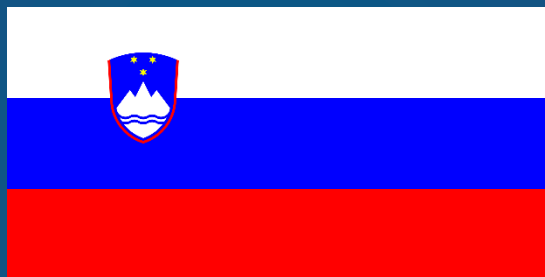


ENERGY COMMUNITIES REPOSITORY

Slovenia



OVERVIEW OF THE POLICY FRAMEWORK

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TABLE OF CONTENTS

Overview.....	3
1. Definitions.....	3
1.1. Renewable Energy Community.....	3
1.2. Citizen Energy Community.....	4
2. Rights and obligations.....	4
2.1. Renewable Energy Community.....	4
2.2. Citizen Energy Community.....	5
3. Assessment of obstacles, potential and removal of unjustified barriers.....	5
4. Enabling framework.....	6
4.1. Renewable Energy Community.....	6
4.2. Citizen Energy Community.....	7
5. Access to financing and support.....	7
6. Other provisions.....	8
References.....	9

DISCLAIMER

The content of this document aims to establish an overview of the national legal developments in the context of the Clean Energy Package for the Member State mentioned above. **The document includes only final legislation which was published before the end of March 2023. It does not include provisions that are not yet applicable under law (i.e., currently drafted or discussed).**

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Overview

Slovenia developed the main provisions on energy communities in July and October 2021 with the Act on the promotion of the use of renewable energy sources (ZSROVE) and the Act on Electricity Supply (ZOEE). This framework completes and partially replaces the previous framework on community self-care (i.e. collective self-consumption - CSC) set up in 2019.

The specificities of Renewable energy sources communities, also referred to as Renewable Energy Communities (RECs) in the Law, are considered in support schemes and urban and local planning strategies. Citizen Energy Communities (CECs) are also eligible to participate in most markets and activities.

The implementing rules specifying how RECs can set up CSC operations were defined in March 2022. Later in Autumn 2022, some provisions were developed to tackle the energy crisis (Act on measures to manage the crisis of energy supply – ZUOKPOE and Act on emergency intervention to deal with high energy prices – ZNPOVCE). In December 2022, the Decree n°4211 for the electricity market operation detailed the balancing responsibilities of RECs and CECs as market participants.

1. Definitions

Slovenia developed two definitions. RECs can engage in CSC in a broader geographical scope than other CSC operations, and CECs can be active across Slovenia. The Decree for the operation of the electricity market¹ combined both concepts RECs and CECs in the term of "energy community". Besides RECs and CECs as legal entities, Slovenia has maintained the concept of CSC as a contractual agreement to self-consume energy within one building.

1.1. Renewable Energy Community

A REC is based on open and voluntary participation. Shareholders and members are legal or natural persons except legal persons engaged in an economic activity that are not SMEs.² Any legal person can be a member of a REC, unless they perform their economic or professional activity within the framework of the cooperation with this community.³ A REC must be independent.

The REC should be effectively controlled by partners or members in the vicinity of renewable energy projects that they own or develop.

The main objective of a REC is to provide environmental, economic and social community benefits to its members or the local areas in which it operates, rather than generate financial profits.

¹ Paragraph 10 of Article 2 fo the Decree n°4211 for the operation of the electricity market

² Definition 40 of Article 2 of the ZSROVE

³ Article 43 (2) of the ZSROVE



1.2. Citizen Energy Community

A CEC is defined as a legal entity⁴ that should be based on voluntary and open participation. It can be established by members connected to the national distribution grid. Slovenian citizenship is not a requirement for becoming a member.⁵

A CEC should be effectively controlled by members or partners who are natural persons, local authorities, including municipalities, or small businesses. In the same Act,⁶ control is defined as the rights, contracts or other means that, individually or collectively, and taking into account the relevant factual or legal circumstances, enable the exercise of decisive influence in the company, in particular through:

- a) The ownership or the right to use all or part of the company's assets; and
- b) The rights or contracts substantially influence the composition, voting or decisions of the company's bodies.

A CEC's primary purpose is to provide environmental, economic or social benefits to its members or the local areas in which it operates, rather than generate financial profits.

A CEC should be established as a cooperative according to the law governing cooperatives.⁷ The principles of the law governing cooperatives apply to them unless the ZOEE states otherwise.

