

## Press Release

### Energy community on Tenerife: E.ON and the municipality of Adeje pilot innovative concept

E.ON and Adeje, a municipality in southwest Tenerife, are making a joint contribution to decarbonization and establishing an innovative energy community called “Adeje Verde”. It is the first energy community of its kind in Europe and, to this date, the biggest solar circle in Spain – connecting about 200 consumers to a solar PV production unit within a 500-meter-radius. The solution will enable residents and local entities to produce, share and collectively use renewable electricity. The objective is to supply Adeje with up to 100 percent energy from local renewable sources in the future.

The pilot project aims to establish the first self-consumption energy community in Europe with an innovative citizen involvement approach. It's based on the new Electricity Market Directive of the 2019 EU Clean Energy Package, which indicates that excess solar photovoltaic (PV) energy no longer needs to be fully fed back to the grid but can instead be passed on to neighbours at a reduced rate. This new regulation provides the basis for the project to establish the first energy community in Spain's Canary Islands. E.ON will use best practices learned from Germany (Stadtwerke model), the Netherlands, and Sweden to inform the project.

Luis Hernandez, Head of Energy Communities and Networks at E.ON Innovation, says: “We'll enable green energy to meet people's power: in Adeje, we are creating the first community that corresponds to the new European guidelines, which will be applied throughout Europe in the coming years. Spain is a front-runner with this new regulation, and therefore an ideal place for a pilot project as a blueprint for other pan-European approaches that enable citizens to contribute to a faster, sustainable and more affordable energy transition.”

Several local ‘solar circles’ will be installed in the municipality of Adeje. Each solar circle will be equipped with a roof PV plant at its centre and run by a prosumer (both producing and consuming energy). Each PV system will provide solar power for neighbours (consumers) within a 500-metre radius. The first PV system was installed on the rooftop of Adeje's music school. To date, about 200 households will begin to collectively receive energy from the plant in August 2022, which means a market share of 14 percent in the pilot solar circle. The school's PV produces about 149,200 kilowatt-hours (kwh) per year. We estimate it will reduce CO<sub>2</sub> emissions by around 116 tons annually.

The potential for solar circles is incredible. If just 20 percent of European citizens were part of a local energy community like that in Adeje Verde, we could save

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6.400.000 tons of CO<sub>2</sub> emissions each year. This is equivalent to removing 25,600,000 combustion engine cars from European streets.

Mayor of Adeje, José Miguel Rodríguez Fraga, says: “To protect our environment sustainably, we in Adeje are working towards changing attitudes and raising awareness – both among our residents and the many who choose Costa Adeje as their holiday destination. A more sustainable future is only possible by pursuing shared goals and benefits. The Adeje Verde energy community is an important lever for us.”

In parallel, E.ON will work on extending the availability of new PVs across Adeje , expanding the community by installing more solar circles. This will enable even people who don't have space for their own PVs to enjoy the benefits of solar energy and begin their sustainability journey. The overarching target of the pilot project is for all citizens of Adeje to access local solar power in their neighbourhood so they can become role models for the fastest-growing energy community in Europe.

Many EU islands have excellent conditions for producing energy from sun, wind, and waves. However, they often lack the infrastructure to achieve this. Energy storage and lower grid capacities present significant challenges, forcing most islands to import fossil fuel sources from the mainland. Because of this, islands offer an ideal testing ground for future energy systems. Tenerife is no exception – with 79 percent of the island's electricity coming from fossil fuels.

This is unsustainable and expensive, with electricity prices up to ten times those on mainland Spain. The Canary Island government is trying to break this model, transitioning all islands to 100 percent renewable sources by 2040. The new Adeje Verde energy community is a significant step in the transformation journey. It will act as a pilot, demonstrating how the rest of the region can produce and use sustainable energy. Furthermore it could provide a pan-European blueprint for renewable energy generation and consumption.

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