



SOCIALRES

Report on Policy Dialogues

Policy dialogues on the national policy frameworks for social innovations in the field of renewable energies

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This report has been produced within the SocialRES project “Fostering socially innovative and inclusive strategies for empowering citizens in the renewable energy market of the future”.

WIP Renewable Energies coordinates the SocialRES project.

The consortium involves 13 partners in 9 European Countries. The logos of the partners cooperating in this project are shown below and information about them is available in this report and at the website: www.socialres.eu



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List of Abbreviations

| | |
|--------------|---|
| CF | Crowdfunding |
| EA | Energy Aggregator |
| ECSP | European Crowdfunding Service Providers |
| EU | European Union |
| IoT | Internet of Things |
| ISA | Individual Savings Account |
| NGO | Non-Governmental Organisation |
| REGEA | North-West Croatia Regional Energy Agency |
| RES | Renewable Energy Sources |
| PRTR | Recovery, Transformation and Resilience Plan / “Plan de Recuperación, Transformación y Resiliencia” |
| PV | Photovoltaic |
| UK | United Kingdom |

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1. Introduction

The energy transition in Europe increasingly shows a momentum of social issues. Not least through the high energy prices and inflation is the need for an effective and socially inclusive energy transition towards a renewable energy supply becoming obvious. The energy transition depends on its social acceptance and several aspects like energy sovereignty, energy democracy and the decentralization of the energy system call for a stronger participation of citizens in the transition to increase acceptance and sustainability (European Commission, 2019a, 2019b).

To this end social innovations like renewable energy cooperatives (REC), energy aggregators (EA) and crowdfunding platforms for renewable energy projects (CF) are an essential means. They can benefit communities socially, environmentally and economically (Hoffmann et al. 2021). They include citizens as members or investors in their business models, can decrease energy poverty through collective prosumership, generate local value-added and increase the decentral production of renewable energy. Hence, the SocialRES project studies these three social innovation business models, their development and their potential for a socially acceptable energy transition.

In this context policy dialogues in seven European countries were conducted as part of the SocialRES project to discuss national and regional differences in policies and related barriers and enablers for social innovations in the renewable energies (RES) sector. The selected countries are the SocialRES case-study countries that have been studied for the past years (for an overview of SocialRES reports and papers, visit: <http://socialres.eu/resources/>). These are Croatia, France, Germany, Portugal, Romania, Spain and the United Kingdom.

The discussions were held with experts and representatives from RES cooperatives, crowdfunding platforms and aggregators, local and regional policy makers and energy experts. The objectives of the policy dialogues were 1) to discuss the status-quo of policies related to social innovations at the regional, national, and EU level; 2) evaluate whether the current and planned policies are enough to mainstream social innovations; and 3) to discuss suggestions to improve the policy framework in the respective countries.

This deliverable summarizes the proceedings of the policy dialogues conducted between June and October 2022. The remainder of this report is structured as follows: In the next section, the methodology of the dialogues is outlined. Chapter 3 reports on the proceedings of the Policy Dialogues. The report closes with a conclusion and an outlook. The results of the dialogues are the basis for the development of policy recommendations to foster the development and the uptake RECs, EAs and CFs in the respective country.



2. Methodology

For the policy dialogues, the project team chose a 90-minutes virtual workshop. While participants were invited by the case-study partners, adelphi developed the format and took over the facilitation in most dialogues. The discussions were documented by filling documentation templates for each session. The templates are attached in the appendix.

After an introductory round, the project team gave a brief input presentation about the SocialRES project. The team explained the aim and the use of the dialogue results for the development of policy briefs. This input was followed by the case-study partners sharing their experiences with renewable energy social innovations (i.e. crowdfunding platform, energy cooperative or energy aggregator) in their respective country's policy framework.

After the presentations, the project team moderated the discussion with the participants covering the following guiding questions:

1. Which policies and policy instruments are the most important to consider when starting, operating, or joining a socially innovative business model?
2. What are the main issues and benefits of the current policy framework?
3. Which type of social innovation has the most potential under the current regulatory framework?
4. What needs to change for the other social innovations to be similarly attractive and competitive?

