

## THE BENEFITS OF COMMUNITY OWNERSHIP

On the 30th of November 2016 the European Commission published the Energy Package that calls itself a Clean Energy Package for all Europeans. As part of the European Commission's commitment to put citizens at the heart of the energy transition the Clean Energy package gives citizens and their community energy projects the right to produce, store and sell their own renewable energy. As Friends of the Earth Europe and REScoop.eu we welcome these moves in the right direction. However there are conflicting signals in the package and to allow community- and cooperatively-owned renewable energy projects to fulfil their true potential certain threats to community energy need to be removed.

### There are many benefits to community and cooperative ownership of renewable energy; here we highlight just four.

#### 1. It's good for the consumer

Cooperative energy suppliers are able to offer cheap, competitive electricity to their customers. For example, Ecopower (see page 3) the Belgian cooperative supplier in Flanders is regularly awarded recognition for having the fairest billing structure of all suppliers in the region.<sup>1</sup> Community projects can also decide to give low-cost or free electricity allowances to their members, such as Brixton Solar project in London (page 3). Many consumers also choose cooperative suppliers because they encourage the installation of solar panels, and encourage energy efficient behaviour. The ability to participate in an energy community also allows the consumer to exercise their right to choose where they get their energy from.

#### 2. It's good for the local economy

Community-owned windfarms give eight times as much local added value as internationally owned projects.<sup>2</sup> This is because community-owned projects are more likely to give contracts to locally owned contractors, to use local banks and to provide investment opportunities to local citizens. Instead of exporting millions of euros in exchange for the delivery of polluting fossil fuels, profits from local generation stay in the community.

#### 3. It's good for Europe

European Union policies can often seem abstract to citizens. Community energy policy is real to people, it's about homes and communities. It is a chance for Brussels to do something with a positive impact on people's lives and to re-establish trust in the European project, and in democracy. People should be the ones who are able to benefit from the energy transition.

#### 4. It's good for the planet

With the Paris agreement the European Union has committed itself to pursuing efforts to remain below 1.5 degrees of global warming. To have any chance of avoiding the worst impacts of climate change we need to urgently transform to a safe, renewable energy system. A significant barrier to this urgent transformation is resistance from local communities living near energy infrastructure. Local opposition to renewable energy projects (typically wind turbines) decreases when citizens are given the opportunity to invest in and co-own the production installations. Through initiatives focused on energy efficiency, Ecopower's members have reduced their electricity consumption by an average of 50% over the past 10 years.

<sup>1</sup> <http://www.greenpeace.org/belgium/groene-stroom/>

<sup>2</sup> <http://www.erneuerbareenergien.de/local-added-value-from-a-community-wind-farm/150/437/96249/>

*“Community-owned windfarms give eight times as much local added value as internationally owned projects.”*



## EDINBURGH COMMUNITY SOLAR COOPERATIVE

In Scotland the Edinburgh Community Solar Cooperative has installed, owns and is now managing solar systems on the roofs of 24 City of Edinburgh Council buildings. The public buildings, including schools, community buildings and leisure centres have a combined generating capacity of approximately 2 MW - the largest community-owned rooftop scheme of this kind in the UK.

The objectives of the Edinburgh solar cooperative are:

- to make ownership of renewable energy accessible to more people within the city of Edinburgh;
- to help deliver low carbon initiatives for the buildings which host its panels;
- to help other community groups in the city that wish to tackle fuel poverty or reduce carbon emissions.

The solar cooperative raised the required capital through a community share offer: over 500 ordinary people from across Edinburgh and beyond have become members of the cooperative by purchasing shares worth a minimum of £250 (€320) and a maximum of £100,000 (€125,000).

