flag programme for communities, building on the successful programme in schools.
- Conclude the review of the current planning exemptions relating to solar panels, to ensure that households, schools, and communities can be strong champions of climate action.
- Implement an ambitious National Energy Efficiency Action Plan, which will set higher targets for all sectors.

Regulation Driving Climate Action

The Government will give a clear pathway towards better practices and less reliance on fossil fuels across every sector. Timely signposts will be set out, giving the sectors the chance to adapt. We will publish a schedule of incentives and regulatory changes to allow people and businesses to plan.

We will develop:

- New stress tests for financial institutions to look at the impact of tangible risks of higher temperature scenarios and involvement with the fossil-fuel economy on their portfolios, as recommended by the Taskforce on Climate Financial Disclosures.
- New standards to reduce emissions from F-gases and new requirements to make lighting more energy efficient.
- New requirements for heating systems.
- A regulatory environment to support the development of district heating
- Efficiency standards for equipment and processes, particularly those set to grow rapidly, such as Data Centres.
- Expectations for 'Obligated Entities' to leverage carbon credits.
- A policy framework for low emission zones.

Decarbonising Energy Production
We will support a just transition for the workers and regions impacted, as peat and coal-fired power generation is phased out. We will consider the implementation of a carbon price floor in the ETS to support the transition from fossil fuels to renewables.

The new Government Interdepartmental Committee on Islands Development includes representation from the Department of Communications, Climate Action and Environment. This department has already prepared a significant input document for the process.

The development of the new specific islands policies will enable the provision of supports including financial resources to provide for Clean Energy Transition on the islands.

Italy – CNR

Policy brief

Introduction to the measures taken

In spring 2020 a lockdown was implemented in national territory from March 9 to May 18. In this period, all commercial activities were stopped, with the exception of the minimum essential services. Nevertheless, the initiatives of the Italian Ministry of Environment and the Ministry of Economic Development on penetration of renewable energy sources and energy efficiency on small islands continued. Currently, all work and commercial activities are restarted by adopting precautionary measures to reduce the spread of the virus.

The Decree-law of 30/12/2019 n. 162 - "Urgent provisions regarding the extension of legislative terms, the organization of public administrations, as well as technological innovation" ("Milleproroghe 2020") converted into law n.8 on the 28th of February 2020, according to Articles 21 and 22 of European Directive (EU) 2018/2001. This law has allowed to activate collective self-consumption from renewable sources or create renewable energy communities according to the methods and conditions established by article 42-bis of the Law. Electricity consumers can join forces to become self-consumers of renewable energy, which act collectively under the senses of Article 21, paragraph 4, of Directive (EU) 2018/2001. An implementing decree followed which defines the amount of the tariff with which the promotion of collective self-consumption and energy communities from renewable sources is encouraged.

An update on the energy transition of the islands relates to the "IntegrAted SolutioNs project for the DecarbOnization and Smartification of Islands (IANOS)" project, which has received funding from the European Union's Horizon 2020 research and innovation program under grant agreement n ° 957810.

Short assessment: pros and cons of the policy

The lock of activities during spring had a negative impact on different sectors, but the regulation adopted in Italy was necessary for the protection of public health. Despite this negative impact, the government activities continued during this period.

Which are the particular implications on the island context?

The lock-down had a negative impact on the entire country, including the smaller islands, and it caused a slowdown of the processes for energy transition. In addition, tourism on the islands, which generally lasts from April to October, stopped. Therefore, there has been a general slowdown in all the activities concerning the energy transition of the islands. The pros are related to ongoing activities of the Ministries that will facilitate the energy transition in small Italian islands and the start of the new European project "IANOS" that will involve Lampedusa island. The IANOS project aims to demonstrate, under real-life operational conditions, a group of both technological and non-technological solutions adapted to harsh islandic conditions, in two Lighthouse (LH) islands (Ameland in the Netherlands and Terceira Portugal), covering a multitude of energy supply, storage and end-use vectors on different climatic and socio-economic conditions, while taking

the appropriate measures for their replication into three Fellow islands (Lampedusa in Italy, Bora Bora in the French Polynesia and Nissyros in Greece).

