Support Service for citizen-led renovation projects - Phase II

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Support service for citizen-led renovation projects

The Support service for citizens-led renovation projects[1] is an initiative of the European Commission that aims to empower citizens to carry out energy renovations and on-site renewable energy installations. This support service is rooted on the fundamental principles of equal opportunity and transparency, which can serve as catalysts for broader motivation and engagement in energy-efficient renovations. It aims to show that observing the success of peer projects can inspire and motivate community members, encouraging more people to participate in energy-efficient renovations. The ultimate goal is to distil actionable initiatives through the selection of pilot projects, enable a supportive learning environment for capacity building, and engage with a diverse network of energy communities.

What is community ownership in renovation?

Community ownership in renovation refers to the collective organisation of citizens who take formal responsibility for initiating, governing, and implementing building upgrades. This includes shared control over decisions, finances, and often the physical assets involved. The approach typically relies on cooperative or associative structures that reflect democratic principles and aim to deliver long-term social, environmental, and economic benefits.

Setting up a cooperative or association for community-led renovation involves a few steps that give the group legal standing and the ability to act collectively. It begins with bringing together the founding members and agreeing on the most suitable legal form based on the group's objectives and governance principles. The members then draft statutes that set out the organisation's mission, decision-making rules, and financial arrangements. These are formally approved at a founding meeting, where the first governing body is elected. To gain legal recognition, the group registers with the relevant national or regional authority, submitting the statutes, meeting records, and member list, and paying any applicable fees. Once registered, the organisation can obtain a tax identification number, open a bank account in its name, and, if relevant, complete social security registration for any staff. This process provides the legal foundation needed to own assets, sign contracts, and manage funds on behalf of the community.

Rather than acting as individual homeowners or passive beneficiaries, citizens act as co-owners of the renovation process. They decide together how renovations are planned, funded, and managed, with a view to achieving outcomes that serve the common good. This model has proven particularly effective in addressing barriers to renovation in multi-family buildings, low-income areas, and places where community cohesion is strong.

Community ownership is increasingly recognised in European policy frameworks. The Renewable Energy Directive (RED III) and the Electricity Market Directive (EU/2019/944) establish clear legal definitions for energy communities. These legal forms allow citizens,

[1] ENER/2023/OP/0036

small businesses, and local authorities to jointly engage in energy services, including energy efficiency and building renovation. The Energy Efficiency Directive (2023) further encourages Member States to involve such entities in achieving national savings targets.

Community ownership allows citizens to pool resources and responsibilities in ways that individual approaches cannot achieve. It enables fairer access to renovation, especially for people in shared or rented housing. It also creates stronger negotiating positions when engaging with contractors or financial institutions. Ownership models support long-term value creation within communities. Financial savings and other benefits can be reinvested locally, supporting further improvements or community services. The collective dimension also helps build trust, ensure transparency, and foster a shared sense of purpose. This is especially valuable in renovation, where decisions are complex and coordination is essential. Community ownership offers a practical and inclusive way to accelerate the renovation wave across Europe. It supports energy savings, lowers emissions, and strengthens social cohesion, while giving citizens a direct role in shaping their local environment.

Cooperative and community models: Forms and features

Community ownership of renovation projects can take several legal and organisational forms. These models vary in structure, scope, and legal requirements, but they share core principles: citizen control, collective benefit, and democratic governance. Selecting the right model depends on the scale of the project, the capacity of the community group, and the national legal environment. Below are the most common formats used in citizen-led renovation initiatives across the EU.

Cooperatives

Cooperatives are member-owned organisations (typically following cooperative principles) that enable citizens to jointly invest in and manage energy projects. Originally many focus on renewable energy generation, but they increasingly engage in energy efficiency and building retrofits as part of the EU Renovation Wave. Their purpose is not only to produce clean energy but also to reduce energy demand and costs for members, reinvesting local capital into the community. Crucially, they operate for environmental, economic or social community benefit rather than private profit. For example, a cooperative might coordinate home insulation or heating system upgrades across its members' houses, acting as a trusted one-stop-shop for renovation. This citizen-led approach leverages local volunteer engagement and keeps value within the community (e.g. hiring local contractors), often with an emphasis on alleviating energy poverty and improving comfort.

