



DRP0200163 NRGCOM

Creating appropriate operational conditions for renewable energy communities in the Danube Region

PROFESSIONAL ONLINE ROUNDTABLE ON THE OPERATIONAL AND FINANCIAL ENVIRONMENT OF ENERGY COMMUNITIES IN THE DANUBE REGION

How to introduce Business Models for Energy Communities that satisfy the needs of its Members

Identifying the Challenge Faced by the Introduction of Business Models of Energy Communities

Section 1 – Business Models of Energy Communities

Question:

1. *What factors influence the choice of business models and financial planning for energy communities to ensure long-term sustainability?*

The following factors represent a risk:

- Dependency on renewable energy levy.
- Primarily reduction on financial investment instead of concentration on establishing prosumer service models.

Recommendation:

- Rise awareness of responsibility for balancing energy production and consumption at the same time as well as in the local action space of the business model.
- Concentrate on satisfaction of the real needs of energy consumers and renewable energy producers as well as of financial investors.
- Establish a prosumer service.

Section 1 – Business Models of Energy Communities

Question:

2. *How can energy communities balance the interests of different stakeholders while applying their chosen business model?*

From my point of view

- This is very difficult to manage by permanently voluntary.

Recommendation:

- It needs a transformation of the management from unsalaried people to professional business managers.
- That includes the operating management as well as the supervisory board.
- Do not limit membership to private persons only. Gain a balanced number of small companies which are affected by the energy transformation in similar way as stakeholder and members.
- Recruiting professional business managers from those members.

Section 1 – Business Models of Energy Communities

Question:

3. *What are the critical success factors for energy communities?*

Most critical success factors seem to be

- The permanent dependence on renewable energy levy.
- The unbalanced influence of different lobbies to the detriment of energy communities.
- The fact, that big companies with long history have better organized advocacy and thus much stronger political influence than the young group of energy communities.

Recommendation :

- The energy communities should join forces more closely on national as well as European level to get a stronger political weight.
- BBE, Bündnis Bürgerenergie e.V. in Germany and REScoop, the European federation of energy communities are best examples.

Section 1 – Business Models of Energy Communities

Question:

4. *Which funding sources and financial instruments are most effective for energy communities?*

In principle

- Energy communities have two financial instruments, cooperative shares and subordinated loans.
- Most effective are subordinated loans from those stakeholders which can be convinced from the success of the business model.
- These stakeholders measure the success of the business model on how professional it is managed and the degree of fulfillment of their own specific interests.

Recommendation:

- Look after people who are disadvantaged by the energy transformation.
- In principle every person who is disadvantaged by the energy transformation can be gained as stakeholder and member of the energy community when the business model serves their needs.

Section 1 – Business Models of Energy Communities

Question:

5. *How do government incentives impact energy communities, and how do cooperative models relate to public-private partnerships for sustainability?*

From my point of view the following fact is the central weakness:

- As long as government incentives are purely focused on individual aspects without taking into account their interactive connections it leads to increasing unbalance of energy production and consumption.
- As a result, efficiency of the energy system suffers.

Recommendation:

- Government incentives have to strengthen the role of prosumers and energy exchange under neighbours who have joined forces together in local energy communities.

Section 2 – External Communication, PR and Political Communication

Question:

1. *What public relations strategies have been most effective in building a positive image or achieving favourable regulatory changes for energy communities?*

According to the German experience

- The Energy Sharing Campaign of the „Bündnis Bürgerenergie eV“ (BBE). <https://www.buendnis-buergerenergie.de/> have been the most effective.
- It includes filing a breach of contract complain against federal government of Germany at the European Commission in 2021.
- The EU Commission has reacted and initiated infringement proceedings. That had a positive effect on the ongoing legal change procedure.

Recommendation:

- Associations like the BBE need to be expanded across Europe and connected with e.g. REScoop.

Section 2 – External Communication, PR and Political Communication

Question:

- 2. Can you provide an example of a successful PR campaign that significantly improved the visibility of your community?*

- Our Community “Energiegenossenschaft Oberes Werntal eG (EOW)” has taken up the campaign of BBE and is currently implementing under full use of the latest legislative changes one of the first energy sharing solution in the town hall district of our cooperative location as a best practice demonstration case.

Uniqueness:

- This project gets special attention, because it is not limited by the view on what is already introduced from the EU Renewable Energy Directive „RED II“ as explicit allowed in the national law. It uses all possibilities which the RED II and it’s update RED III make possible and is not explicit forbidden in the national law.

