

## Enabling local communities & regions to benefit from local energy assets

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### Summary

There is no benefit to the local communities and regions in rural areas in the main from the exploitation of energy assets in their regions. This means such communities and regions are losing out on a substantial opportunity to generate much need economic benefits for their regions with the significant multiplier affect such resources would bring leading to increased vibrancy and long term sustainability.

### Issue/Problem

The main problem that prevents the active participation of local communities in the beneficial exploitation of local energy assets in their area is the difficulty in securing a connection to the national electricity grid that would enable them to sell the electricity generated into the market thus providing income. In Ireland for example, it can take from 3 up to 10 years in some instances for a project to secure a grid connection which realistically makes it impossible for a community group made up of volunteers in the main to even consider undertaking such a project. Most of these projects in rural areas are undertaken by large multi-national companies that have the personnel and resources to struggle through such a lengthy process. The problem with this is that the economic benefits of a local asset are taken out of the region with little or no employment opportunities created. Thus the communities endure all of the negatives of such projects and none of the benefits.

### Background

There has been much encouragement throughout the EU in recent years for countries to adopt a much more environmentally friendly approach to generating their energy with specific targets of having 20% of the EU's energy generated from renewable sources by 2020 with 50% by 2050. This has resulted in much investment in technology around wind energy with many countries in Europe developing large numbers of wind turbines around their coast lines and indeed in suitable inland regions. Indeed many countries such as Germany have put significant incentives in place to encourage companies to exploit green energy options. These policies and initiatives however are very much focused on the larger companies who can fund the complicated and in many instances long process of developing such projects with no allowance being made to enable participation in the economic benefits from such projects to be had by non commercial community based organisations. Thus many communities are strongly opposed to such projects being sighted in their regions which further complicate the development process and makes it less likely the EU can actually achieve their targets by 2020.

## Existing Policies

As noted above, countries such as Germany encourage the development of such projects by providing a guaranteed price per unit of electricity generated for example. This enables a project promoter to be able to calculate with a good degree of certainty the likely return on the investment thus making it easier to raise capital for such a project. Many EU countries also encourage the development of such projects through providing a relatively straight forward process through which a grid connection can be secured to enable such energy be sold on the market. However, policies are far from consistent across the EU with national planning and other regulations in many instances being in direct conflict with the stated aims of the EU of sourcing 20% of the energy requirements through renewables by 2020 as they put substantial blockages in front of the development of such energy projects. No consideration is given to the scale of such developments with a project of say one single wind turbine being required to go through the same process as a project of 50 turbines. There is clearly a bias here in favour of the larger scale projects that would be developed by commercial interest rather than smaller, community supported projects. The policies in place at present clearly have commercial interests at heart with little if any consideration given to community interests in this process.

## Policy Options

The main option here with regard to policy would be to develop an EU wide position that enables communities take part in and benefit from the development of the alternative energy initiatives that would help them take a large step on the road to becoming self sufficient and securing their long term vibrancy. This would require consideration to be given to issues such as planning, accessing grid connection, the potential to access low cost finance for initial development, secure income and environmental considerations around site location etc. to ensure that a simplified and efficient process is put in place that would facilitate communities wishing to become involved in such a venture actually being able to achieve their goals. Clearly, such a policy would have to have limits with regard to the size of such developments etc. agreed to ensure that the commercial interests could not exploit such a policy to the detriment of the communities it is supposed to benefit. Such a policy would then have to be put on the statute books of each respective EU member state so as to ensure the benefits are available to all such communities and regions. It is further suggested that the EU would consider implementing similar initiatives to enable communities, particularly those in more rural areas, become more and more self sufficient and vibrant, in areas where such opportunities arise.

## Recommendations

The EU immediately begin work on the development of such a policy with a view to implementing it by the end of 2014 and having it in place at a national level by mid 2015. It is further recommended that consideration be given to make EU capital loan funding available for such projects to help communities be in a position to develop them. The repayment levels of such funding could be directly linked to the levels of the income generated that are put back into local community services for the benefit of all in the community.

## Sources

[http://ec.europa.eu/energy/renewables/index\\_en.htm](http://ec.europa.eu/energy/renewables/index_en.htm)

<http://www.iea.org/Textbase/npsum/germany2013SUM.pdf>

<http://energytransition.de/>

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