The EU officially recognized energy cooperatives through the concepts of *Renewable Energy Communities (RECs)* and *Citizen Energy Communities (CECs)* in the 2019 Clean Energy for All Europeans Package. The Renewable Energy Directive (RED II, 2018/2001 and its 2023 recast RED III) defines RECs and grants them rights to produce, consume, store and sell renewable energy, as well as to share energy within the community (with an emphasis on proximity and renewable sources). The Internal Electricity Market Directive (2019/944) similarly defines CECs which can engage in a broader range of energy services (including energy efficiency and electromobility) without geographic restrictions. Both frameworks require these entities to be controlled by shareholders or members (e.g. citizens, local SMEs, or authorities) and to prioritize local social and environmental benefits over profits. In practice, many energy cooperatives qualify as RECs/CECs, giving them a supportive legal status. Member States must ensure an enabling framework for energy communities (per RED II Article 22), which encourages authorities to assist them. For instance by adapting grid regulations, simplifying admin procedures, and allowing access to funding.

Cooperatives are typically organised on a one-member-one-vote principle, fostering democratic control by community members. They are legal entities which may take various forms (cooperative society, non-profit association, even limited company or partnership) as long as they adhere to the governance and purpose criteria of an energy community. Members (often individuals, but sometimes municipalities or small firms) collectively own the cooperative's assets (e.g. solar panels, building retrofitting tools) and share in decision-making. Surpluses are usually reinvested in the cooperative's mission or distributed modestly among members; in many cases they operate as social enterprises with no dividend, aligning with the EU definition that any financial returns are secondary to community benefit. This governance model builds local trust and long-term commitment, which is valuable in managing multi-year renovation projects. Many cooperatives also employ or partner with technical experts (energy auditors, project managers) but oversight remains with the member-elected board.

Cooperatives can tap into a variety of funding streams for renovation activities. Under the upcoming *Social Climate Fund (SCF)* - Member States are explicitly allowed to support "energy communities and other active customers" as a way to help vulnerable households invest in energy efficiency and clean energy. This means national Social Climate Plans (2025 onward) can include grant schemes or revolving funds for cooperative-led renovations (for example, covering upfront costs for low-income members). Likewise, the Recovery and Resilience Facility (RRF) has in some countries directed funds to community energy initiatives: in Spain, for instance, RRF money is financing local "Community Transformation Offices" (one-stop-shop hubs run by NGOs/coops) to assist households with renovations and to incubate energy community projects. More broadly, energy co-ops are often eligible applicants for national retrofit grants or loan programs (especially those targeting groups of homes); and several EU-supported programs (Horizon 2020, LIFE, Interreg etc.) have provided technical assistance and capital to citizen-led renovation pilots. Structural funds like ERDF have also been used by municipalities to co-finance cooperative energy efficiency projects, especially in cohesion regions. In sum, being part of a recognised energy community can improve access to public funding by pooling individual projects and providing an entity that authorities can partner with.

Example – Energy Communities Tipperary Cooperative[2] (Ireland): A standout example is the Energy Communities Tipperary Cooperative (ECTC) in County Tipperary, Ireland. ECTC is a citizen-led co-op that acts as a retrofit one-stop-shop for its members and the wider community. It assists homeowners in organising energy audits, securing grants (from Ireland's Sustainable Energy Authority) and community loans, and hiring vetted contractors. Between

[2] Also known as Ecovision.

2012 and 2019, this cooperative helped retrofit 827 houses and 25 community/commercial buildings across 13 communities, resulting in 8.8 GWh/year of energy savings. The total investment was about €10.2 million, financed by a combination of grants and community financing, demonstrating the co-op's ability to leverage public programs for local benefit. Notably, ECTC's projects have improved comfort and slashed energy bills for residents, and the co-op has reinvested surplus into a community fund for further sustainability projects. For more information visit the Rural Energy Community Advisory Hub (RECAH) best practice.

Non-profit associations with ownership functions

Beyond cooperatives, many community-led renovation efforts are organized as non-profit associations, foundations, or trusts that hold assets on behalf of a community. These entities do **have ownership functions** – for example, an association might own a building (or obtain a long lease) to renovate it and ensure it serves a social purpose (such as affordable housing, a community center, or an energy-saving project). The key distinction is that a non-profit association is typically not member-share based like a coop; instead, it's governed by members or a board without individual equity stakes, and it cannot distribute profits. Any surplus from rents or energy savings must be reinvested in the mission. The purpose of using an association model for renovation is often to enable **broad community participation (even beyond residents)** and to access certain forms of support or legal structures. For instance, a community development association might take ownership of a derelict building to refurbish it into community flats or a facility, because it can fundraise through grants and donations more easily than a private owner. Likewise, in multi-owner residential buildings (condominiums), it's common to form a non-profit *homeowners' association* to manage and renovate common property – this is effectively a collective legal body representing all owners. In some EU countries (e.g. **Estonia**), the law explicitly required apartment buildings to form non-profit associations of owners to handle maintenance and renovations, after mass privatization. Such associations operate similarly to coops in practice (democratic, one unit one vote), but are classified as non-profits. Overall, this model is used to pursue renovations that the market might not deliver – targeting social inclusion, heritage preservation, or energy poverty relief – by pooling community resources under a mission-driven entity.

