Module 10

Multi-Stakeholder Approach

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Enabling communities to respond to energy, social and environmental needs

Co-funded by the Erasmus+ Programme of the European Union

TABLE OF CONTENTS

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01

INTRODUCTION

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The multi-stakeholder approach is an important part of the ESG (Environmental, Social, and Governance) strategy used by community cooperatives to facilitate the energy transition.

Benefits:

- Increased legitimacy, sustainability and impact of community energy initiatives.
- Identification of challenges, opportunities and more comprehensive solutions by including diverse perspectives from the stakeholders.
- More inclusive decisions, informed and accepted solutions
- Conflict minimisation

INTRODUCTION

Working together with different groups is essential to reach agreements through open and constructive conversations. This helps overcome challenges and allows everyone to work together towards sustainable energy goals.

The EU Directive 2018/2001 explains that a renewable energy community is a legal entity made up of people, small businesses, or local authorities, including municipalities.

The EU Directive 2019/944 defines a Citizen Energy Community as a legal group that is based on voluntary and open participation, where control is held by its members, who can be individuals, local authorities, or small businesses.
The module is divided in the different participation of companies, civil society and public administration into the multi-stakeholder approach.

02

COMPANIES

COMPANIES

Increasingly, companies need to integrate environmental, social and governance (ESG) issues into their business management, along their value chain, and transform their internal strategies and processes. These aspects are demanded by shareholders, employees and society at large.

COMPANIES

The management team must lead a cultural change in the organisation by promoting and integrating ESG aspects as key elements to articulate business management.

Some engaging measures that can be incorporated are:

- Linking management compensation to the achievement of ESG objectives.
- Raise awareness throughout the company on good ESG practices..
- Communicate to all the company staff the ESG strategy and objectives to be followed.
- Active listening and communication skills with stakeholders both to understand their points of view and to integrate their demands.
- Promote the effective participation of these groups, informing them about events that affect the company's results and its evolution. Creating shared value.

COMPANIES

- Incorporate environmental, social and corporate governance metrics into short- and long-term executive compensation plans (integrating aspects such as social objectives, environmental protection, transparency and stakeholder engagement).
- Establish training programmes for all company staff on ESG attitudes and values.

In order to motivate companies to participate in a local energy community, emphasis should be placed on the benefits not only in economic terms, but also in terms of achieving ESG objectives, which can have **a very positive impact on the company's image**. The company can then highlight this involvement as part of its social, environmental and governance policy.

The company can participate in a local energy community by providing technical information, by providing space for installation or by providing capital. In this way, it takes actions in line with the company's ESG objectives and also reduces its environmental footprint by possibly offsetting CO_2 emissions.

03

CIVIL SOCIETY

Civil Society

Social Impact can be defined as the set of effects and positive changes that take place in people and communities as a consequence of the impact of some kind of action (business initiatives, projects, policies, programmes, etc.) developed by organisations of different types and nature (public, private and for-profit or not-for-profit).

It is influenced by many factors, such as consumption decisions, production decisions and, of course, investment decisions, made by millions of people, both natural and legal, and is directly related to a balanced and sustainable development of all areas (economic, social, environmental, labour, etc.) on the planet.

CIVIL SOCIETY

Public opinion is becoming more and more aware of the deterioration of the environment and climate change, social inequalities and the ethical behaviour of companies. Thus, more and more people have a positive attitude towards healthier lifestyles, encouraging regional economies and developing local production centres which, while helping the planet, also generate quality employment.

In the multi-stakeholder approach to creating a local energy community, citizens can offer insights into the culture and needs of the area. Also, by being a member of the cooperative, they can voice their concerns and adapt renewable energy projects in each territory to ensure their long-term viability and sustainability. In this way, potential conflicts with the neighbourhood are reduced as they have information on the projects they are part of.

