



**Zelena
Energetska
Zadruga**

Activity report for Energy Community Renewable Energy Coordination Group

Core topic 3: Citizens participation in the development of renewable energy projects

Core topic Leader: Green Energy Cooperative (ZEZ)

Green Energy Cooperative, November 2017

www.zez.coop



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Background: Renewable Energy Coordination Group, Work Programme 2016-2017, Page 8

SCOPE OF ACTIVITY:

Article 14 of Directive 2009/28/EC requires that the Contracting Parties, with the participation of local and regional authorities, shall develop suitable information, awareness-raising, guidance or training programs in order to inform citizens of the benefits and practicalities of developing and using energy from renewable sources.

In order to achieve this objective, the Contracting Parties need to ensure that citizens and communities can effectively participate in the energy system – not just on the demand side but also in the production of energy and other areas which must be aligned with the de-carbonization agenda to allow new actors and new approaches including innovative business models, to compete on a level playing field with existing incumbents.

Task 1: Encouraging citizen participation through community energy

In energy communities' citizens are not only energy consumers but, as individuals or as a community, they can become energy producers and service providers (e.g. energy supply, demand response). The promotion of community and citizen energy projects is important as it develops the local economy, creates local jobs, increases acceptance for renewables (from NIMBY to PIMBY), contributes to energy independence, uses local resources and increases resilience to market conditions.

Topic leader will cooperate with the local authorities from the Contracting Parties on the promotion and usage of energy from renewable sources (Directive 2009/28/EC) and develop 'community-led' projects.

Task 2: Recommendations for legal frameworks that encourages community power

Current EU legal framework lacks explicit recognition of community power and its benefits. The adoption of National Renewable energy action plans should increase the participation of citizens in the ownership of RES projects (based on good practice in western EU Member States) and develop effective strategy for increasing the voluntary participation of individuals in the ownership of RES projects.

The topic leader will develop a model, that is not a 'one-size-fits-all' but the one that takes into account the diversity of legal and regulatory contexts (taking into account greatly differing national, social, economic and legal contexts, and specific electricity market design) across the Energy Community Contracting Parties.

Task 3: Developing effective business models for community financed energy projects

Community energy projects are introducing new business models on the market, more focused on market based uptake of renewables centered on citizens, as beneficiaries of the entire process. Investing in renewable energy and energy efficiency gives additional opportunities for strengthening and empowering local communities. There are a growing number of innovative finance models already in use, proving to have a steep learning curve, like the crowd investing (P2P lending and equity crowdfunding) that are making use of citizen savings to strengthen local development.

Given the importance of alternative financing models, this task will explore the usage and application of innovative (non-traditional) business models in the field of crowdfunding renewable energy with clearly defined and prototyped business models for various technologies and their mutual integration. Through that, integration of financing models with market based energy businesses (energy production, consumption and supply/trade) will be explored for Energy Community Contracting Parties offering possible solutions to be implemented in practice.

DELIVERABLES:

1. Recommendations for policy makers to encourage the development of community and citizen owned energy projects
2. Promotion of citizen-owned renewable energy projects
3. Alternative business models for financing community renewable energy projects



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Intro - Key ZEZ activities in EC Contracting Parties in 2016-2017

Promotion activities

- Participated in workshop for developing energy cooperative movement in Macedonia, Albania and Kosovo (October 2017)
- Adjusted WE Engage online tool¹ that helps stakeholders to design social acceptance strategies (during 2016)
- Created database of community energy projects in WB region for Citizenergy platform² within EU funded project (during 2016)
- Co-established Platform for Good Energy in Croatia, multi stakeholder platform of organizations involved in renewable energy sector (investors, academia, NGO's)

Capacity building activities

- Continuously working on building capacities for crowdfunding – participating and organising education and events for local stakeholders (SMEs, CSOs, local governments) – Croatia, BiH, Serbia, in cooperation with partner-organisations (Terra Hub, Brodoto, UNDP AltFinLab) thus contributing to crowdfunding ecosystem creating in the SEE region
- Became coordinator for Energy section in Cooperative for ethical financing (ZEF) in Croatia (more than 1,000 members)

Creating pipeline and testing new pilots

- Started first crowd-investing projects in Croatia (June 2017 - April 2018). Testing crowd lending model for financing solar plants through energy cooperatives and group financing
- Started promotion of community based models In Bosnia and Herzegovina (BIH) with GIZ (July 2017 - January 2019) through cooperation with GIZ on the project Promotion of renewable energy

Policy-related activities

- Develop recommendations for legal framework how to enable citizens to take part in renewable energy projects in BiH –in cooperation with national and EU stakeholders (August 2017-December 2017)
- Nominated in RESCoop³ Board member during the General Assembly of REScoop (EU Federation of energy cooperatives) in Bonn during COP (November, 2017)
- Introduced the concept of citizen renewable energy (community energy) and importance of citizen participation for energy transition in the National Low Carbon Strategy (white paper published in June 2017)

¹ <http://www.we-engage.eu/hr/>

² <https://citizenergy.eu/>

³ EU Federation of energy cooperatives



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Mapping activities

- Mapping of community energy initiatives in Croatia (September 2017). Database with 20+ local initiatives and projects created.
- Mapping of community energy initiatives in BIH (November 2017). Interviews and mapping of renewable energy projects with local stakeholders

Studies and analyses

- Co-authored Study on energy cooperative movement in SEE region (focusing on Croatia, BIH, Serbia) for Heinrich Boell Stiftung project (January 2017-December 2017). To be presented at the HBS event in Berlin in December



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Summary of the tasks within Renewable Energy Coordination Group & Potential for next activities in the period until 2020

1. Engaging with communities - Encouraging citizen participation through community energy

Activities done:

- Study tour on good practices in community energy projects in Croatia for representatives from local authorities in Serbia (20+ representatives)
- Organized and participated in workshops on community energy in Croatia, BIH, Serbia and Macedonia (during 2016 and 2017)
- Mapping of local energy initiatives in Croatia (completed) and BIH (on-going)

Potential for 2018 - 2020:

Continuation of mapping community energy initiatives and developing network of energy cooperatives and community energy initiatives in WB region with an aim to assess, create and work on a viable pipeline of community energy projects

2. Legal framework - Recommendations for legal frameworks that encourages community power

Activities done:

- Guidelines for policymakers and touristic sector for introducing micro-solar in Croatia – published in study by Greenpeace
- Draft recommendations for BIH – draft version prepared, final version to be prepared by the end of 2017

Potential for 2018 - 2020: Creating tailor made recommendations for legal frameworks in WB region based on experiences from Croatia and BIH

3. Business models and social innovation - Developing effective business models for community financed energy projects

- Crowd-investing – pre-investment study prepared, campaign to started in early 2018
- Net metering – tested in first energy independent school, in Croatia
- Public civil partnerships – involving city authorities and citizens in financing projects, on-going in cities in Croatia

Potential for 2018 – 2020: Kick-starting new community energy projects in WB region based on experiences in Croatia