Non-profit associations with ownership roles span various sectors, so no single EU directive governs them. However, they often qualify under EU definitions of *Renewable/Citizen Energy Communities* if their activity is energy-related. For example, a local climate-action association that owns solar panels on a school and coordinates home retrofits could be recognized as a Renewable Energy Community under RED II, as long as it meets the criteria (autonomous, citizen-controlled, community-benefit focus) – the legal form can indeed be an association or NGO. Similarly, associations can be part of **Citizen Energy Communities** under the Electricity Directive. This means EU energy law does acknowledge associations as valid community actors in the energy transition. Beyond energy, EU funding programs often treat non-profit associations as key intermediaries for delivering renovation initiatives at the local level. The *Renovation Wave strategy* (2020) emphasized the role of community initiatives and NGOs in reaching building owners – for example, through "one-stop shop" advisory offices. The EU has supported this via projects like *EU City Facility* and Horizon pilots (e.g. Opengela in Spain, see below) that give grants to local partnerships led by municipalities and non-profits.

A non-profit association is typically governed by a general assembly of members (which could be individuals, other organizations, or even public bodies) and an elected board. Unlike a cooperative, members of an association usually do not hold transferable shares and do not "own" a specific part of assets – the assets are owned by the legal entity itself. This structure is useful for projects where the intention is to remove the asset from speculative market circulation. For example, a *Community Land Trust (CLT)* is often set up as a nonprofit foundation or association that owns land and buildings to keep them permanently affordable. The CLT model divides property rights: the trust retains ownership of the land and often building shell, while residents own or rent the homes with resale price caps, ensuring long-term affordability. Governance is usually multi-stakeholder (in CLTs, the board might have representatives of residents, community members, and public interest groups). Another example: a neighborhood association might buy a vacant building for €1 from the city, on condition it renovates it for community use – the association's statutes will ensure the building is used according to the social mission and can't be sold for profit. Decision-making in associations can be less directly tied to each beneficiary (e.g. not every tenant is automatically a member, depending on the model), but many adopt inclusive practices. In apartment-owner associations (common in condos), all unit owners are members by law and vote on renovation plans, with majority rules (often supermajority needed for big works). These associations don't seek profit; they collect fees for maintenance and create reserve funds for future renovations. Thus, their ownership function is stewardship – holding property or funds collectively to manage renovations that individual owners either couldn't coordinate alone or wouldn't undertake due to cost/risk. The non-profit form also brings transparency and accountability (financial audits, public-benefit status in some cases) which can increase trust among residents and external funders. Non-profit associations are generally well-placed to receive grants and donations, including EU funds, because of their mission-driven status. Many EU-funded energy renovation programs explicitly list NGOs or associations as eligible intermediaries.

Example – Community Land Trust Brussels "Le Nid" (Belgium): *Community Land Trust Brussels* is a non-profit association that exemplifies community ownership for renovation. Founded in 2013 with support from the Brussels regional government, CLTB buys land or buildings and develops permanently affordable housing for low-income families, using a community-led approach. One of its flagship projects is "Le Nid" in Anderlecht, Brussels. Le Nid involved the *renovation and repurposing of a derelict former parish center into a housing complex with 7 apartments* (for 7 families) and a shared community space and garden. The building, which had been vacant, was transferred to CLTB, which worked closely with future residents (all modest-income, many previously unable to buy a home) to design the renovation. The families organised as a group with CLTB and had input on architectural plans, ensuring the flats met their needs. Thanks to the CLT model, each family purchased their apartment at an approximately 30% lower price than market value, since the land was kept by the CLT and public subsidies filled the gap[3]. In return, the families agreed to resale restrictions: if an owner moves out, the unit must be sold (back to the CLT or to another lower-

[3] Community land Trust-Based Renovation: Aligning sustainability with social protection and community empowerment - Community Land Trust Bruxelles

income family) at an index-linked price, not a market price – this decommodification ensures the public investment is recycled to help another family.