In each of the dialogues, the respective national case-study provider played a central role and shared their experience.

Due to some limitations (i.e. availability constraints of participants, in particular policy makers) or contextual differences, not all of the dialogues could be fully aligned to the above concept. For Spain, no date could be found that suited the invited participants. Due to time and capacity constraints, the project team decided to conduct interviews with policy experts instead. For Romania, the dialogue format was shortened to one hour, as the invited candidates had severe time constraints. To increase the number of participants, the project team decided for the shorter version. With regard to the specific contexts and composition of the expert groups in Portugal, France and the UK, the questions asked slightly differed from the guiding questions (see appendix).



3. Proceedings of the Policy Dialogues

In the following, the results of the policy dialogues are outlined in alphabetical order of the respective countries.

Croatia

The Croatian policy dialogue took place on September 22, 2022. 13 energy policy experts from regional development and energy agencies, energy cooperatives, and local administrations participated in the dialogue, along with three project members from adelphi and the North-West Croatia Regional Energy Agency (REGEA). Tijana Šimek from REGEA gave an input presentation about the Croatian political and legal framework for RES social innovations. The discussion covered the framework conditions for all three social innovation model that are topic of the SocialRES project and followed the general three discussion questions, introduced in chapter 2. The discussion also relied on insights about the Croatian policy framework from the SocialRES white paper on drivers and barriers for social innovations in the energy sector (Schneller et al. 2021), which were reflected in the group against the background of the current situation.

A general issue which was discussed, is the lack of specificity of the national policy framework. Hence, where possible, EU-level legislation fills its regulatory and definitory gaps. Accordingly, the EU definition of “energy community” acts as orientation since there is no national legal definition for energy cooperatives in Croatia. And after a long absence of a national legal definition of CF in Croatia the EU Regulation 2022/1503 on European crowdfunding service providers was implemented in Croatian national law on January 4, 2022. In general, the remaining points highlighted in the discussion reassured the findings of the white paper on good policy practice (Schneller et al. 2021).

RECs and EAs face the problem that joint prosumer or RECs cannot be user of self-sufficiency and an energy plant at the same time. For small cooperatives it is difficult to compete with larger energy companies in tenders. Moreover, even though the procurement regulations for municipalities have changed since the white paper was written and they now extended their criteria to other than cost criteria, costs remain the most important criterion for procurement. Another point was that RECs are through their legal standing in Croatia limited to non-profit business models, which was argued to hamper their development and the development of new cooperative business models that are attractive for a larger share of the population to found or join a REC. Regarding EAs, participants pointed out that that prosumers have to decide whether to sell their electricity or consume it. Doing both is not possible. In case of “overproduction”, where more electricity is fed into the grid than is self-consumed, the surplus electricity has to



be sold but to a reduced price. This was discussed to deteriorate the business case of EAs and moreover gives little incentive for electricity feed-ins. The discussion also confirmed that the installation of photovoltaics (PV) on apartment blocks is still conjoined with extensive approval processes also because such installations need to be approved by a majority of the homeowners holding a share of the respective building.

The market of CF remains small in Croatia so far. Hence, discussants stressed that CF campaigns remain geographically centralized and thus are less attractive for locals interested in local benefits of CF projects. Also, there are only few actors supporting the CF development. Local governments, which can act as a facilitator of energy cooperatives, can however not invest in CF campaigns themselves, as they are not allowed to owe debt to citizens. They can only contribute on a donation basis. There appears to still be little awareness of the existence of RES CF among the general public and potential supporters in Croatia. The lack of support and incentives was discussed to be a reason for the absence of CF service providers of high-quality. This appears to be a vicious circle, which needs to be broken through.

