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ENHANCING ENERGY DEMOCRACY: A TOOL FOR SOCIAL INNOVATION ASSESSMENT

INFOPACK**ENHANCING ENERGY DEMOCRACY:
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SocialRES is paving the way towards energy democracy! We are researching new ways to empower citizens and foster their involvement within the energy sector. At the same time, we are promoting active collaboration and social innovation within key players of the energy transition: cooperatives, energy aggregators and crowdfunding platforms.

This info-pack provides a tool for assessing the impact of social innovations. The tool is intended for governments and authorities. It draws on empirical case studies and has been designed to adapt to the needs of various stakeholders in the policy-making process. It can also be applied across several projects.

WHY DO WE TALK ABOUT IMPACT ASSESSMENT?

Although studies assume that social innovations in the energy sector contribute to social cohesion, community engagement and stronger local economies, these benefits often lack data-driven evidence. However, empirical data is crucial in the policy process in order to evaluate the impacts of certain players. Additionally, thorough research conducted within the SocialRES project showed that practitioners agree that too little attention is given to systematic impact assessments within the policy process. Therefore, the project provides a toolkit for policymakers and practitioners to quantify and assess the impacts of social innovations. This will help consolidate the innovations and increase their uptake.

What does 'impact assessment' mean?

Impact assessments (IA) are structured processes for analysing possible implications of proposed or existing actions or projects. By considering impacts

on people and their environment, an impact assessment supports policymakers in the decision-making process. It highlights impacts that may previously have been overlooked. Accurate impact assessment should also increase the public's support for social innovations in energy.

How can impact be assessed?

To assess the impacts of social innovations in the energy sector three main areas should be considered. Examples of impacts are listed below:

- **Economic** – positive socioeconomic impact such as the creation of local jobs; financial benefits for prosumers and investors; cost savings for consumers through energy efficiency; distributed financial risk for investors.
- **Environmental** – the reduction of greenhouse gas emissions; energy efficiency and sufficiency through use of renewable energy sources and citizen participation processes.
- **Social** – community building through

community-owned renewable energy projects; citizen empowerment and increased knowledge through energy democracy; increased acceptance of the energy transition.

HOW CAN THIS FRAMEWORK BE USED?

The taxonomy developed throughout the project identifies a range of indicators in the categories of

economic, environmental and social impacts (an overview is displayed below). It can be used by policymakers to validate a policy decision and to decide whether or not to support a social innovation project. And practitioners (i.e., owners or managers of the social innovations in question) can use it to attract more members and to develop a partnership with local government.

Indicator	Social Innovation Indicator is Measured for	Reasoning
Consumer Savings	RECs (Renewable Energy Communities), Aggregators	RECs can lead to financial savings for members due to reduced energy prices compared to traditional utilities. Aggregators can improve energy efficiency at home and reduce expenditures that way.
Job Creation	RECs, Aggregators, CF (Crowdfunding)	Jobs created during the implementation and construction phase of the projects, as well as during the operation phase which included management and maintenance.
Participant Income	RECs, CF, Aggregators	RECs may pay out dividends to their members if profits are achieved in a fiscal year. CF platform provide a return on investment usually in the form of an interest payment on a loan. Aggregators may pay participants based on how much energy they can produce or how much flexibility they make available.
Government Income	RECs, CF, Aggregators	All three pay taxes. This can include land/property taxes, income taxes, corporate tax, and trade tax.
Capital Investment in RE (Renewable Energy) Infrastructure	RECs, CF, Aggregators	RECs install RE infrastructure via generating units, storage capacity, charging infrastructure or other initiatives. CF platforms raise financing to fund RE projects. Aggregators may not directly invest in RE infrastructure but may motivate participants to invest in further RE generation or storage.
Avoided GHG (Greenhouse Gases) Emissions	RECs, CF, Aggregators	RECs and CF provide a RE supply which may previously have stemmed from fossil fuels. Aggregators increase energy efficiency at the household level and can contribute to peak shaving across the entire grid.
Energy Savings	RECs, Aggregators	Some RECs engage in energy efficiency projects for their members and the wider community. Aggregators save energy through optimized energy usage.
Political Mobilization	RECs, CF, Aggregators	All three expose citizens to RE, and active participation can increase.
Energy Literacy	RECs, CF, Aggregators	Owning or investing in an energy asset increases consumer's understanding of the energy market. It can change attitudes towards energy consumption and understanding of meter readings and bills.
Clean Energy Generated	RECs, CF, Aggregators	RECs and CFs build generating units and thus it is important to see how much RE is produced by these units. Aggregators do not directly generate RE but the amount produced by members can be measured.

Table 1. Description of indicators for social innovation IAs (TABLE 3 IN D5.2)

The content of this info-pack has been re-elaborated starting from the Deliverable 5.2.

For more information, references and case-studies examples about this topic please read the whole document: https://socialres.eu/wp-content/uploads/2022/01/D5.2_SocialRES-Toolkit-for-Policy-Assessment_adelphi.pdf



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