

Service description and terms of contract for energy communities

1. Service description

1.1 Energy community

An energy community is a consortium of places of use that jointly utilise their own electricity production. The members of the community share the benefits of energy production and procurement with each other. From the point of view of an individual member, the situation is computationally the same as if the member had a personal production plant.

The energy community information is maintained by the distribution system operator in whose metering area the energy community in question is located. The energy community complies with the Government Decree on the Settlement and Metering of Electricity Supplies (767/2021).

The energy community may be implemented as a local energy community or as a group of active customers. Natural persons cannot form a local energy community among themselves unless the cooperation is carried out through a legal entity, such as a housing company. However, natural persons may establish an energy community by forming a group of active customers. The energy produced in the community can be divided using the surplus methods SMA or SMB.

If electricity distribution or electricity supply has been interrupted for a place of electricity use belonging to a local energy community or group of active customers, the share belonging to that place of use of the amount of electricity supplied to the distribution network by the energy community or group shall be allocated to the place of use where the production equipment, power plant or energy storage is located in the internal credit calculation of the imbalance settlement period.

1.2 Types of energy communities

1.2.1 Local energy community

A local energy community refers to a legal entity:

- 1) that produces, supplies, consumes, aggregates or stores energy or provides energy efficiency services, electric vehicle charging services or other energy services to its members or shareholders;
- 2) that is based on voluntary and open participation;
- 3) that is effectively controlled by its members or shareholders;
- 4) whose members or shareholders are natural persons, municipalities or other local authorities or small or medium-sized enterprises;
- 5) whose primary purpose is to generate, instead of monetary profit, benefits related to the environment, the economy or the social community for its members or shareholders or the area in which it operates;
- 6) the electricity metering of the places of electricity use of the members or shareholders of which is the responsibility of the distribution system operator;
- 7) the places of electricity use of the members or shareholders of which are located on the same property or a similar group of properties and are connected to the distribution system operator's distribution network with the same connection; and
- 8) whose electricity production equipment and energy storage belong to the connection referred to in paragraph 7.

In the case of a local energy community, the responsibility for fulfilling the obligations under the contract lies with the legal entity that is party to the contract. This legal entity can be, for example, the property manager or the chairman of the board. They represent all the members of the energy community.

1.2.2 Group of active customers

End users may form a group of active customers for the settlement of electricity supplies if:

- 1) they jointly produce or store electricity or participate in flexibility or energy efficiency arrangements;

- 2) the activities referred to in paragraph 1 do not constitute the primary commercial or professional activity of the end users;
- 3) the distribution system operator is responsible for the electricity metering of places of electricity use of the end users;
- 4) the places of electricity use of the end users are located on the same property or a similar group of properties and are connected to the distribution system operator's distribution network with the same connection; and
- 5) the electricity production equipment and energy storage of the end users belong to the connection referred to in paragraph 4.

In the group of active customers, each end user is a party to the contract. The end users are jointly and severally responsible for the obligations under the contract. None of the end users in the group of active customers can announce changes related to the contract on their own without authorisation, but changes related to the contract require the consent of the other end users. Consent can be expressed by means of a power of attorney, for example.

The end users decide together who is the group's principal contracting party towards the distribution system operator. The principal contracting party informs the distribution system operator of any changes in the community.

1.3 Energy surplus methods SMA & SMB

1.3.1 Principles

The energy community may be implemented according to the surplus method SMA or SMB. In both surplus methods, the production point's own consumption, such as the housing company's lifts and lighting, is first deducted from the production. The remaining production is divided between the members of the energy community according to the agreed dividend. The surplus methods SMA and SMB differ from each other in terms of the possible sale of production

1.3.2 Surplus method SMA

If a member of an SMA energy community does not use their dividend of the production during the metering period (15 or 60 minutes), it becomes surplus energy. In the SMA surplus method, any surplus energy is assigned in full to the

(single) production place of use defined for the energy community. This place of use may be, for example, the same one to which the housing company's small-scale production is connected. Therefore, the revenue from any surplus energy would remain with the housing company.

1.3.3 Surplus method SMB

If a member of an SMB energy community does not use their dividend of the production during the metering period (15 or 60 minutes), the member sells the surplus in accordance with their personal purchase contract for electricity production.