From all three types of social innovations, RECs are the most competitive model. But even they face severe challenges. To foster the development of RES social innovations in Croatia, it was discussed that generally a better regulated and supported citizen inclusion is essential. This could among others be achieved through directly addressing and contacting citizens through locally implemented projects. Moreover, more attractive business models were suggested to be developed that display both financial and non-financial (such as social and environmental) benefits for participants in a low-threshold manner. Also, it was suggested that citizens are not only addressed and included through citizen investment but actively involved in the respective project to create a sense of ownership.

France

The French policy dialogue was split into two sessions: October 3 and October 13, 2022. The dialogues were conducted by the French SocialRES partners I-ENER and ESTIA. Eleven external participants from the public sector and the energy sector joined the discussion, evolving mostly around the situation for RECs in France.

The discussants stressed that the current energy policy framework is rather complicated to navigate through. Permissions to develop RES projects are regularly difficult to get due to strict regulations based on e.g. coastal, mountain, fishery concerns. I-ENER outlined its experience in developing PV projects on contaminated lands, which gives these areas a value-added as they are not many alternative uses for them. However, even projects on this type of land face bureaucratic difficulties and are regularly blocked on the basis of the littoral or mountain law when project sites are too close to the coast or mountain



areas. The discussants pointed out, however, that these blocks ignore the fact that independently of their location, the project sites are contaminated lands or urban areas, and thus should be regulated and protected differently than natural landscapes. Also, lobbying organization might hamper project development through raising concerns about their interests (e.g. fishery, nuclear energy).

Another issue the participants highlighted was that the energy market is unstable. The uncertainties that are associated with this hamper RES social innovation development. This uncertainty and difficulties to run a social innovation enterprise is exacerbated by the volatile prices and supply of materials to develop new PV or wind energy projects. The general inflation and the increase in interest rates of bank loans make project development additionally more complicated. Moreover, many companies sell PV modules for self-consumption to overpriced offers, which discourages several actors to invest in solar energy. Lastly, it was stressed that the relatively small RECs compete on this unstable energy market with larger energy companies, some of which are partly publicly owned, making competition very hard for the smaller actors. Even more so as RECs in France depend on the public sector for their project development, as public organizations open calls for tenders and offer subsidies.

The participants furthermore discussed that while local and regional governments can be a great source of support for the locally implemented RES projects by social innovations such as RECs, the French law does not allow sub-national administrations to provide subsidies to RES projects that already benefit from feed-in-tariffs. Against the background of the asymmetric competition in the uncertain energy market, this regulation deteriorates the business case for small RECs.

One factor that also was discussed to play into this is the French legal framework for collective self-consumption and prosumership. There is a new legislation on this topic, induced by European law, but according to the participants, the current fees for respective projects are too high to make this an attractive model in the French context.

To make the French policy framework more supportive for RES social innovations, the discussants stressed the importance to decrease bureaucratic barriers for project development. Accordingly, they appreciate recent developments in French law to accelerate the development of RES projects also by reducing administrative hurdles. To increase the competitiveness of RECs and decrease the competition with lobbying groups, the participants suggested the facilitation of networks between RECs and non-governmental organisations (NGO) from the field of energy and environment. As good practice the participants discussed the case of the Nouvelle-Aquitaine region that gives out subsidies to the regional network for renewable energies “CIRENA” for networking activities and to support upcoming citizen collectives and cooperatives. Furthermore, the discussants suggested partnerships with (partly) publicly owned energy companies to jointly develop RES projects instead of competing for project calls. To further facilitate project development, the participants suggested that the public administration should publicly support smaller RES projects by social innovation. This could ease the process of



getting a bank loan also for unconventional project ideas. Higher feed-in-tariffs could also be source of making RES projects more attractive and decrease payback periods. To work around the prohibition for regional authorities to subsidize RES projects with feed-in-tariffs, the participants suggested that these authorities could support the projects in other ways, such as subsidies for the mobilization of citizens, calls of project for collective self-consumption, and subsidies for asbestos removal.