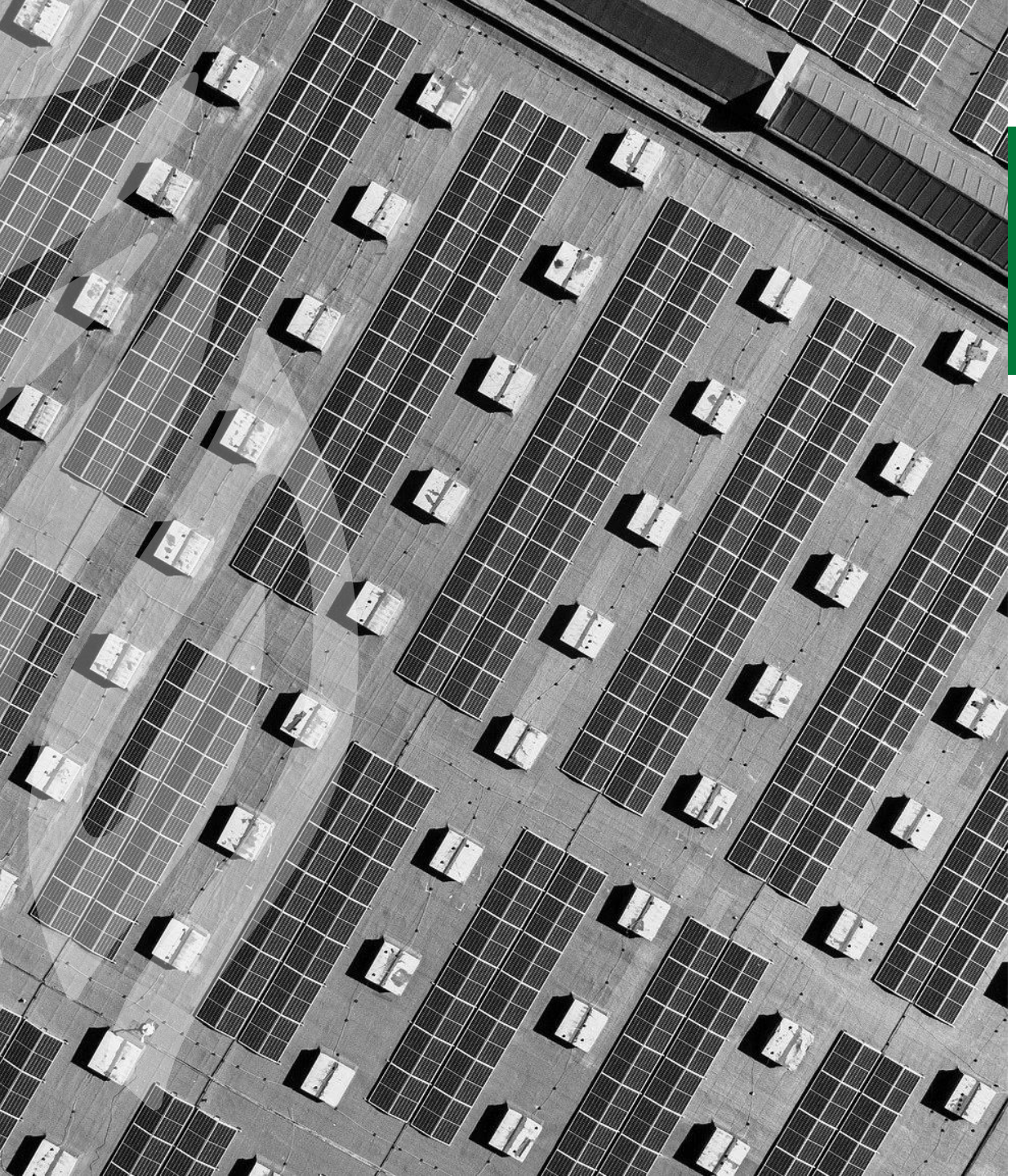
CIVIL SOCIETY

In order to involve citizens to become part of an energy community, it is important to highlight not only the economic benefits of reducing energy bills, but also the environmental and social benefits they bring, such as:

- Eradication of social inequality, by providing quality jobs and reducing energy poverty, especially for vulnerable groups at risk of social exclusion.
- Social inclusion, fostering social cohesion.
- Reduction of the territory's environmental footprint and reduction of energy dependence on other unstable territories.
- Strengthening of community ties by having shared benefits and common projects that favour the local development of the municipality.

04

PUBLIC ADMINISTRATION



Public Administration

The participation of the public administration in energy communities is key, as it favours confidence in the local community and companies when it comes to investing capital, as it can be both the promoter and mediator between the different interested parties. Also, from a legislative and land-use planning point of view, they may or may not be able to promote these projects. In turn, they can provide tax benefits and economic aid at European, state or regional level that make the participation of companies and society more attractive by increasing the profitability of the projects.

PUBLIC ADMINISTRATION

With the aim to involve the public administration in the development of local energy communities, the ESG benefits should also be emphasised: quality jobs at local level, reducing social inequalities and energy poverty, helping to avoid depopulation and reducing the environmental impact of the municipality.

Among the measures they can put in place are:

- Facilitate lines of financing and promote tax benefits for their participation in local energy communities to both companies and citizens.
- Incentives for the recruitment of vulnerable groups.
- Providing public space for the realisation of the energy community.
- Priority to companies in the granting of subsidies, tenders,...
- Publicity and awareness-raising campaigns for the population.

