



From the Community Energy Programme to Community Energy Service

HUNGARY



DIRECT ENERGY PRODUCTION / CONSUMPTION



COLLECTIVE



URBAN

Summary

Friends of Earth Hungary (FoE), the Solidarity Economy Centre, and the Gólya community house and bar joined forces to create the Community Energy Service Company (CESCO) in 2021. The objective is to develop a decentralised renewable energy generation model owned by local communities or solidarity economy enterprises. CESCO managed to obtain funding for a programme in which community energy projects will be implemented in seven locations; the first location will be the Kazán Community House, thereby becoming one of the first community energy projects in Hungary.

Why is it a case of energy citizenship?

Investments in Renewable Energy Sources (RES) in Hungary are challenged by multiple factors, such as the rapid drying up of national financing schemes, the complicated bureaucracy associated with permitting processes, and very limited national RES appliance production, services and expertise. The project aims to promote energy citizenship and energy transition by monitoring policymakers and reviewing legislation (legal advocacy), organising forums, and educating residents (raising awareness).



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101022492.

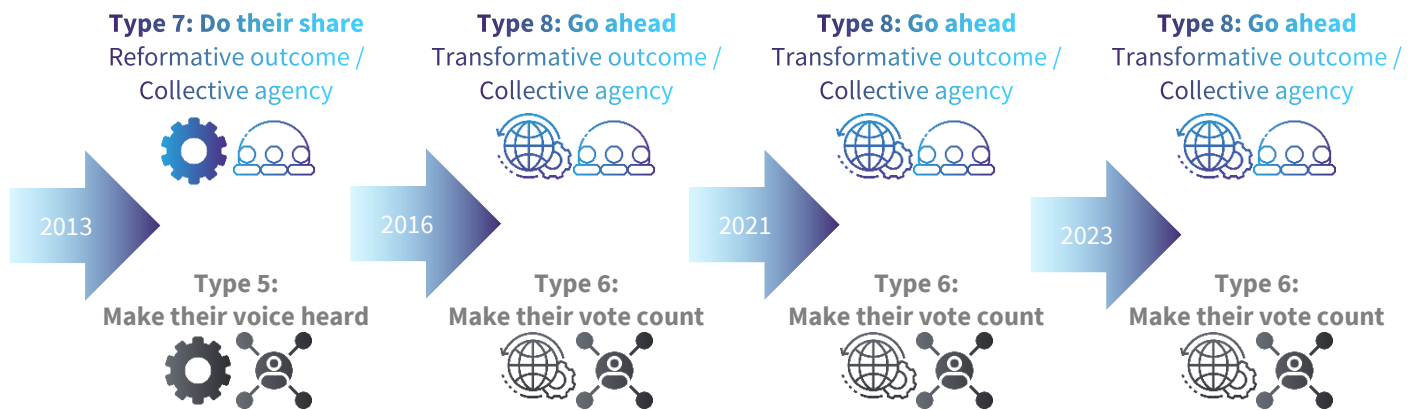
Goals



1. Engaging in the energy transition, putting sustainability and transition into practice;
2. Accelerating the development of energy-efficient, renewable energy projects by creating a favourable regulatory environment;
3. Informing citizens about the opportunities connected to community energy and involving them in community energy projects; supporting groups and communities in starting their projects.

The story and the typology

From the beginning, the initiative has been aimed at supporting community energy projects. Thus, it is a citizen-based and hybrid case in terms of energy citizenship. As the organisation is also involved in political lobbying, public agency is also present as a secondary type. The project was more reformative in its early stages but progressively became more transformative as collected knowledge was put into practice.



Case history summary

For the summary methodology, click [HERE!](#)



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Phase 1: Creation and initial knowledge gathering, 2013-2016

The Community Energy Programme of FoE Hungary has been running since 2013. During the first phase, national and international experience was gathered through case study collection, which provided a good framework and materials for future development. FoE HU also started building a community around community energy.

During this phase, the agency of the initiative was collective, citizen-based and hybrid, as community energy was the focus. As the focus was on building a knowledge base, at that time, the case was rather reformative (this can be seen in the main ideal type, type 7).

In addition, the initiative regularly participated in relevant policy review processes, so public agency was also present (as shown in the secondary type).

	Individual			Collective	
					
 Reformative	1. Do their bit (in the household)	3. Do their bit (within organizations)	5. Make their voice heard	7. Do their share	9. Do the job
 Transformative	2. Do their own (in the household)	4. Do it their way (within organizations)	6. Make their vote count	8. Go ahead	10. Make their claims

Main type: Do their share

Reformative outcome / Citizen-based and hybrid agency

Secondary type: Make their voice heard Reformative outcome / Public agency

Phase 2: Education, awareness raising, community building and advocacy, 2016-2021

In the second phase, mainly educational and awareness-raising publications were produced, and a number of conferences, workshops and lectures were held to disseminate the knowledge and experience that had been gathered.

An informal network of experts was also set up, involving a number of prominent organisations working on energy issues or specifically on energy poverty.

A pilot project for the development of a community energy system was launched, and advocacy started in connection with the new Renewable Energy Directive.

In the second period, the case changed from reformative to transformative (reflected in the

designation of both primary and secondary types). Accumulated knowledge was put into practice, and active community building and advocacy became a strong feature.