Germany

The German policy dialogue took place on July 6, 2022. Ten energy policy experts from energy cooperatives, regional energy agencies, local utilities, research and NGOs participated in the dialogue, along with three project members from adelphi and Bodensee-Stiftung. Volker Kromrey from Bodensee-Stiftung gave an input presentation about challenges of citizen energy in Germany. The dialogue was focused on RES cooperatives, but also touched upon other social innovation models.

Germany is a federal system with 16 *Bundesländer*. Each has its own constitution and the policy frameworks for RES social innovations differ by Bundesland. On the one hand it was discussed that this gives leeway for the Bundesländer to try out policies to support social innovation development. On the other hand, the discussants suggested that this benefit of the federal system does not outweigh the disadvantage of a non-uniform regulation throughout the state. Thus, the development of a uniform policy framework at the federal level is progressing too slowly.

The discussants stressed that one of the problems occurring from that is that even though energy cooperatives are relatively well established in Germany (in numbers) there still is a lack of a clear definition of (renewable) energy cooperatives, which can pose a barrier in operating such an enterprise. Moreover, the participants underlined that the concept of energy sharing needs a definition and regulatory framework. So far, for instance, the sharing of electricity is legally not possible. In the “Osterpaket”-reform of the Renewable Energy Law in June 2022, no such conducive regulation was included, nor does it appear to be planned for the next reform in 2024. For RECs but also EAs this framework could be a game changer. In addition to this regulatory demand, the participants also highlighted the importance of the smart meter rollout as a driver of energy sharing and prosumership.

Another aspect that was discussed is an obligation to tender for PV plants with a capacity over 750 kWp. This regulation makes it difficult for typically relatively small energy cooperatives to be competitive against large energy companies. Before the tender expert assessments, clarification of property rights and concrete planning have to be paid. The costs quickly reach a six-digit amount. Hence, energy cooperatives do not even have the chance to participate in the tender.



The discussion went also around the inclusion of low-income households in energy cooperatives. Most cooperative members are high-income male technology enthusiasts. Other groups have difficulties to join, not least because of the cost barrier for people with low-incomes to become a cooperative member as one has to purchase a business share to join a cooperative. This is something people with low-income often cannot afford.

To tackle these issues, the participants suggested a mandatory citizen participation in wind energy projects. Moreover, they suggested a de-bureaucratisation of the process of founding RECs. This, however might not be enough as under the current regulation it is not straightforward to develop a profitable business case as it was before 2015 when feed-in-tariffs were attributed to all electricity producers. Additionally, the support in the development of business models for citizen heat networks and charging infrastructure was suggested. Furthermore, the formulation of a legal definition of (renewable) energy cooperatives (and aggregators and crowdfunding platforms) was discussed to be an important enabler. To increase the inclusion of low-income households in energy cooperatives, subsidy schemes provided by the municipality for the purchasing of business shares were suggested. To strengthen the market position of energy cooperatives, it was recommended to develop support schemes for collaborations between different corporate actors and cooperatives.

RECs were the focus of the discussion and they are also the most competitive social innovation model in Germany so far. To increase the competitiveness of CF, the participants suggested to simplify the prospectus requirements and a tiered model for municipal, state and federal participation in crowdfunding campaigns. Regarding EAs the participants highlighted the importance of the smart meter rollout and de-bureaucratisation

To increase citizen participation in the energy transition in general, the discussants suggested to increase public awareness for the topic, thus the social acceptance of the energy transition could rise through awareness and information campaigns. Also, the fostering of “Bürgerräte” - locally voluntary citizen councils that are actively included in municipal policy making - might result in ambitious policy suggestions and the establishment of social innovations locally.

Portugal

The dialogue with the Portuguese case-study partner GoParity took place on October 12th 2022. Six participants, including legal experts and experts from the crowdfunding landscape, discussed the political and legal framework of crowdfunding platforms in Portugal.



In Portugal, the implementation of the Regulation on European Crowdfunding Service Providers (ECSP) for business¹ has not yet taken place, which - according to some of the experts - hinders the uptake of crowdfunding in Portugal. Also looking over to other European countries, the national implementation should not be an issue. The lack of municipal support is another barrier, as well as the fact that currently only crowdlending² is covered in national legislation.