The cooperative will generate income through the sale of electricity to the national grid and feed-in tariff payments. In addition, Edinburgh Council will pay them for solar electricity consumed on site at current electricity prices which will be fixed for the next 20 years, reducing their energy bills. Edinburgh Council will further benefit from a reduction in tax payments under the national Energy Efficiency Obligation. It will also help them meet required contributions to the national emissions reductions target under the Scottish Climate Change Act, as well as Scotland's 2020 target of having 1 GW of installed renewable energy capacity owned by communities. Members of the cooperative will receive a capped 5% return on investment. All surplus income generated will feed into a community fund which is intended to deliver on the objectives of cooperative, including tackling fuel poverty. Development and legal costs at the early stages of the project e.g., from surveys, licence agreements with the Council, procurement of the solar panels, were covered by a grant and loan from the Scottish Government's Community and Renewable Energy Scheme (CARES) part of the Scottish Government's commitment to community energy and a scheme that represents best practice.

At the second AGM a small income was received by the cooperative and the members voted to distribute the surplus towards adding educational display panels to entrance halls of the host buildings.



*The solar panels generating energy on this school in Scotland are lowering the energy bills of the school and creating revenue for the local community*

### KEY BENEFITS OF THIS PROJECT

- Unique opportunity for urban residents to become part of a community energy scheme
- Cost savings for Edinburgh City Council
- Council and citizens taking joint action to combat climate change
- A community benefit fund to help tackle fuel poverty and reduce carbon

## ECOPOWER-BELGIUM

Ecopower is a renewable energy cooperative, or REScoop, from Belgium. It was established by citizens around a kitchen table in Rotselaar in 1991. The origins of the Ecopower story date from 1985 when the watermill was bought as part of a co-housing project. From there the idea for citizen energy production grew, and led to the foundation of Ecopower.

Today, the cooperative is both an energy producer and a supplier operating in the Flanders electricity market. Ecopower is a successful cooperative business with 35 staff that offers over 50,000 citizens the opportunity to get a grip on their energy production and supply and to join the energy transition. Projects in recent years include the development of wind turbines, solar, hydropower, co-generation and a factory where they produce wood pellets. Together these installations produce about 100 million kWh per year and up to 40,000 tonnes of wood pellets and wood briquettes.

Ecopower supplies the energy to their members at a reasonable price and offers the chance for people to make small or larger investments in renewables depending on their own financial circumstances. Through initiatives focused on energy efficiency, Ecopower's members have reduced their electricity consumption by an average of 50% over the past 10 years.



*Ecopower has reinvested part of their profits to benefit the community with this e-bike charging station.*

Ecopower also forms direct partnerships with local municipalities to support economic and social value creation for the citizens and the municipality. Ecopower energy experts support private households and the municipality so they can undertake energy efficiency measures or put solar panels on their roofs. Ecopower reinvests part of the profits in the local community, for example through a community benefit fund in Eeklo, which funded a solar-roof on an e-bike charging station.

## KEY BENEFITS OF THIS PROJECT

- allows local citizens to share in ownership, governance and profits (up to 6% return)
- helps citizens to save energy and therefore money on their energy bills
- reinvests part of the profits in the local community
- provides expertise to support municipalities in executing sustainable energy action plans