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Main type: Go ahead

Transformative outcome / Citizen-based and hybrid agency

Secondary type: Make their vote count

Transformative outcome / Public agency

Phase 3: Establishment of the Community Energy Service Company, 2021-2023

In 2021, the Community Energy Service Company was established, and a pilot community energy investment design started. The first one, at the Kazán Community House, started already in 2022. Although the solar panel installation has been completed, operating it in the current Hungarian regulatory context is difficult.

Under the CESCO project, small-scale cooperation has started with the municipality of Alsómocsolád, an inspiring small village. For now, the solar potential of the village's houses has been measured, and it is hoped that an energy community will be established there in the future.

The CESCO project was funded by the Ministry of Innovation and Technology, together with six other major programmes (quite different but linked in some way to community energy).

Phase 4: Transformation and future, 2023-

The initiative is currently undergoing major transformation. The two partners leading the project (FoE Hungary and the Solidarity Economy Centre) are expected to continue their work separately, but both will continue to support community energy initiatives and cooperate where possible. FoE Hungary will instead support the development of larger-scale pilots that fit the currently funded national tenders. The Solidarity Economy Centre will focus on promoting grassroots initiatives, which, under current regulations, cannot yet collectively produce and distribute energy.

The organisations leading these funded projects have jointly established the Association of Hungarian Energy Communities and Flexibility Aggregators (in Hungarian: MERSZ) to combine their experience to develop a policy proposal for detailed rules that can create real opportunities for developing energy communities.

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Main type: Go ahead

Transformative outcome / Citizen-based and hybrid agency

Secondary type: Make their vote count

Transformative outcome / Public agency

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Main type: Go ahead

Transformative outcome / Citizen-based and hybrid agency

Secondary type: Make their vote count

Transformative outcome / Public agency



The aspects of energy citizenship



The project clearly **aims at creating a more democratic energy system by supporting the implementation of community energy projects and creating opportunities for the development of jointly owned household-sized power plants.**

It can help raise energy awareness, reduce energy poverty, strengthen the community and generate financial benefits

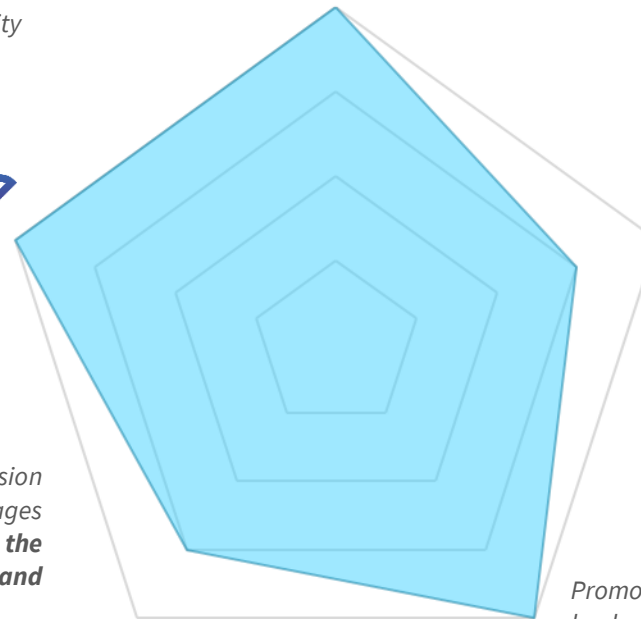
In this case, citizen power/control is one of the most important aspects. **The whole project is about raising the energy awareness of communities and giving them real opportunities (e.g. through legal advocacy) to actually implement community energy projects.**

Citizen power/control
Citizens exert effective control, and their votes have to be taken into account



Democratic energy future

A more democratic energy future is a core concern of the case, and is part of the vision



The main aim of the project is to promote the energy transition and democracy, so the equity/justice issue is very important to the case. Although the idea of **reducing energy poverty is noted in the programme description, it is not included in the core objectives.**



Equity and justice

Equal access is granted, but limited by various criteria

The project will clearly contribute to carbon emission reduction, but this is not emphasised enough in their messages and core documents. **Overall the focus is more on the practical side: implementation, the regulatory and technological side of community energy.**

Carbon limit
Explicit recognition of the carbon limit



Promoting environmental sustainability is an important background aspect of the project, but its main theme is energy and reforming the energy system. Looking at the overall case, it **goes a long way towards promoting environmental sustainability** and the related principles are included in the conceptual background to the project.



Environmental sustainability

Environmental sustainability is a core issue, and is considered in goal setting



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Further information



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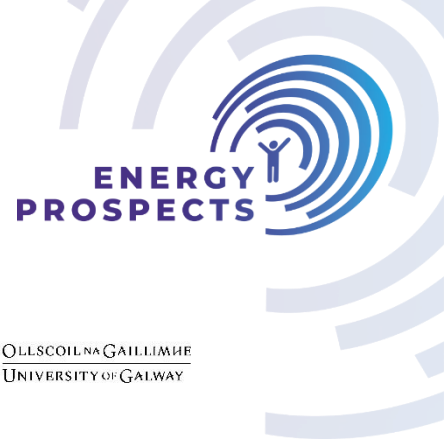
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