Regarding the financial situation, CF in Portugal struggles with the incentive framework that benefits mostly large RES projects. Hence, smaller crowdfunded projects are less competitive. This also translates into the struggle for respective projects to find investors both from the public as well as institutional investors. The participation in CF by the general public was moreover discussed to be hampered by the financial illiteracy of citizens.

To tackle the administrative barriers, the participants suggested that the next step for the national government should be the implementation of the ECSP Regulation. Moreover, the discussants pointed out that the involvement of the ministry of environment in the support of CF could be supportive for its uptake in Portugal.

In order to facilitate crowdfunding investments, the discussants suggested that a reform of the tax benefits could incentivise citizens to invest in CF projects. Accordingly, tax benefits for investors of smaller projects could potentially boost CF investments. Similarly, a lower tax compliance burden for operating crowdfunding platforms could foster the uptake of CF in Portugal. Nevertheless, most of the experts agreed that an actual implementation of these policies is rather unlikely. However, a tax benefit for equity investment, like in Italy, a co-investments framework as in France, or the mandatory municipal participation in large PV and wind park projects in the Netherlands could be promising approaches. Additionally, to approach the financial illiteracy, targeted financial capacity building for citizens interested to invest in RES was suggested to be beneficial to foster CF development in the country. Increasing the awareness of the local co-benefits of citizen funded RES projects could furthermore attract municipal investors.

Romania

The policy dialogue in Romania took place on September 20, 2022. Tractebel Engie Romania and adelphi conducted the format with ten external participants from public

¹ Regulation (EU) 2020/1503 of the European Parliament and of the Council of October 7, on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937.

² Crowdlending can be defined as a form of funding in which borrowers use internet-based platforms as intermediaries to obtain loans for a project from private lenders (Ben Slimane/Rousseau 2020).



administration, energy agencies, the energy sector, NGOs and research. Alexandru Costeniuc from Tractebel Engie gave an input presentation about the barriers of RES social innovations - especially EAs - in Romania. With the Tractebel Engie-case as entry point for the discussion, the dialogue mostly evolved around EAs but also touched upon the situation of RECs in Romania.

As in several other countries, in Romania it was discussed that social innovations struggle with the absence of legal definitions for i.e. energy aggregators and (renewable) energy cooperatives. While the legislation recognizes their existence, it does not define clearly how to handle and norm these business models. This also leads to a lack of guidance through the legislative framework and economic situation of social innovations for people running such an enterprise or wanting to found one.

Moreover, it was discussed that there is little awareness of alternative energy providers in the Romanian market. Hence, only few people seek to join or found aggregators or cooperatives or approach them as customers.

Another point that was discussed is the role of smart metering for the functioning especially of EAs. Smart metering was discussed to evolve too slowly in Romania. By the same token, the internet of things (IoT) was discussed to have the potential of an important enabler for the development of aggregators but that also this technology evolved too slowly in the country as communication protocols for IoT are not yet standardized.

Regarding the market situation, the participants issued that energy trading is centralized via OPCOM, the Romanian electricity and gas market operator. The legislation moreover does not encourage the coexistence of additional platforms. The centralized market space makes it difficult for new, innovative and smaller companies to access the market and the competition, as market access is expensive and thus favors larger players.

To improve the situation for RES social innovations, the discussants suggested to support and standardize smart metering and to introduce flexible grid tariffs and virtual metering in the Romanian energy market. Moreover, as generally the awareness for environmental protection, energy transition and RES social innovations and its co-benefits for members and the local communities is low, participants suggested to implement and support prominent and publicly visible pilot projects that show best practices. Furthermore, the discussants called for a stronger social focus of energy policy in Romania to make also the policy sector think more about innovative solutions for citizen participation in the energy transition. From the experience of the participants awareness and promotional campaigns should work analogously and focus on the connection of social innovation and enabling factors such as smart meters with social topics such as participation in the energy transition and energy security to reach citizens' deeper needs such as a sense of belonging, self-esteem and ownership.



