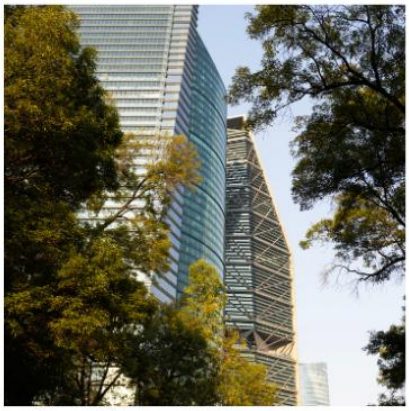
PROSPECT





Energy Communities – Learning Handbook at a Glance

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About the project

PROSPECT aims to strengthen the capacity of local and regional authorities (LRAs) across Europe to implement sustainable energy and climate actions by reducing reliance on public funding and increasing the use of innovative financing schemes (e.g., one-stop-shops, energy agencies, energy communities). The project offers a peer-to-peer Capacity Building Programme (CBP) tailored to the needs and time constraints of LRAs, available in multiple languages and structured in adaptable learning modules. Through large-scale outreach, including very small and remote LRAs, PROSPECT CUBE acts as an entry point to EU programmes and financing opportunities for authorities with limited experience in the field.

PROSPECT CUBE builds upon two successful Horizon 2020 initiatives: PROSPECT (2017–2020) and PROSPECT+ (2022–2025).

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1. About this guide

This concise guide highlights the key concepts, applications and takeaways of the full PROSPECT CUBE Learning Handbook on Energy Communities, introducing a collaborative approach to renewable energy development and local energy transition. It explores how local and regional authorities (LRAs), citizens and other stakeholders can work together to develop community-led energy projects, strengthen local ownership and promote active participation in the energy transition.

Drawing on the experience of the PROSPECT initiative and broader European practices, the publication outlines the governance models, financing arrangements and regulatory considerations involved in establishing and supporting energy communities.

1.1. What the full learning handbook covers?

The full learning handbook is structured as a modular reference and learning resource covering:

- The fundamentals of energy communities and how they function
- Renewable Energy Communities (RECs) and Citizen Energy Communities (CECs)
- Benefits and added value of energy communities for LRAs
- Sector-wide applications of energy communities
- Governance models and stakeholder roles
- Financing, regulatory and organisational considerations
- Common barriers and success factors

The publication also highlights lessons learned and implementation insights from the PROSPECT initiative and the broader European community energy practice.

1.2. Who should use the full learning handbook?

The full learning handbook is designed for both newcomers and experienced practitioners involved in the planning, financing, management, or implementation of energy-related investments. Developed in the framework of the PROSPECT initiative, it primarily supports LRAs, municipal departments, energy agencies, citizen groups, cooperatives and intermediary organisations seeking to better understand how energy communities work in practice and how they can support local energy transition objectives.

The publication combines conceptual guidance, practical insights and real-life examples to help readers understand how energy communities can be developed, supported and integrated into broader local sustainability strategies.

2. What is an energy community?

An energy community is an organisational and governance model that enables citizens, municipalities, businesses and other local actors to collectively participate in the production, consumption, management and sharing of energy. At the European level, the model is recognised through the Renewable Energy Directive and the Electricity Market Directive, which define Renewable Energy Communities (RECs) and Citizen Energy Communities (CECs) as legal entities operating primarily for environmental, economic or social community benefit rather than profit maximisation.

Under an energy community:

- Citizens and local stakeholders participate directly in energy projects.
- Renewable energy is produced, consumed or shared collectively.
- Governance is based on local participation and democratic involvement.
- Economic and social benefits remain within the local community.

In general, energy communities are increasingly recognised across Europe as important enabling mechanisms for accelerating the energy transition while strengthening local ownership, participation and energy resilience.

2.1. How do energy communities work in practice?

At their core, energy communities are collaborative structures bringing together citizens, municipalities, SMEs and other local actors around shared energy projects. In practice, they may operate through cooperatives, associations or other legal structures depending on national regulations, governance arrangements and project objectives.

The two most common European models are:

- Renewable Energy Communities (RECs), which focus primarily on renewable energy production, consumption, sharing and related services within a local proximity framework.
- Citizen Energy Communities (CECs), which can operate across broader parts of the energy value chain and are not strictly limited by geographical proximity.

Across both, the common principle remains the same: energy communities combine local ownership, democratic participation and collective action to support the local energy transition.

2.2. Where can an energy community model be applied?

Energy community models can be applied across a wide range of local energy and sustainability contexts. Initially they emerge around renewable electricity production projects, typically based on photovoltaic or wind energy systems, while many expand their activities over time to include:

- Energy sharing and collective self-consumption
- Storage and flexibility services
- Electric mobility solutions
- Energy efficiency and renovation activities
- Support schemes for vulnerable consumers

Typical applications also include:

- Community solar and wind projects
- Local heating and cooling systems
- Industrial parks and business energy collaborations
- Social inclusion and energy poverty reduction actions

Overall, energy communities are particularly relevant for projects requiring strong citizen engagement, shared ownership and collaboration between public authorities, businesses and local communities.

2.3. Why do energy communities matter?

Energy communities offer LRAs and local stakeholders a practical way to accelerate renewable energy deployment while strengthening citizen participation, local ownership and trust in the energy transition.

By mobilising local investment, supporting democratic participation and retaining economic value within communities, energy communities can contribute to local economic resilience, social inclusion and energy justice. At the same time, they help public authorities build stronger cooperation with citizens, increase acceptance of renewable energy infrastructure and support the implementation of broader climate and sustainability strategies.

When supported by appropriate governance structures, clear regulatory frameworks, adequate financing mechanisms and strong institutional support, energy communities can become powerful instruments for advancing local energy transition and strengthening community-driven climate action.

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