2. Rights and obligations

2.1. Renewable Energy Community

All final customers have the right to establish a REC.⁸ Their participation in a REC should not affect their rights as final customers and as final customers engaging in self-consumption.⁹

A REC also has the right to produce, consume, store and sell energy from renewable sources, including through renewable energy power purchase agreements. RECs are always considered a producer of electricity according to the ZSROVE.¹⁰

There is a right to self-consume energy, individually or collectively, through a contractual procedure for CSC.¹¹ CSC can take place through the establishment of a REC. A differentiation is made between CSC that connects consumers within a multi-apartment building through a contract, and community self-consumption by a REC that connects consumers under the distribution network through a legal entity. All customers must have a contract with a supplier and can also sell their energy. The Distribution System Operator (DSO) must provide all

⁴ Article 4 (18) of the ZOEE

⁵ Article 24 (1) of the ZOEE

⁶ Article 4 (37) of the ZOEE

⁷ Article 24 of the ZOEE

⁸ Article 43 (1) of the ZSROVE

⁹ Article 43 (3) of the ZSROVE

¹⁰ Article 43 (4) c) of the ZSROVE

¹¹ Article 37 of the ZSROVE



information to the customers and the community necessary for billing, supplying and selling RES energy. It must do so free of charge.

RECs can access all relevant energy markets directly and through aggregation without any discrimination.

In addition, RECs are considered market participants according to the Decree n°4211.¹² Should they wish to actively participate in the electricity market and thereby delegate their obligation to a third party or assume their balancing responsibilities directly, they must be included in the balance scheme. Balancing responsibilities do not apply in the case of energy sharing from RES (i.e. CSC operations or RECs) as detailed in the ZSROVE.

2.2. Citizen Energy Community

As established in the definition, a CEC may participate in production, including production from renewable sources, electricity supply, consumption, aggregation, energy storage, energy efficiency services or the provision of electric vehicle charging services, or provides other energy services to its members or partners. A CEC cannot participate in distribution activities.

CECs are considered market participants, like RECs, according to Decree n°4211.¹³ If energy communities operate in the electricity market, they are directly responsible for their imbalance, which they can assume directly or delegate to a third party (see above, Decree n°4211).

CECs are treated with active consumers in relation to self-produced electricity: the network fees set must reflect costs and be transparent and non-discriminatory.¹⁴ Members can share electricity provided that the rights and obligations of the members as end-costumers are maintained. By law, electricity sharing should not affect applicable network charges, tariffs and levies.¹⁵

3. Assessment of obstacles, potential and removal of unjustified barriers

The ZSROVE establishes a community enabling programme adopted by the ministry responsible for energy every three years to promote and facilitate the development of REC based on an assessment of obstacles and opportunities for the development of the REC.¹⁶ The enabling programme must ensure that unjustified barriers in regulations and other acts, as well as administrative obstacles, are removed.

¹² Article 4 of the Decree n°4211

¹³ Article 4 of the Decree n°4211

¹⁴ Article 23 (4) of the ZOEE

¹⁵ Article 24 (10) of the ZOEE

¹⁶ Article 44 (1) of the ZSROVE



4. Enabling framework

4.1. Renewable Energy Community

A REC supplying energy or providing aggregation or other commercial energy services are subject to the provisions relevant to such activities.

The DSO and the electricity operators have to cooperate with the communities in order to facilitate energy transfers within these communities.

Decree n°867 on self-consumption of electricity from renewable energy sources issued on 25 March 2022 further defined how self-consumption can take place individually and collectively, through a contract or a REC. It defines what are the responsibilities of the community, DSO and supplier. According to this Decree, the DSO registers RECs and updates any change in the registry free of charge. The DSO performs all tasks on CSC free of charge for the implementation of the self-consumption contract to the supplier, the producer and the REC. It also provides, free of charge, all the data necessary to perform the contractually agreed calculation of the shared electricity provided to its members in the accounting period.

RECs should be treated without any discrimination in terms of their activities, rights and obligations as market participants. At the same time, RECs should benefit from fair, proportionate and transparent procedures, including for licensing and registration.

As RECs are considered electricity producers, they can ask for the issuance of declarations for production for the installations and certificates of origin of the electricity.¹⁷ No details are provided on the licensing for activities other than production.

RECs¹⁸ and CECs should benefit from network charges that reflect costs, as well as appropriate charges, thus ensuring that they contribute in an adequate, fairly and balanced way to the sharing of costs in the energy system. In addition, the network fee for RECs and CECs is calculated separately for:

- each transfer point; and
- the energy fed into the network and received from the network.¹⁹

This provision on network charges applies to all users of the system, regardless of whether they are part of a REC or a CEC. The Energy Agency should not unjustifiably discriminate against grid users when determining network tariffs. The tariffs should be developed according to a transparent costs and benefits analysis of distributed energy sources that has to be prepared by the Energy Agency.