Spain

In the Spanish case, an expert from the project partner EnergeticaCoop and an energy policy expert for Spain were asked four questions formulated closely to the overarching guiding questions introduced in chapter 1. These are:

1. Which existing policies are most important to consider when starting, operating, or joining a social innovation business (renewable energy cooperative, crowdfunding platform for renewables, energy aggregator) in Spain?
2. What are the main issues and benefits of the current policy framework?
3. Which type of social innovation has the most potential under the current regulatory framework? Renewable energy cooperative, crowdfunding platform for renewables or energy aggregator?
4. What needs to change in the current policy framework for social innovations in the energy sector to be attractive and competitive?

Regarding the most important policies for social innovation businesses, the expert from EnergeticaCoop replied that the regional law on cooperatives regulates the creation of energy cooperatives. Since there is no national law on cooperatives, it is necessary to consider the activity to be carried out by the cooperative and to carefully examine the different regulatory frameworks, for instance on the participation in the retailing market or the promotion of self-consumption. The European regulation on the creation of energy communities has not yet been transposed into Spanish law. The external policy expert specified that the two main policies to be considered are PNIEC 2021-2030 and the Recovery, Transformation and Resilience Plan (Plan de Recuperación, Transformación y Resiliencia (PRTR)). Nevertheless, the expert stressed that it is crucial to consider also the regulation about the energy markets and the Spanish electricity grid provider Redeia.

According to the experts, the current policy framework offers several benefits, but also obstacles. In general, regulatory barriers and administrative processes hamper social innovation business as the legislation in this field is not well implemented, yet. Depending on the activity carried out, the policy regulations would need to be developed and specified. For instance, activities such as self-consumption and energy communities are currently handled through the creation of associations, cooperatives or collective self-consumption requirements. For this reason, they might require clearer regulations that combine European guidelines and Spanish particularities. European funding is seen as an enabler to social innovation business, especially renewable energy cooperatives and community energy projects. Beyond, the Spanish Institute for Diversification and Saving of Energy (Instituto para la Diversificación y Ahorro de la Energía (IDEA)), the Implementation funds and the PRTR offer additional financial and political support.



The expert from EnergeticaCoop states that the current regulatory framework in Spain especially strengthens the potential of RECs. Due to the long history of agricultural cooperatives in Spain, the concept is already well known and energy cooperatives could firmly establish in the Spanish electricity market. Therefore, some cooperatives such as SomEnergia and Goiner which are both part of Rescoop have been engaging as renewable energy electricity suppliers, as operators of medium scale solar farms and as promoters of residential and commercial solar PV. They also work with other distributed energy resources and manage community energy projects. Nevertheless, they face the historic power of big companies (oligopoly) in the Spanish electricity market that is difficult to compete with. To support different RES social initiatives in this competition, crowdfunding platforms like Fundeen have a decent number of investors and raise funds mainly for solar farms.

Concerning energy aggregators, a new regulation that enables independent energy aggregators is expected to come into force in 2024, implementing an EU directive that regulates the demand-side flexibility in the Spanish legislation.

In order to make social innovations in the energy sector more attractive and competitive, the experts stress the importance of implementing the Directive EU 2018/944 regarding energy communities into national law, in order for the administrations to work effectively towards an acceleration of REC development. According to the experts, new policies could be based on European directives and moreover build on the particularity of social innovations which mainly offer proximity and trust to citizens during the energy transition.

United Kingdom

Seventeen experts from the field of crowdfunding investment - including the SocialRES partner and crowdfunding platform Abundance - discussed barriers and solutions for RES crowdfunding in the UK on October 3, 2022.

The participants stressed that certain administrative hurdles that are based on municipal councils' time-consuming processes hampered the development of CF in the UK. On the one hand, the councils' time to progress and adopt new ideas due to lack of capacities and confidence was discussed. On the other hand, the participants pointed out that the process of updating the Treasury Management Strategy - which is required for required to reference the investment product and lender before a municipal investment can be issued - is done annually and needs the sign-off of the full cabinet. This slows down makes decisions on involvement in crowdfunding initiatives and other local investments connected to RES.

