



## **WWEC 2012: A bird's-eye view of community renewable energy across the world**

**Anna Harnmeijer** (SCENE, Scotland)

**Judith Lipp** (TREC, Canada)

**Holle Linnea Wlokas** (Energy Research Centre, South Africa)

**Jarra Hicks** (Community Power Agency, Australia)

**Tore Wizelius** (Vindform AB, Sweden)

**Hans Soerensen** (Spok ApS Consult, Denmark)

The World Wind Energy Conference 2012 in Bonn brought together an impressive blend of organizations and people, with presentation topics ranging from futuristic wind machines to wind development at extreme altitudes. The focus and presentations on community power suggested that support and investment in the community renewable energy sector is broadly on the rise, with representatives from no less than twenty one countries across the world presenting on the state of community power. In many countries, these organizations are still relatively isolated in their mission to make the community renewable energy sector a significant player in local and national energy markets. There was therefore a sense of surprise that this *is* indeed a worldwide movement; that one could find and exchange experiences with organizations that share this mission and implement virtually analogous solutions operating at the other side of the world.

The community power sector adopts a colourful array of legal and project finance models both within and between countries, making creative use of country-specific institutional forms, capital sources and tax regulations to provide local communities, local government and interest groups with a stake in electricity generation. A case in point is the Yansa Group (Mexico) directed by Sergio Oceransky, who negotiates subordinate debt and bank loans for investment in a subsidiary owned by the Yansa Ixtepec Community Interest Company<sup>1</sup>. Profits remaining after debt servicing are divided on a 50 percent basis between local social community-based development, and the promotion of further wind farm projects under the same scheme in other communities<sup>2</sup>. The foundation advises the communities on the use of earnings from wind energy sales, with a view to empower the community to build-up long-term assets that remain after the end of the project<sup>1</sup>. Similar schemes are brokered by Just Energy (South Africa) and Sustainable Community Energy Network (UK)<sup>3,4</sup>. On the whole, the most commonly implemented association is undoubtedly the co-operative, used to channel revenues to mutually defined social, economic and cultural benefits. However, the legal definition of co-operatives varies per country and in some countries community interest companies or charitable private limited companies fulfil equivalent roles.

# WVEC 2012

BONN, GERMANY  
3 – 5 JULY 2012

The maturity of the community power sector varies per country, ranging from being a seemingly politically contentious form of activism (Canada, Australia, USA) to being a serious and widely accepted player in the energy sector (Germany, Denmark, Sweden). In the prior, community organizations involved in wind developments tend to face broad resistance from existing institutional and governance frameworks, and must overcome issues such as public anti-wind sentiment, wind veto's at all levels of government and disproportionate planning and EIA legislation (see presentations by Meunsterman, Lane, Lipp and Daniels<sup>5,6,7,8</sup>). With set-backs of 2km, Australian wind energy policy was shown to be the most hostile environment for community wind development on all counts, underlining the significance of the work carried out by Embark, Hepburn Wind and the Community Power Agency.

Recent policy changes in Spain and the USA have caused a slump in world demand for turbines and show how dependent the wind sector is on a favourable political framework. As demonstrated by Hans Soerensen's observations on the effects of changes in Danish ownership regulations in 1995 (and again in 2008), the community sector is especially vulnerable to policy changes associated with wind development<sup>9</sup>. One can clearly distinguish an axis of evolution for the community power sector, framed and shaped by not only the political and financial landscape, but also by game changers such as the Fukushima disaster. While unique pilot renewable energy projects existed in Japan prior to Fukushima, the nuclear disaster has spurred dozens of community power initiatives<sup>10</sup>.

The degree to which communities collaborate with local municipalities, local energy companies, and developers as long-term partners in joint ventures to split capital costs and revenues varies on a case by case basis. However, pioneer organizations have tended to copy - paste tested models which has in several countries resulted in the existence of 'a predominant business model' for community-based projects. In Sweden for instance, the predominant business model for community wind developments is a fully community-owned consumer co-operative, spurred by a policy that provides consumer co-ops with 100% tax returns<sup>11</sup>. Germany has experimented with a wide range of business models in which local government often has a more prominent role, while public organizations have generally not engaged in joint ventures with communities in Scotland. The correlation between ownership and public acceptance for wind power appears to apply across the globe, and it is not unlikely that a vibrant community-based wind power sector is a *prerequisite* for high levels of wind power penetration<sup>12,13,14,15,16,17,18</sup>.

Communities seem to enjoy a love-hate relationship with commercial wind developers. In the UK, after a decade in which the private sector has dominated the wind sector, joint ventures between commercial developers and communities are gradually on the rise<sup>19</sup>. Community organizations located far from manufacturing hubs, such as those in Canada and the USA appear to be experiencing a degree of supply



chain dependence: they are dependent on the existence of a commercial sector for supply of small requisitions of small to medium-scale turbines<sup>20</sup>.