Public-community partnerships

Public–Community Partnerships bring together local authorities (or other public bodies) and community-based organizations to co-design and co-deliver building renovation projects. Unlike a conventional public–private partnership (PPP) that involves for-profit companies, these arrangements feature **community ownership or participation** alongside the public sector. They can take various forms: a municipality and an energy cooperative might jointly create a Special Purpose Vehicle (SPV) company to retrofit a set of buildings, or a city might provide seed funding and assets while a community trust carries out the project. The core purpose is to leverage the strengths of each party – the **public partner** contributes capital, enabling policy/regulatory support, or property (e.g. public buildings or land), and the **community partner** contributes local knowledge, citizen buy-in, and sometimes additional funding or manpower – to achieve renovations with public benefit that might not happen otherwise. This model is especially useful for scaling up renovations of *public or shared assets* (like social housing blocks, schools, or whole districts) where community engagement is key to success. It aligns with the idea of *co-production*: residents and authorities working hand-in-hand. Public–community partnerships aim to ensure renovations are not only technically successful but also socially inclusive (avoiding gentrification, fostering local jobs) and publicly accountable. By having communities at the table, these partnerships can improve trust and acceptance – for example, tenants are more likely to support disruptive retrofit works if they have a formal role in the project governance. The presence of a public entity can also reduce risk and unlock financing (through guarantees or long-term contracts), making community initiatives more bankable.

In a public–community partnership, governance is shared. One model is a **joint venture company (SPV)**: for example, a city and a cooperative each take shares in a new entity that will manage a renovation project. The community shareholders might be represented on the board alongside municipal officials, and decisions require consensus. This was the case in some renewable energy projects in Germany and Denmark, where municipalities co-owned wind or district heating co-ops with citizens – a model now extending to retrofits (for instance, a city might co-own a retrofit company to renovate municipal housing stock, with tenants' association as a minor shareholder). Another structure is a **contractual partnership**: the municipality retains ownership of assets, but contracts a community organization to deliver services, with a long-term agreement and profit-sharing. An example: a town could contract an energy community to implement energy-saving renovations in public schools, and agree to pay them back from the energy cost savings over 15–20 years (an Energy Performance Contract). In this case the community group isn't an owner of the building, but it owns the installed equipment during the contract and has a stake in performance – a partnership approach distinct from hiring a commercial ESCO. Governance in such cases is often ensured by a steering committee including both parties. Yet another approach is **public empowerment of community trusts**: the public sector may provide favorable conditions (grants, asset transfers) but step back from direct control, allowing a community-led entity to govern itself with minimal interference aside from reporting duties. For instance, the City of Barcelona supports housing cooperatives by leasing them public land for 75-99 years at nominal rates (a public–community partnership on land use); the cooperative (community) governs the development and renovation of the building, while the city oversees compliance with affordability terms.

Regardless of form, a key governance challenge is to balance accountability for public funds with the flexibility and volunteer spirit of community groups. Successful partnerships establish clear roles: the public partner often handles regulatory hurdles, and the community partner handles engagement and on-the-ground execution. Ownership of renovated assets can remain public (with community simply involved in management), or become community-owned, or a mix – for example, a community might own the solar panels and efficiency equipment installed on a municipally owned building. There is growing innovation in legal arrangements to formalize these shared ownership models. Public–community partnerships can be very attractive to funders because they combine public credibility with grassroots buy-in. They are eligible for a wide array of funding.

Example – Energia Positiva & Zelo Buon Persico (Italy): A concrete example of a public–community partnership in renovation is the collaboration between the municipality of Zelo Buon Persico (a town in Lombardy, Italy) and the citizen energy cooperative Energia Positiva. In 2017, Zelo Buon Persico issued a call for tender to improve energy efficiency in several public buildings (replacing old heating boilers and upgrading lighting to LEDs in schools and offices). No private company submitted a bid, likely due to the small scale or perceived risks of the project. In response, the town partnered with Energia Positiva, a nationwide renewable energy cooperative, which decided to step in and finance the renovations collectively. The co-op raised about €500,000 from its members, including local residents who were thus able to invest in their own town's infrastructure. Energia Positiva then subcontracted local firms (two companies that were also member-owners of the cooperative) to carry out the boiler replacements and lighting retrofit. In exchange, the municipality signed a 20-year performance contract: the cooperative will be repaid through the energy cost savings and a guaranteed fee, over two decades. This model meant the town didn't have to pay upfront capital, and the community earns a modest return funded by efficiency gains rather than taxes. The outcomes include not only modernized, energy-saving public buildings (with lower CO_2 emissions and better lighting comfort), but also an increased sense of local pride – residents directly contributed to improving their town and will see the benefits. This case was one of Italy's first collective financing interventions for public building renovation

Concluding remarks

These models work because they give people a real stake in the outcome. They help groups of neighbours align around shared goals, pool resources, and negotiate better terms. They give municipalities trusted partners to work with, and they keep public value in public hands. In places where the renovation wave risks leaving people behind, especially in multi-owner buildings or energy-poor areas, community ownership is often what makes action possible.

There is no single formula. What matters is the combination of local leadership, the right support structures, and a legal and funding environment that makes it easier to organise collectively. That means adapting rules, making funding more accessible to groups, and backing up ambition with practical help.

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