Participation in RECs should be accessible to all final customers, including those in low-income households or vulnerable households. According to the ZUOKPOE Act on the management of the energy crisis, if a company in which national or local public authorities have invested decides to invest in a solar PV plant with a capacity

¹⁷ Article 43(4) c) of the ZSROVE

¹⁸ Article 44 c) of the ZSROVE

¹⁹ Article 124 (3) of the ZOEE



equal to or less than 250 kW, it must form a REC.²⁰ Moreover, at least 25% of the annual production must be allocated for free to household customers. This free supply can be national if the State invests and local if a local authority invests. The local or national authorities are mandated to define the method and conditions for the inclusion of household customers in these RECs. Priority should be given to household customers in multi-apartment buildings who, due to technical, economic or other obstacles, do not have the possibility of producing renewable electricity individually or collectively. Priority is also granted when these options are so difficult that investment in renewable electricity is economically unsustainable. The conditions must not discriminate against more socially vulnerable household customers.

The ZSROVE also states tools available for easier access to financing and to information.²¹ The same article announces that regulatory support and support for capacity development will be provided to municipalities and their bodies in establishing RECs and in facilitating their direct participation in them.

The main elements of the enabling program and the assessment of their implementation shall be included in the Slovenian National Energy and Climate plan updates and progress reports.

4.2. Citizen Energy Community

Members do not lose their rights as active customers and household customers. Members leaving a CEC should do so in line with the provisions of the law governing cooperatives and of the rules regulating the change of supplier and aggregator and the conclusion of an additional contract.²² A member can be excluded from a community with a notice of at least ten days between the decision and the actual termination of the contract.

DSOs must cooperate with CECs to facilitate energy transfers. The payment of this service is determined by the Energy Agency in line with the payment procedure of other services by electricity operators.

As mentioned above, CECs benefit from the same provisions as RECs related to the network charges that reflect costs, as well as appropriate charges.

5. Access to financing and support

Eco Fund is a permanent fund for citizens that also acts as a free energy advisory network. It provides the funding for support schemes outlined below.²³ Trajnostna Energija is managed by the Slovenian electricity market operator and also provides information on renewable energy, energy efficiency and RECs.²⁴

²⁰ Article 13 of the ZUOKPOE

²¹ Article 44 (f) of the ZSROVE

²² Article 24 (3) of the ZOEE

²³ National Legal and Policy Frameworks, RECAH, 2023

²⁴ <http://www.trajnostnaenergija.si/Trajnostna-energija/Proizvajajte/Samooskrba>



By law, as part of the enabling framework, the specificities of RECs are taken into account, without prejudice of EU state aid rules, when creating support schemes so as to give them the same opportunities to obtain a declaration, certificates of the origin of electricity and to apply for support like other market participants.²⁵

RECs are eligible for support schemes under Articles 15 and 20 of the ZSROVE.²⁶ As such, energy support schemes forms and levels account for the price of the technology but also other factors, including among others, the social aspects and regional development. Subsidies can be allocated directly for installations up to 500 kW and after a tendering procedure for installations of less than 10 MW. RECs can be eligible for guaranteed purchase of produced electricity fed in the grid (< 500 kW) and for financial assistance. RECs are eligible for CSC support schemes when engaging in CSC.

In addition, investment grants are planned to support the take-off of self-consumption for the purchase and installation of production and storage facilities. No specific exemptions from tendering procedures are foreseen for RECs in the Law.

After the publication of the ZNPOVCE in December 2022, in order to accelerate the deployment of RES in light of the energy crisis, RECs (and SMEs) are eligible for grants for developing new RES facilities fully owned by them with an installed power of more than 50 kW and equal to or less than 6 MW (less than 18 MW for wind power).²⁷

6. Other provisions

The ZSROVE²⁸ obliges national and municipal authorities and holders of public authority to:

- include provisions for the integration and deployment of renewable energy, including renewable energy self-consumption and REC; and
- account for the positive effects of devices that use renewable energy sources to environmental and climate goals.

Municipal authorities should include the use of RES in their local energy planning. Municipalities should consult network operators in doing so. The ZSROVE mentions that, in turn, when planning network development, network operators must take into account the future needs for network reinforcement or the construction of a new network line, as derived from local energy planning in relation to the planned location of RES installation and the integration of RECs and self-consumption operations.

The integration of renewables, self-consumption and REC in public buildings will also be included in the long-term strategy for the energy renovation of buildings.²⁹

²⁵ Article 44 (4) of the ZSROVE

²⁶ Article 43 of the ZSROVE

²⁷ Article 6 of the ZNPOVCE

²⁸ Article 47 of the ZSROVE

²⁹ Article 44 of the ZSROVE



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