

Renewable Energy

Cooperatives can help to reach renewable targets

What is the Issue?

- Fostering growth in the renewable energy sector is key to weaning European economies off fossil fuels, and protecting the planet
- However, many households across Europe increasingly struggle to find a source of affordable energy in markets which are often dominated by a few large private firms, which exist to benefit their shareholders, and do not necessarily operate with the best interests of consumers and society at heart
- In addition, the task of building a society reliant on affordable, sustainable sources of power is made more difficult by several factors
- Individual investment in renewable projects is often too expensive to be in reach of large swathes of the public, and even if this is not the case, homes may lack the physical capacity to generate it

- Renewable projects by private firms often generate local opposition, particularly in the case of wind turbines, and many such initiatives struggle to survive without local consent

Why is this a problem?

- The need for energy that is not only renewable, but affordable for the average consumer, is of vital importance to tackling not only climate change, but the cost of living problems that many face across Europe, driven in part by the price of powering their homes
- For it to survive and thrive, it must also be able to rely on the backing of the local community

How can a Cooperative approach help?

- Cooperatives, whose business model emphasizes the values of community and sustainability, are uniquely placed to address these challenges when compared to its shareholder owned counterparts
- Owned by their membership, which is open to anyone, they are incentivised to put people first by providing affordable prices
- Unlike listed companies, the profits made in each area are returned to the community, often through lower renewable energy prices for members
- Some also use their income to champion other green goals in the interests of the wider public, such as through financing improvements in energy efficiency, or through community schemes, such as providing charging points for electric bicycles
- The ability of cooperatives to make visible improvements to the communities that they are rooted in means that they find it easier to obtain consent for their initiatives

- This model of business also allows mutually beneficial ties to be forged between citizens and socially responsible business, as with Ecopower in Belgium, who have grown to become one of the largest renewable energy cooperatives in Europe off the back of their work with Eeklo's city council through successive projects over the last two decades
- It also helps to foster a strong small business sector, particularly in Germany, where groups like Netzkauf EWS provide a large proportion of Germany's 900 grid operators
- Many of these cooperatives exist in spite of the increasing difficulties they are facing in complying with energy regulations, that are often tailored to larger businesses
- However, if given space to operate, energy cooperatives have the potential to play a part in combating several problems at once, by helping to facilitate a transition away from fossil fuels, alleviate the burdens on EU citizens cost of living, whilst also empowering small businesses and communities at the expense of larger, profit driven firms