The challenges of securing local benefits from commercial wind ventures were particularly prominent in Holle Wlokas' presentation on the interface between local communities and private sector wind development in South Africa<sup>21</sup>. Commercial developers bidding in the South African Independent Power Producer Procurement Programme (IPPPP) are evaluated against their contribution to economic development (30%) as well as against price (70%). Next to criteria for local content (for instance, local manufacturing) and job creation, developers are also obliged to commit between 1.5% to 2.1% of their total revenue towards socio-economic and enterprise development in communities within 40km radius around the project site. To the envy of our North American and British counterparts, renewable energy project developers in South Africa are required to prepare a socio-economic development plan in which they assess the needs of communities surrounding the proposed project site and develop strategies to address these needs. While this all sounds like a good idea and an opportunity for livelihood improvement, in practice it brings with it several problems. There little guidance for developers in earmarking funds for achieving local benefits, nor in demonstrating impacts. Some communities are set to be eligible for multiple benefit obligations, while others are eligible for none, such that there is potential for conflict as well as migration to more favourable wind areas ('wind nomads').

We have learnt much, and there is no doubt that WWEC2012 was a massive success. It is interesting though, that there were broadly two streams of people at this conference which by and large did not converse. The first were the engineers, project developers, manufacturers and industry representatives, the second the social scientists, not-for-profits, umbrella groups and community organizations. Less than a handful of people seemed to be active in both these streams; a couple of strays, some academics and project developers such as Ostwind with a strong emphasis on civil participation. Our hope for WWEC2013 is that these two streams begin to take interest in each other's issues and engage in serious dialogue. Here we come Cuba.

*To contact the authors, email: [annah@scenetwork.co.uk](mailto:annah@scenetwork.co.uk). Are you a community power practitioner interested in joining the World Community Power Alliance, set up during this conference? Contact Sergio Oceransky at: [sergio.oceransky@yansa.org](mailto:sergio.oceransky@yansa.org)*

# WWEC 2012

BONN, GERMANY  
3 – 5 JULY 2012



# WWEC 2012

BONN, GERMANY  
3 – 5 JULY 2012

## References

- <sup>1</sup> Oceransky S. (2012). *Yansa's Ixtepec Community Wind Farm in Mexico: nurturing commons and stopping land grabs*, WWEC (2012).
- <sup>2</sup> Ashoka – Innovators for the public, <https://www.ashoka.org/node/5878>
- <sup>3</sup> Just Energy, <http://just-energy.org/>
- <sup>4</sup> Sustainable Community Energy Network, <http://scenetwork.co.uk/ensuring-project-success>
- <sup>5</sup> Lane T (2012). *The Australian context; Community Power = Community Development*, WWEC 2012.
- <sup>6</sup> Meunstermann I. (2012). *Wind Farming in Australia versus the 'Big Carbon's Plan: Mine coal, sell coal, repeat until rich'*, WWEC 2012.
- <sup>7</sup> Lipp J. (2012). *The Untapped Potential of Community Power in Canada: Addressing the challenges*, WWEC 2012.
- <sup>8</sup> Daniels L. (2012). *Local, national and regional policies, barriers, incentives to community power in the USA*, WWEC 2012.
- <sup>9</sup> Soerensen H. (2012). *Experience from the Danish law about forced involvement of locals in wind projects*, WWEC 2012.
- <sup>10</sup> Furuya S. et al (2012). *Making Community Power Happen: The progress report and findings on Japanese Community Power*, WWEC 2012.
- <sup>11</sup> Wizelius T. (2012). *Windpower ownership models – escape from the market*, WWEC 2012.
- <sup>12</sup> Maegard P. (2012). *Green RE-Heat: Integrating Wind Power and Thermal Energy Storage as the Least-cost Retail Energy Option*, WWEC 2012
- <sup>13</sup> Koch HJ (2012). In: *Mainstreaming Community Power: Strategies and policies*, WWEC 2012.
- <sup>14</sup> van Uexkull J. (2012). In: *Mainstreaming Community Power: Strategies and policies*, WWEC 2012.
- <sup>15</sup> Pesch J (2012). *Paradigm shift: on flat and round energy concepts*, WWEC 2012.
- <sup>16</sup> Hvelplund F (2012). *Black or green windpower*, WWEC 2012.
- <sup>17</sup> Barteld H.(2012). *Example Dardesheim (Germany), communities realizing 100% renewable energy solutions*, WWEC 2012.
- <sup>18</sup> Cowell R. (2012). *Promoting Community Renewable Energy in a Corporate Energy World: New policy developments in the UK*, WWEC 2012.
- <sup>19</sup> Harnmeijer A. (2012). *The current state of community renewable energy in Scotland*, WWEC 2012.
- <sup>20</sup> LaDuke W. (2012). *Native Wind for the Future of our mother Earth*, WWEC 2012.
- <sup>21</sup> Wlokas H. (2012). *How can national mitigation actions foster community development? The case of low-carbon community development around wind farm projects in South Africa*, WWEC2012.