LINKS TO FURTHER READING

http://www.governo.it/it/coronavirus-normativa - list of national regulations for COVID emergency (Italian)

https://unmig.mise.gov.it/images/docs/GU20200229.pdf - law n. 8 of 28th February 2020 (Italian)

https://www.mise.gov.it/index.php/it/per-i-media/notizie/2041436-energia-al-via-incentivo-per-l-autoconsumo-e-le-comunita-energetiche-da-fonti-rinnovabili implementing decree of law n. 8 of 28th February 2020 (Italian)

https://www.ianos.eu/ - Website of IANOS project (English)

New regulations or policies on the horizon

The ongoing discussion relates to the implementation of renewable energy communities defined in Decree-law of 12/30/2019 n. 162 in the small islands. The Italian islands have an opportunity to participate, as all European islands, in the first open call of NESOI, the European islands facility, to receive financial and technical support for their energy transition.

Netherlands – Energie Samen

Policy brief

Introduction to the measures taken

A couple of policy changes took place in the Netherlands due to the rising Covid-19 infections. Starting from March until June 2020 the Netherlands was in a lockdown. People had to work from home as much as possible and traveling to the islands was only allowed in case of 'urgent need'. People and organisations had to get used to new ways of working, meeting, organizing, using online meeting tools.

In the summer-period (July-August), the measures related to Covid-19 became less strict. It was, thus, a good time for companies in the tourist sector on the Wadden Islands, namely, bars, hotels, campsites, and restaurants. Many Dutch people, who normally spend their holidays in foreign countries, visited this time the Dutch Islands. In this way, after a dip in spring, the islands got the chance to boost their local economy and incomes.

Currently the Netherlands is in a 'lockdown light' because the amount of infections is increasing.

Measures: work at home, no travelling - only if necessary. Restaurants and bars are closed, 1.5 m social distance, use mouth masks, no events, no (large) group-meetings.

Originally, Energie Samen had planned to visit the islands in the period April-May 2020 to realize personal contacts with the energy cooperatives and municipality officers, but unfortunately, that was not possible and is still not possible due to the Corona pandemic.

Short assessment: pros and cons of the policy

Pro: everyone is used to having video calls by now. A lot of people learned that you can meet in an easy way with people on other islands or even with a group of islands from other countries. Digital meetings/webinars are more accepted now and easy to organize.

Con: no personal meetings or contacts. Personal meetings have value in 'warm relations'. If you need to make *new* contacts it is always better to meet people in person.

Which are the particular implications on the island context?

Group activities with the purpose of social engagement cannot be realized. Governments are searching for different methods and tools to use for organizing meetings so communication with groups of islanders can still happen during Covid 19. The organization of group meetings, like 'energy-charettes', is still recommended. Financial investments though (for local energy ownership) is still positive. Economically the islands are doing okay. They are used to having less income in the winter period, though the travel and tourism restrictions (like closing bars and restaurants) should not last too long.

Positive is that energy cooperatives still move on working and developing projects and ideas.

LINKS TO FURTHER READING

https://www.duurzaamameland.nl/europees-ianos-project-van-start/

New regulations or policies on the horizon

Covid-19 measures after the current "light" lockdown will depend on the situation concerning the number of Covid-19 infections per region. The light lockdown will be cancelled if the national amount of infections falls considerable.

Four possible situations have been defined according to the number of infections: vigilant, worrisome, serious and very serious. For each situation, different measures will be taken on a regional level. Decisions can be made by local governments.

Portugal – Coopernico

Policy brief

Introduction to the measures taken

In October 2019, a new law came out which recognized Renewable Energy Communities (REC), collective self-consumption, aggregators, and P2P trades. The DL nº162/2019 entered into force on the 1st of January 2020 only for RECs operating in the same level of voltage. The regulation for such communities has come out in the last months of 2020 together with an incentive in taxation for RECs registered by the end of 2021. However, only after the beginning of 2021, it will be possible to register RECs operating in different levels of voltage and the regulations must come out until the end of 2020 also for these types of communities. It is expected that different grid tariffs will be created for end-users in those types of communities as they were created for RECs operating at the same level of voltage.

