Sustainable Energy Week: Local heroes

Written by Pierre Jean Coulon on 20 June 2019 in Opinion

Local renewable energy ownership can help generate regional economic development, writes Pierre Jean Coulon.

Climate change and energy transition have shot to the top of the European Union’s political agenda, with a recent poll suggesting that 77 percent of potential voters in the May European elections viewed global warming as a key issue when deciding how to cast their vote.

Over the last few months, millions of high-school students have taken part in weekly climate strikes, demanding that policymakers listen to science.

And it seems that they are now listening, agreeing, for example, on the EU’s Clean Energy for all Europeans package and setting out a 2050 climate neutrality target for Europe.
However, protests such as those of the gilets jaunes in France remind us that decarbonisation is not simply a case of replacing one technology with another newer, cleaner one; in fact, the transition process deeply impacts everyday life, economic activities and political processes all around Europe.

I therefore believe it is of paramount importance that we examine the societal implications of the different technological options and myriad paths to a more sustainable Europe.

Over the years, along with my colleagues from the European Economic and Social Committee, I have explored these implications in detail.

What make us hopeful is that the technologies for producing energy from renewable sources, such as solar or wind, have become widely available, affordable and cost-competitive compared with fossil-fuel generated energy.

Digitisation has also seen the emergence of smart grids and meters, which in turn are helping to develop a more decentralised energy supply structure.

This technological side of the transition is complemented by a societal dynamism that is expressed both through political protest and by the active involvement of citizens and civil society organisations in the energy transition and the energy market.

This interest is underpinned by social innovations such as prosumerism, energy cooperatives and crowdfunding that encourage involvement.

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The European Commission, for example, expects significant increases in offshore wind energy, but this is a role for larger investors requiring substantial capital and involving investment risks.

Who owns the solar panels and wind turbines is therefore important.

The climate doesn’t care, but society does. Local ownership generates economic development.

And while there may also be positive employment effects, the most important benefit is on incomes, particularly the consequences of replacing energy imports.
Import substitution not only concerns issues such as coal for electricity but also encompasses the replacement of petrol with green electricity for electric cars.

These economic implications are also likely to increase the social acceptability of local renewable installations and increase overall support for the energy transition.

I do not suggest that locally-owned and produced energy from renewable sources will benefit each and every person.

Or that it can rapidly resolve all the challenges of achieving climate neutrality.

But the student protests, the increased interest in climate issues and the proliferation of energy cooperatives show that many citizens no longer want to just sit back and let policymakers and industry get on with the energy transition – many want to be actively involved in energy and climate politics.

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To enable citizens to participate, there is still a lot of work to be done.

The European Commission’s Clean Energy package has arguably provided a major boost by delivering a more decentralised energy production structure and recognising local energy communities and cooperatives as market participants.

However, it is equally important to orient structures and processes related to funding, innovation and sectoral information to the needs of more-decentralised market participants.

For example, for regional and local policymakers to decide on whether to provide help for citizens to become the owners of renewable installations, it is important to systematically assess the capital and energy inflows and outflows at a regional level.

As for innovation, it is crucial to design technological innovations in ways that allow people with different resources and skillsets to use them, whether through smart phone apps or smart meters.

When it comes to funding, there is the question of the extent to which national financial institutions and EU bodies such as the European Investment Bank should facilitate access to finance for smaller, less formalised market actors, such as energy cooperatives.

As more citizens and civil society organisations take up the climate emergency challenge, it is time that decision makers took the power and ingeniousness of citizens and civil society seriously.

About the author

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