

## Module 4

# Community Engagement Approach



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**e-coop**  
Enabling communities to respond to  
energy, social and environmental needs



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# INTRODUCTION





# INTRODUCTION

Energy transition has become a crucial issue on the global agenda due to the need to address climate change and ensure long-term sustainability. Cooperative energy communities emerge as a **solution that promotes inclusiveness and democratic decision-making in this process.**

Rationale:

- Need to decentralise the energy system.
- Empowering local communities to participate in the generation and management of their own energy.
- Implement sustainable and democratic solutions that contribute to mitigate the externalities of polluting energy generation processes.



# INTRODUCTION

By definition, energy communities must include the active participation of society. This is reflected in two European directives:

- According to Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018, Article 2 states that a renewable energy community is a legal person:
  - a) which, in accordance with applicable national legislation, is based on **open and voluntary participation**, is autonomous and effectively controlled by shareholders or members in the vicinity of renewable energy projects owned and developed by that legal entity;
- According to European Parliament Directive (EU) 2019/944. A Citizen Energy Community is defined as a legal entity that:
  - a) It is based on **voluntary and open participation**. Effective control is exercised by the partners or members. These will be individuals, local authorities and small businesses.





COMMUNITY  
ENGAGEMENT





## COMMUNITY ENGAGEMENT

The involvement of the local energy community following an ESG (Environmental, Social and Governance) approach is a fundamental process that ensures the active participation of the local community in energy decisions and promotes long-term sustainability.

# COMMUNITY ENGAGEMENT



## Environmental sustainability

The environmental component of the ESG approach highlights the importance of minimising the impact of energy activities on different ecosystems.

Thus, it stresses the need to:

- Mitigate climate change
- Reduce greenhouse gas emissions.
- Reduce carbon footprint.
- Promote renewable energy and energy efficiency.
- Preserve biodiversity and natural resources.

The members of the energy co-operatives share a common awareness of environmental degradation and climate change. Therefore, they consensually implement practices and actions to mitigate and reduce their environmental impact, as well as to make a more responsible use of natural resources.





# COMMUNITY ENGAGEMENT



## Social Factor

On the social side, the ESG approach focuses on **equity** and the **generation of social value** with the energy transition, through **active community participation**.

It emerges as a key element for:

- Ensuring an equitable distribution of the benefits derived from energy production.
- Participation in decision-making and activities.
- Ensuring that the energy initiatives adopted are aligned with the needs and expectations of the community.
- Promoting a more inclusive energy transition adapted to local circumstances.
- Strengthening the social fabric and fostering positive acceptance of energy initiatives.

The **creation of local employment** in energy co-operatives directly involves local residents in the energy transition, generating in turn an active participation that intensifies the **sense of responsibility and belonging to the community**, which translates into a positive impact on social cohesion for sustainable energy as a shared goal. It also enhances the **positive economic effects on the community**, given the multiplier effect of reinvesting the income earned by employees in local activities, businesses and companies.



# COMMUNITY ENGAGEMENT



## Governance

The governance aspect from an ESG perspective focuses on the **management model** of energy cooperatives, which is based on **transparency** and **accounting clarity**. This is essential to establish **trust between members, investors** and the wider **community**.

Community engagement includes a continuous cycle of feedback and adaptation. This provides information on the performance of energy initiatives, allowing for corrections and improvements. This ensures that solutions are adapted to the changing needs of the community.



# COMMUNITY ENGAGEMENT

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The following aspects should be taken into account:

- **Transparent decision-making structure:** implies that processes are clearly defined and understandable to all members and stakeholders, avoiding potential conflicts and building trust. Energy co-operatives should adopt the open-door principle, allowing free entry and exit of new members at any time.
- **Accountability to members:** decisions and activities are oriented to the benefit of the people involved and to the achievement of statutory objectives. Accountability is fundamental, ensuring active and democratic participation of members in defining strategies and key decisions.
- **Sustainable objectives:** the good governance factor should promote the adoption of sustainable strategic and operational objectives in energy co-operatives, integrating environmental and social criteria. This includes reducing externalities, promoting social equity and contributing to the transition to clean energy sources.





# COMMUNITY ENGAGEMENT



- **Risk reduction:** good governance encourages energy co-operatives to identify and reduce risks, assessing the potential impacts of energy activities to ensure their stability and resilience.
- **Financial accountability:** good governance requires strict financial accountability, prudent and diligent management of funds, accurate financial reporting and legal compliance, which are essential to ensure economic sustainability.
- **Stakeholder participation:** energy co-operatives should involve stakeholders, including members, local communities and investors, in governance and decision-making in a multi-stakeholder approach. The co-operative model encourages co-operation among all stakeholders, ensuring control over the management of the energy produced and local ownership of the accumulated capital available to the community.