With the global COVID-19 pandemic reaching Portugal in mid-March, some meetings were rescheduled, and video-calls have been the adopted method to meet and push forward the transition. Nonetheless, after the quarantine was over Culatra has fostered and organized several events to push forward the energy transition on their island. Namely:

- Online participation in the Workshop "Ilhas Resilientes e Sustentáveis" which was held in Portuguese during the international event "Celebrate Islands";
- Launched a video about life in Culatra during the event "Celebrate Islands";
- Approved the project towards the "Decarbonization of Aquaculture Activity";
- Culatra has the first beach bar which is 100% sustainable and opens all year round;
- Organize a work session called "Culatra 2030 – the youth vision" where 18 young people from the island shared their view on how to make the island more sustainable;
- With the event "Culatra – Sustainable Island" was marked the beginning of a wide certification process for sustainability to be implemented within the scope of SMILO - Small Islands Organization alongside the creation of the Insular Committee;
- Won the budget contest from the Municipality of Faro in order to obtain electric vehicles for home support in the Culatra. The proposal aims to respond to the need that the Nossa Senhora dos Navegantes Association has to provide support in order to provide primary hygiene care to bedridden and low-mobility elderly people, distribute food items to the neediest families, and support for other social and community functions.

The pandemic caused by COVID-19 had significant impacts on the Azores Energy Transition Strategy. The Regional Government of the Azores had to concentrate on the crisis caused by this pandemic and had to leave other matters behind. Regarding the energy transition, two documents were created that still need to be approved: 1) Azorean Energy Strategy 2030: 2) Action Plan for Energy Efficiency.

In addition, this year there are going to be held elections for the Regional Government of the Azores. The elections will be on the 24th of October 2010. The two documents mentioned above will be approved by the new Government, which will not take office until the end of November 2020. This means the strategy for the implementation of energy transition strategy is about 6 months behind. Nonetheless, Azores is going to co-host the Clean Energy for EU Islands Forum at the end of October 2020 and present the Azores Energy Strategy then.

However, the Azores Regional Energy Department has also fostered and organized an online workshop in order to train dedicated Local Energy Managers (GLE), from all islands of the archipelago, designated by the various bodies within the scope of ECO.AP Açores - Energy Efficiency Program in the islands' Public Administration. Eight charging points for electric vehicles in eight tourist developments were also installed, in the context of the Government's goal to expand the network of charging points for electric vehicles of public access, foreseen in the Plan for Electric Mobility in the Azores (PMEA). Moreover, the Government of the Azores has established a partnership with several private companies to develop a project to test a fleet of 10 electric vehicles connected to the grid. In addition to testing the financial model of the technology, the realization of this pilot - the first to take place in Portugal with a European scale - will contribute to the "creation of a legal framework that allows moving to a market phase in a short time, thus opening doors to new business models and new approaches to the national electricity market".

LINKS TO FURTHER READING

https://dre.pt/pesquisa/-/search/125692189/details/maximized

https://www.dinheirovivo.pt/economia/producao-de-energia-para-autoconsumo-da-isencoes-nos-cieg/

https://dre.pt/home/-/dre/130469272/details/maximized

https://www.noticiasaominuto.com/pais/1601243/culatra-recebe-selo-de-sustentabilidade-para-proteger-identidade-da-ilha?fbclid=IwAR2YSn5m7_R-YndWjPbJ9fHH3rAAb4I9nev8LaVuYi6BUxOkD3FBzasyJZ8

https://www.barlavento.pt/destaque/covid-19-culatra-reinventa-se-durante-a-pandemia?fbclid=IwAR2umziKpSHC-1Db9e15qMgO3aEDGpvgsfxP1d0DBnIIfYCgtIOeLjkAlTY

https://euislands.eu/culatra-starts-energy-transition?fbclid=IwAR3-PTUo_eeWga1BGitZzF46P7TcG8ytYk-x9CQCMumSVZegSUeNNs4okIQ

https://www.culatra2030.pt/?fbclid=IwAR2-hxBX1UD8ruQ4xug6_FYYD5xaeV0ljwhagBOmbrC1KGRcocMGgRyQF7M

https://www.sulinformacao.pt/2020/10/veiculos-eletricos-na-culatra-e-nao-so-vencem-o-orcamento-participativo-da-uf-de-faro/?fbclid=IwAR2uCTo39gzvNodw2D-WOZyFx-XY6la3KNtu2zk6tHWJ_H9HoeWORjjs7Oo