2. Requirements for implementation

2.1 Requirements for the energy community notification

A notification of the establishment of an energy community may be submitted when:

- the energy community meets the requirements of the Government Decree on the Settlement and Metering of Electricity Supplies (767/2021) (the key requirements are presented in the description of energy communities in chapter 1);
- the supplier of the energy solution (small-scale production) notifies the distribution network company about connecting the production to the distribution network before building the energy solution;
- the nominal output of the electricity production equipment, power plants or energy storages is less than 1 MVA;
- each end user belonging to the energy community has a valid network service contract with the distribution system operator in their own name;
- none of the places of use associated with the energy community belong to other energy communities;
- the contracting party of the energy community has sufficient authority to conclude a contract on behalf of the community; and
- the type of the energy community, the places of use associated with the community and the dividends to two decimal places are known.

2.2 Requirements for the implementation of the energy community

A contract between the distribution network company and the energy community may only be concluded once all the necessary production sites have a purchase contract for electricity production. The distribution network operator creates the production sites after the energy community notification.

In the surplus method SMA, one production place of use of the energy community must have a purchase contract for electricity production with an electricity supplier.

In the surplus method SMB, every place of use connected to the energy community must have a purchase contract for electricity production with an electricity supplier. The place of use where surplus energy is assigned must also have a purchase contract for electricity production.

The energy community's credit calculation may begin no earlier than 14 days after the notification of establishment.

3. Obligations of the energy community after implementation

The energy community has a continuous update obligation with regard to changes in the energy community's information. Changes include, for example, a member of the community moving, leaving the community or a change in dividends. The energy community must notify the distribution system operator of any changes to the energy community's information at least two weeks before the desired date of entry into force of the change.

In a local energy community, updating the information is the responsibility of the legal entity that is party to the contract.

In a group of active customers, updating the information is the responsibility of the principal contracting party.

4. Obligations of the distribution system operator

The distribution system operator is responsible for receiving and forwarding to Datahub the following information concerning the local energy community or group of active customers:

- 1) registration notification of the local energy community or group of active customers;
- 2) places of electricity use belonging to the local energy community or group of active customers;
- 3) dividends regarding electricity production and withdrawal from electricity storage;
- 4) information on the processing of electricity supplied to the distribution network; and
- 5) any notifications of changes to the information made by the energy community.

In addition, the distribution system operator is responsible for validating the accuracy of the information to a limited extent:

- 1) verifying that all the places of use are in the same connection of the distribution system operator; and
- 2) verifying that each place of use is included in no more than one local energy community or group of active customers.

The distribution system operator must also verify that the dividends indicated by the energy community always total 100% and that the nominal output of the electricity production equipment, power plants or energy storages belonging to the energy community is less than 1 MVA.

The distribution system operator is entitled to make changes to the energy community's information only on the basis of the energy community's own notifications.

The distribution system operator is not responsible for the imbalance settlement of electricity trades, but it is stipulated in the Government Decree as a service provided by Datahub.

5. Disconnection of electricity for a place of electricity use belonging to the energy community

If electricity distribution or electricity supply has been interrupted for a place of electricity use belonging to the energy community, the credit share belonging to that

place of electricity use shall be allocated to the place of electricity use where the production is located.

If electricity distribution or electricity supply is disconnected for a place of electricity use belonging to the energy community in accordance with the terms of network service, terms of electricity supply or terms of electricity sales and there is a production place of use at the same place of electricity use, the network service of the energy community's production site will also be interrupted. In such a case, no credit calculation in accordance with this contract may be carried out for the energy community.

The distribution system operator does not have the right to inform the end users belonging to the energy community why the electricity supply of one place of electricity use has been interrupted. Furthermore, the distribution system operator is not obliged to contact the energy community when the electricity supply of a place of electricity use has been interrupted.

6. Validity and terms of notice

The contract enters into force after being signed and is valid until further notice. The energy community has the right to terminate the contract with 14 days' notice. The distribution system operator may terminate the contract if the energy community breaches the terms of contract or if the energy community ceases to exist as a legal entity.

7. Disputes concerning the contract

If a dispute concerning the contract cannot be settled through negotiations between the parties, the consumer may bring the matter to the Consumer Disputes Board (www.kuluttajariita.fi) for resolution. The consumer must be in contact with the Consumer Advisory Service (www.kuluttajaneuvonta.fi) before bringing the matter before the Consumer Disputes Board.