SOCIAL AND  
COMMUNITY  
RESPONSIBILITY

03





## Social and community responsibility

The ESG approach highlights the crucial importance of social and community responsibility in the field of energy cooperatives.

In order to comply with the principles of social responsibility, energy co-operatives must take into account several aspects.





## SOCIAL AND COMMUNITY RESPONSIBILITY

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- **Listen to and understand local needs:** energy co-operatives should establish mechanisms to understand the specific needs of the communities they serve, whether through surveys, community meetings or other participatory methods.
- **Involve communities in decision-making:** involving communities in planning and decision-making is essential. This involves not only informing communities about energy projects, but also allowing them to contribute ideas, concerns and suggestions that directly affect their lives.



## SOCIAL AND COMMUNITY RESPONSIBILITY



- **Develop projects adapted to local needs:** energy projects should be designed taking into account the characteristics, specific requirements and preferences of each community.
- **Promote education and awareness:** energy co-operatives have a responsibility to educate communities about the benefits and implications of energy projects.
- **Assessing social and environmental impact:** social responsibility involves constantly assessing the impact of the co-operative's operations in social and environmental terms, adjusting them so that they truly benefit the community.





EDUCATION AND  
TRAINING

04





## Education and training

Energy co-operatives should maintain an active role in educating and training communities on energy issues and the importance of sustainability.

This involvement in training and information processes contributes to the improvement of society in several ways:



# EDUCATION AND TRAINING

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- 1. Increased awareness:** the education and training provided by energy co-operatives aims to raise awareness in communities. This is essential for people to understand the energy context and recognise the importance of making informed energy choices.
- 2. Empowering people:** the aim is to empower people to be able to participate knowledgeably in energy-related decisions.



# EDUCATION AND TRAINING

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- 3. Long-term sustainability:** the education and training offered by energy co-operatives helps to establish a knowledge and skills base in the community, thereby not only encouraging conscious participation in the energy transition, but also promoting long-term sustainability.
- 4. Positive social impact:** education and training on energy issues are fundamental to generate a positive social impact in communities, as it contributes to create a culture of responsibility and sustainability.







EXAMPLES OF BEST PRACTICES



## Local energy community of Biccari (Italy)

Rural municipality of 2,800 inhabitants in the province of Foggia.



## Energy cooperativa of Mürztal (Austria)

Community founded in October 2022 in the municipality of Stanz in Mürztal, population 1,807.

# Local energy community of Biccari (Italy)

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**Objective:** prevent depopulation and the flight of young people to seek employment and more affordable lifestyles elsewhere.

**Intervention:** identification of underutilised community resources. Restoration of abandoned buildings, improving access to natural resources and supporting initiatives to make these assets economically and socially productive. Installation of solar energy in rehabilitated housing.

**Results:** it currently has about 200 members (worker-members, supporters and users) from Biccari aged between 18 and 90. The community has actively embraced the cooperative concept and has demonstrated a strong commitment to promoting sustainable development and collective participation.

**Community engagement approach:** the community organised numerous meetings with residents and encouraged the direct involvement of citizens in setting priorities, generating ideas and implementing projects. This participatory approach created a sense of shared ownership and ensured that the actions taken fully reflected the needs and aspirations of the community.





# Energy community of Mürztal (Austria)



**Objective:** mitigate climate change and reduce CO<sub>2</sub> emissions by promoting clean and sustainable energy sources.

**Intervention:** actions include the active involvement of the cooperative's customers in the "CO2 free" initiative to plant poplar trees as an energy crop, and the promotion of an environmental sustainability action group.

**Results:** thanks to the measures taken, the cooperative expanded its energy crops, reducing CO2 emissions and contributing to the replacement of oil boilers for heating with biomass boilers.

**Community engagement approach:** the voluntary contribution of customers through their commitment to the "CO2 free" initiative promoted increased understanding and support for environmentally friendly practices, actively engaging the community in the fight against climate change.





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CONCLUSIONS

# CONCLUSIONS

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Community participation following an ESG (environmental, social, governance) approach is essential within energy communities. This is by definition reflected in two European Directives, the Renewable Energy Community (REC) Directive 2018/2001 and the Citizens' Energy Communities (CEM) Directive 2019/994. They explicitly state that the **participation of shareholders or members must be open and voluntary.**



# CONCLUSIONS

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Cooperatives benefit by:

- **Apply transparent governance principles.**
- **Actively involve communities in decision-making.**
- **Promote energy awareness and training.**

Social and financial responsibility, together with the pursuit of sustainable goals, guide these co-operatives towards an equitable energy transition based on renewable sources. Furthermore, prioritising inclusiveness, transparency and sustainability creates stronger ties between energy co-operatives and the community that contribute to building resilient and sustainable communities as part of the global transition to a more sustainable energy future.







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