05

BEST PRACTICE CASES

Energy Community of Crevillente (Spain)

Rural municipality of 29,000 inhabitants in the province of Alicante.

COOPERATIVA DI COMUNITA'
BICCARI

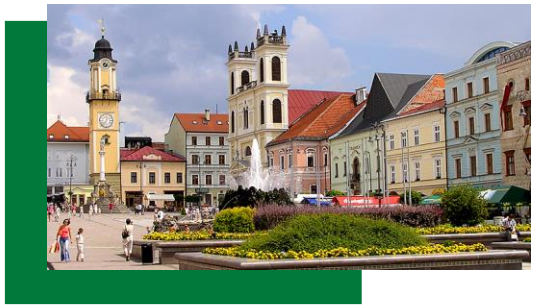
Local cooperative community of Biccari (Italy)

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

COMMUNITY POWER
ELECTRICITY SUPPLIER

Energy Community in Ireland

Parish of TEMPLEDERRY in the county of TIPPERARY, population 1,857 inhabitants.



Smart City of Banská Bystrica (Slovakia)

Banská Bystrica is a city in the centre of Slovakia with a population of around 79,000 inhabitants.

Energy Community of Crevillente

Objective: reduce Spain's energy dependence and achieve SDG Agenda 2030.

Intervention: various actions including the installation of collective self-consumption cells in 21 community facilities with a surface area of 15,000 square metres.
Financing: The project received European funding, MERLON project, through the H2020 programme for the first installation.

Results: the system meets the electricity needs of 70 households with 120 kW. In addition, the 200 kWh system allows citizens to store energy during the day, reducing dependence on external sources in the event of a blackout. These actions have resulted in savings of between 15% and 20% on the total annual bill, contributing to increased economic activity and employment in the municipality.

Multi-stakeholder approach: public administration (European funds) financing has favoured the implementation of this large-scale project.

Local cooperative community of Biccari

COOPERATIVA DI COMUNITA'
BICCARI

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. Its inclusive and intergenerational character ensures the durability of initiatives and the transmission of knowledge, skills and experiences.

Multi-stakeholder approach: it established partnerships with local entrepreneurs, non-profit organisations and educational institutions. These collaborations helped to enhance the impact of the actions undertaken and to maximise the use of available resources.

Energy Community in Irlanda

Objective: to make the benefits of renewable energy accessible to Irish communities, addressing the need for a transition to cleaner and more sustainable energy sources.

Intervention: establishment of the Templederry wind farm, Ireland's first community-owned wind farm in County Tipperary.

Results: this wind farm was developed and built over 12 years and has become a sustainable energy source capable of generating approximately 15 GWh of electricity per year, enough to meet the energy needs of 8,000 people. Following the success of the wind farm, it is working with other communities in Ireland to develop community renewable energy projects. The provision of renewable electricity to communities has contributed significantly to reducing energy bills, improving people's wellbeing and reducing the number of cold homes.

Multi-stakeholder approach: the community ownership approach has empowered local communities, giving them a sense of ownership and responsibility for their energy. This has led to greater involvement in the promotion of renewable energy projects.

Smart City of Banská Bystrica

Objective: to address urban challenges, improve the quality of life of residents and promote sustainability.

Intervention: initiatives have included changing street lighting to LED technology, introducing electric buses, digitising community services and introducing a smart system for finding parking spaces via mobile phone applications.

Results: the city is now a model for other cities of how technology and innovation can contribute to sustainability at the local level.

Multi-stakeholder approach: the city has established partnerships with local start-ups and technology companies to develop innovative solutions to urban challenges. This synergy supports the local entrepreneurial ecosystem and encourages the rapid adoption of new technologies in the city's infrastructure.

06

CONCLUSIONS

CONCLUSIONS

The multi-stakeholder approach following an ESG (environmental, social, governance) approach is key 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 shareholders or members can be **natural persons, SMEs or local authorities, including municipalities.** In this way, involving various stakeholders in the planning, implementation and management of sustainable energy initiatives ensures **greater legitimacy, sustainability and impact of community energy initiatives.**

CONCLUSIONS

The inclusion of a wide variety of perspectives allows:

- **identify challenges, opportunities and more comprehensive solutions.**
- **more inclusive decisions made through open and constructive dialogue.**
- **more informed and accepted solutions, helping to overcome challenges.**
- **conflict minimisation.**
- **improve the legitimacy of initiatives.**

This collaboration between the different actors is key to ensuring the long-term success of energy initiatives.

07

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Muchas gracias

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