https://www.algarveprimeiro.com/d/ilha-da-culatra-um-laboratorio-vivo-para-sustentabilidade/34747-1?fbclid=IwAR19yBXftbJk9NEEhmUYr4OSBCoHuwQWHZqlAbqHuWxcijCxOoiudb9dDIw

https://eco.sapo.pt/2020/08/03/galp-quer-carros-eletricos-a-vender-energia-a-rede-pode-render-milhares-de-euros/

https://tribunadasilhas.pt/governo-dos-acores-promove-formacao-de-gestores-locais-de-energia-de-todo-o-arquipelago/

https://jornalacores9.pt/governo-dos-acores-atribui-pontos-de-carregamento-para-veiculos-eletricos-a-oito-empreendimentos-turisticos/

https://eco.sapo.pt/2020/10/15/eficiencia-energetica-dos-edificios-com-envelope-de-620-milhoes-ate-2026/

Short assessment: pros and cons of the policy

Pros: Because of Initiatives like the CE4EU Islands and the need to create Strategies for the Energy Transition to be held until 2030, and due to the goals of decarbonisation that Portugal has and the release of DL nº162/2019, the islands have never been more committed towards the energy transition to clean energy than the present time.

Cons: There are still bottleneck issues in the regulation for the registration of RECs or collective self-consumption schemes. Also, the lack of financing support might hold back some communities towards the energy transition.

New regulations or policies on the horizon

The Azores Regional Energy Department has prepared the Energy Transition Agenda for 2020-2030 but it has not yet been approved and published since it can only be approved by the new Government, which will be elected on the 24 of October 2020 and will not take the office until the end of November 2020. It will be for sure an interesting regulation that will push forward the energy transition in the nine islands of the Azores since the President of the Azores Regional Energy Department has stated they want to cooperate with local companies regarding energy matters.

Also due to COVID-19, a Recovery and Resilience Plan was created by the Portuguese National Government, which allocates 116 million euros for the energy transition in the Azores. However, due to the election time, it hasn´t yet been decided how and when the values will be allocated. Only after the new government takes the office, that matter will be discussed.

LINKS TO FURTHER READING

https://www.dn.pt/lusa/correcao-estrategia-acoriana-para-energia-2030-quer-reduzir-custos-e-emissoes-de-co2-10679423.html

https://www.acorianooriental.pt/noticia/governo-dos-acores-aposta-na-proximidade-e-cooperacao-com-empresas-regionais-em-materia-de-energia-315489

Spain – University of the Balearic

Policy brief

Introduction to the measures taken

Spain has been strongly hit by the pandemic and its socio-economic consequences, especially islands, which are highly dependent on tourism.

These last months, several initiatives have been taken concerning the COVID-19 crisis, both at the national and regional level. At the same time, the national government has also accelerated the submission and approval of several policy and legislative instruments regarding climate change and the energy transition, being especially active during the last two months.

At the national level, the "Plan de Recuperación, Transformación y Resiliencia" has just been approved by the government. The plan includes four main guidelines, the first of which is called "Green Spain". In addition, several of the main policies included in the plan, relate to climate change and the energy transition, like "Resilient infrastructures and ecosystems" or "a fair and inclusive energy transition". The plan forecasts an economic public investment of 140 billion Euros (Funded mainly through the EU recovery plan), of which 72 billion will be directly transferred and the rest will be loans. The PNIEC (Integrated National Plan on Energy and Climate) – see Policy Brief 2 - is one of the main references upon which the recovery policies will be based.

At the same time, other relevant policies and decisions have been adopted:

- *Moves II: national plan to promote sustainable mobility policies*
- *Roadmap for Hydrogen*
- *New tender regulation for renewable energy*
- *Strategy for energy storage*
- *Technical building code*
- *National Plan for Adaptation 2021-2030*

The measures concerning islands have been taken at the regional level, but they have been directed to a higher degree to reactivate existing economic sectors (tourism) and providing a safety net for affected families; this sometimes at the cost of a reduced protection of the environment, and to a lesser degree towards promoting the energy transition.