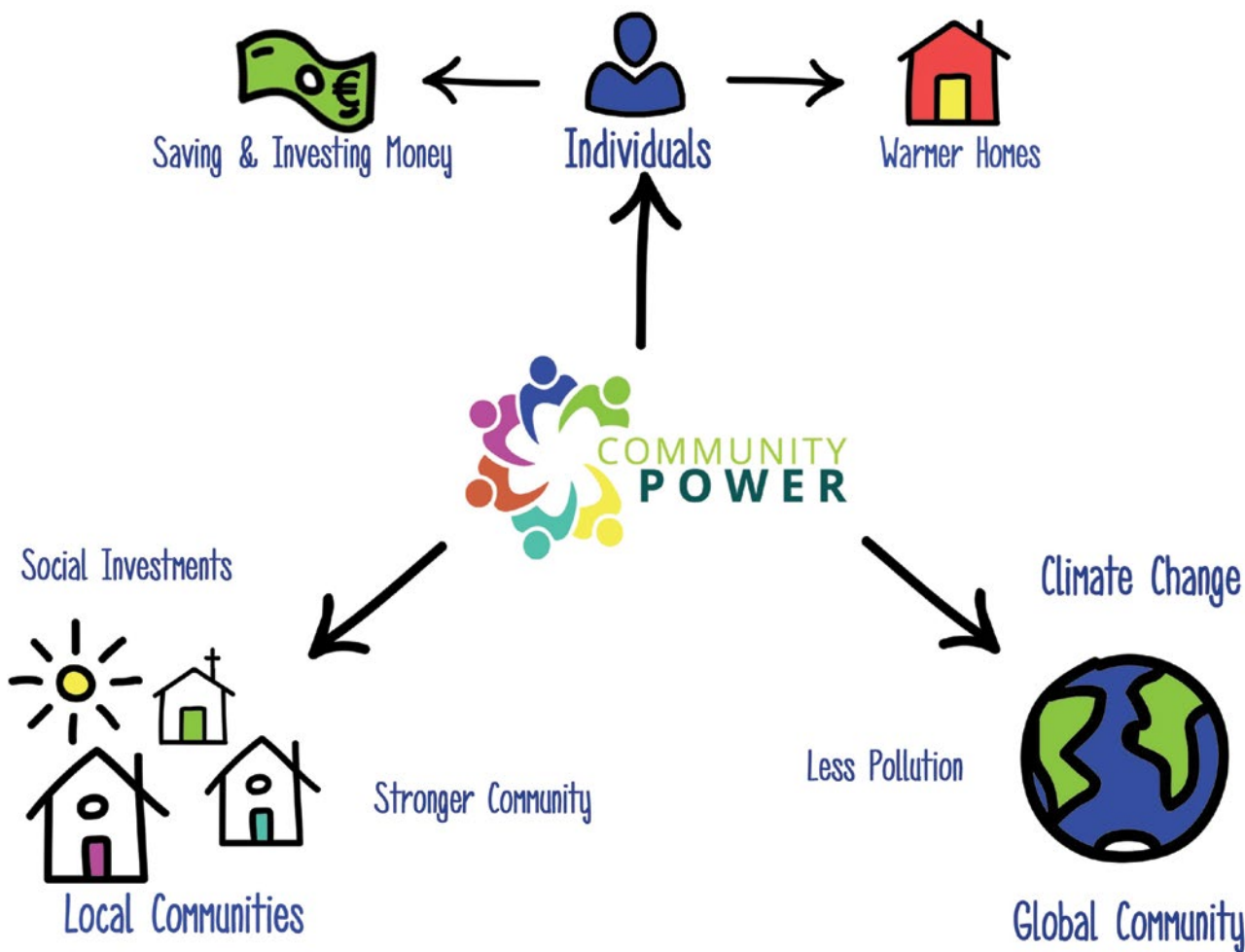
## REDUCING ENERGY POVERTY

Many community-owned energy projects provide an allowance of electricity at low cost to the people involved. For example, in Brixton a disadvantaged area of London in the UK, many people cannot afford to have contracts with energy companies and instead have to be on more expensive 'pay-as-you go' tariffs. Brixton Solar community power project gives local people a limited amount of the electricity produced with solar panels on their own roofs for free. Through the project people can also take part in 'draught buster' workshops to help them cut energy waste. This reduces energy poverty and means residents have more energy to heat their homes and cook with.

When communities own the means to produce their own energy they have more control over the costs and don't have to pay the full price demanded by energy companies. Currently they are working on creating battery storage in tower blocks to further reduce energy bills. The cooperative also provides training opportunities for youth living in the local community through an internship programme.

**WHAT WE NEED:**

1. A definition for a 'renewable energy community' in the Clean Energy package that encourages community energy to grow whilst guarding against abuse.
2. Access to financial support schemes for renewable energy communities, to ensure local communities, Europe and the environment all benefit .
3. An emphasis on encouraging low-income communities to participate in community energy projects, including energy efficiency.
4. Guaranteed, fair and non-discriminatory access to energy markets and the electricity grid for community projects.



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