Section 2 – External Communication, PR and Political Communication

Question:

- 3. How do energy communities measure the success of their PR and motivational campaigns, and what challenges have they faced in communicating their benefits to the public?*

From my Point of view

- The way of measuring the success of PR is far below from what I know from big companies.
- This is a weakness which is caused due to administrative overload of the permanently voluntary unpaid management.

Recommendation :

- Besides the transformation of the management from unsalaried people to professional business managers introduction of professional PR and CRM processes must be implemented.
- In a first step it can be organized from national and European association for their members on basis of a franchise service.

Section 2 – External Communication, PR and Political Communication

Question:

4. *How do energy communities engage with policymakers to influence energy policy, and what role does advocacy play at the national or EU level?*

In Germany

- The engagement is primarily limited to private relationship of single persons to their home Members of Parliament (MPs). This cannot compete with the top management contacts from big companies to top hierarchy of policymakers.
- In case of conflicting information that MP receives, information from well known companies or a well known group of managers obtains greater credibility.
- As the example of the breach of contract complain of the BBE demonstrates advocacy play an important role.

Recommendation:

- It is necessary to gain experienced professionals as stakeholder for the energy community which are well connected in the upper hierarchy of policymakers.

Section 2 – External Communication, PR and Political Communication

Question:

5. *Which social media platforms and digital communication strategies are most effective in engaging the public, and how do energy communities ensure their strategies remain up-to-date?*

From my point of view

- It is at first necessary to have an interestingly designed and frequently outdated homepage.
- This should then be linked to platforms like facebook, YouTube and Instagram but also to LinkedIn and Xing to capture the attention and direct it to the homepage.

Opportunity

- This is the best way to promote innovativeness to the market.

Threat

- The owner of the homepage gets easily into the focus of financially strong competitors and they can derive defence strategies to the disadvantage of the homepage owner.

Section 3 – Organizational Development of Energy Communities

Question:

- 1. What are the key elements that define the organisational structure of energy communities, and how are roles and responsibilities allocated?*

According to my experience

- The driving force of energy communities is still the personal conviction and mission of pioneers with high knowledge that are willing to engage themselves for energy community on voluntary basis.
- Usually this persons take over almost all responsibilities.
- Because of limited returns there is a lack of budget for paid assistants.
- When things go well they get some administrative relief from one or the other community member again primarily on voluntary basis.

Needed change:

- The organisational structure and business model must be adjusted together for sustainable development.

Section 3 – Organizational Development of Energy Communities

Question:

2. *What strategies do energy communities use to ensure effective leadership and governance?*

It seems that

- The strategies of most energy communities are primarily reduced on offering financial participation on renewable energy operating companies.
- Usually they are far away from that leadership which is known from established companies of old economy.

Needed change:

- It needs a change from pure financial participation model to an energy production, trading and service model.

Section 3 – Organizational Development of Energy Communities

Question:

3. *How important is capacity building for the long-term sustainability of energy communities, and what resources are used to support this?*

Regarding terms of capacity

- It is important to differentiate between capacity of administration and capacity of energy.
- For the long-term sustainability of energy communities the capacity building of energy production and trading is important.
- With a view to this goal the energy community can take over the trading service for the energy production of existing RE-Systems owned by its members.
- The trade takes place within the cooperative as well as within the local network.

Recommendation:

- Preparing cooperation of energy communities with local distribution network operators to enable him the business, which he is not allowed to do due to the unbundling regime for electricity utilizes in the EU.

Section 3 – Organizational Development of Energy Communities

Question:

4. *How can continuous learning and development be ensured within energy communities, and how do they manage resistance to change?*

Recommendation:

- Select those members of the community which have a certain basic knowledge and are interested in expanding their knowledge and its practical application.
- Win them to take over tasks of the community paid on hourly basis.
- Enable those selected members the participation on training education courses and take over the fee by the energy community.
- The energy transformation is connected with an enormous speed of changes. Therefore resistance to change makes no sense. There is a need for managing constant changes active and controlled.
- Introduce a professional process of change management.

Section 3 – Organizational Development of Energy Communities

Question:

5. *Are there training programmes for energy community members, and what change management practices have proven most effective?*

In Germany

- There is a wide spectrum of education and training courses offered for the daily work from which also community members can benefit.
- What is still missing is a support to better deal with the high speed of changes, which the actual transformation causes.
- This support is one of the services that Change Engineering in cooperation with Global Teambuilder provides.
- We have made good experience with the Graves Value System and the Sensitivity Model Prof. Vester . Both have proven as most effective change management practices.

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