Specifically, in the Balearic Islands, the following measures have been adopted concerning the energy transition:

- *Moves II at the regional level*
- *Project Regenerate Illes Balears, between the Council of Menorca, and the Municipalities of Palma (Mallorca) and Eivissa*
- *The first solar plant participated by citizens in Menorca, promoted by the island Council, the municipality of Es Castell and the Institute for Energy of the Balearic islands*
- *The installation of solar panels in the parkings of the public hospitals of the Balearic islands*
- *Plan to reactivate the economy of the Balearic islands*

In the Canary islands there have also been important developments:

- *The Climate Change Bill has already been drafted and is planned to be discussed and adopted in the following months*
- *The Energy Transition Plan for the Canary islands (PTECan) is being drafted and it is foreseen to be adopted by the end of 2021*
- *Strategy for the blue and circular economy*
- *Reactivate the Canary Islands Plan*

Short assessment: pros and cons of the policy

Islands in Spain seem to be advancing in the decarbonisation process, both at the legal, policy and project levels. However, the pandemic has put the island economies and public resources under considerable strain. The extreme specialisation on tourism has proven to be a strong weakness of these islands, which now takes a high toll in terms of poverty and unemployment. At the same time, the recovery policies could be a good opportunity to diversify the economic activity and build a more resilient system. However, these last months this perspective has been adopted more decisively by the central government than at the island level. It is key that national and European authorities send a strong signal that the public funds available for the recovery need to be directed towards such a transition in order to ensure that regional governments, which are under extreme financial pressure, focus not only on the immediate but also on the medium and long term.

LINKS TO FURTHER READING

Plan de Recuperación, Transformación y Resiliencia: https://www.lamoncloa.gob.es/presidente/actividades/Documents/2020/07102020_PlanRecuperacion.pdf

Moves II: national plan to promote sustainable mobility policies: https://www.idae.es/ayudas-y-financiacion/para-movilidad-y-vehiculos/plan-moves-ii

Roadmap for Hydrogen: https://www.idae.es/noticias/el-gobierno-aprueba-la-hoja-de-ruta-del-hidrogeno-una-apuesta-por-el-hidrogeno-renovable

New tender regulation for renewable energy : https://www.lamoncloa.gob.es/consejodeministros/Paginas/enlaces/230620-enlace-renovables.aspx

Strategy for energy storage: https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/transicion-ecologica/Paginas/2020/091020-almacenamiento.aspx

Technical building code: https://www.idae.es/noticias/mayor-integracion-de-renovables-y-movilidad-electrica-en-el-nuevo-codigo-tecnico-de-la

National Plan on Adaptation 2021-2030: https://www.miteco.gob.es/es/ministerio/plan-adaptacion-cambio-climatico-2021-2030.aspx

Moves II Balearic islands: http://www.caib.es/eboibfront/ca/2020/11268/639445/resolucio-del-vicepresident-i-conseller-de-transic

El Consell de Menorca i els Ajuntaments de Palma i Eivissa presenten a la Comissió Europea el projecte "Regenerate Illes Balears": http://www.menorcabiosfera.org/Contingut.aspx?idpub=5039

Es Castell i el Consorci de Residus i Energia acorden iniciar la tramitació de la primera planta fotovoltaica de participació ciutadana de Menorca: http://menorcabiosfera.org/Contingut.aspx?idpub=5063

Plaques solars als hospitals púbilcs: http://www.caib.es/pidip2front/jsp/ca/fitxa-convocatoria/strongspan-stylecolornavyconsell-de-govern-spanstrongaprovat-un-projecte-per-instalmiddotlar-plaques-solars-als-hospitals-puacuteblics-de-lesnbspilles-balears

Plan to reactivate the economy of the Baleric islands: http://www.caib.es/pidip2front/jsp/adjunto?codi=2426170&idioma=ca

Climate Change Bill of the Canary Islands and Energy Transition Plan for the Canary islans: https://www3.gobiernodecanarias.org/noticias/el-gobierno-de-canarias-culmina-el-borrador-de-la-ley-de-cambio-climatico/

Canary islands strategy for the blue and circular economy: https://www.gobiernodecanarias.org/ece/economia-azul-y-circular/index.html

Plan Reactiva Canarias: https://www.gobiernodecanarias.org/cmsgobcan/export/sites/principal/galerias/Documentos/201001-plan-reactiva-canarias-2020-23-version-10-cg-1.pdf

New regulations or policies on the horizon

The national Climate Change Bill is still in Parliament and should be debated and adopted in the following months.