Turning to the economic context, the UK is home to a well-developed market of crowdfunding platforms, including ones for renewable energy. Most popular is the debt-



based crowdfunding, in contrast to the equity-model. However, the participants indicated that, Abundance is the only platform that provides RES crowdfunding to municipal councils. Yet, with this business model still being young, the group highlighted that the awareness of the public in general and municipal investors in particular is for this product is still low. Furthermore, the participants discussed that council members often lack a good understanding of retail investment, council finances and non-finance depts, further slowing down development processes for crowdfunding projects.

As solutions for the aforementioned barriers, the participants suggested a harmonized Individual Savings Account (ISA) rule for loans and bonds. Accordingly, bonds that are issued by local authorities could be ISA eligible. Moreover, Abundance and the UK Financial Conduct Authority agreed on a new category of crowdfunding investment - a local authority security. This renewable category could further support the uptake of crowdfunding, as people buying this investment do not have to go through the same risk warnings and investor tests that company crowdfunding investors must see. Hence, local authority investments are very low risk.

Furthermore, the participants suggested to increase public awareness of the new product Abundance offers. At the same time greater investor awareness would drive greater success and ease the scale up challenge. In this context, an expert by the Green Finance Institute proposed that the next phase of their work would focus on building regional investor awareness. Specifically, they aim to focus on educating council communication teams on how to market a municipal investment and they plan on piloting local investor meetings so that councils can introduce the concept to key people and businesses within a council's region.



4. Conclusion and next steps

Conducting the policy dialogues in SocialRES's seven case-study countries proved to be fruitful. Every country has a very specific context. Moreover, the different social innovation models face different challenges. Consequently, specific barriers require specific solutions. However, also some general patterns could be observed in the discussions.

A common theme is that the public in general and potential investors in particular still lack awareness about social innovation models and their social, environmental but also economic benefits. Accordingly, the discussants recommend to increase the awareness through information campaigns and publicly visible pilot projects that show good practice. Moreover, campaigns should reach out to citizens connecting social innovation with participation in the energy transition and energy security to reach citizens' deeper needs such as a sense of belonging, self-esteem and ownership. The discussions moreover suggest that a broad support of regional and local public actors not only through investing but also through direct involvement in the project is worthwhile. When allowed, public organizations can initiate CF campaigns and RECs and issue the active participation of local citizens.

Regarding the regulatory framework, experts from several countries stressed that fostering the development of RES social innovations requires a standardized and clear legal definition of the different social innovation models. Furthermore, the decrease of administrative hurdles for RES projects can facilitate project development and the public acknowledgement of social innovation models as important drivers of the energy transition was suggested to ease the access to bank loans. In these respects, discussants pointed to the importance of transposing EU directives into national legislation. The cases of Croatia and Spain were illustrative in showing how EU-level policy can fill gaps in the national policy framework. However, national implementation stays essential.

Regarding the market situation, small social innovation businesses are less competitive compared to large energy companies. High and stable feed-in-tariffs can reduce the risk and increase the profitability of the business case of social innovation models.

The discussions around CF suggested that there is a general need for citizen capacity building in the field of finance and the concept of crowdfunding. Additionally, the discussions revealed that an improvement of incentives (i.e. tax benefits) both for investors and the platform itself could lead to the uptake of CF.

To support the development of RECs discussants suggested that the facilitation of networks between the RECs and NGOs from the fields of energy and environment and partnerships with (partly) publicly owned energy companies to jointly develop RES



projects could be helpful to improve collaboration in project development instead of conflict and competition.

Regarding EAs, discussants from both Germany and Romania stressed the importance of a rollout of standardized smart meters to enhance the business case of collective prosumership.

Even though the exact policy dialogue formats varied by country and covered only a relatively small amount of people, the participants were selected carefully based on country expert knowledge by the case-study partner. Hence, the discussants were the right contact persons and provided insightful perspectives and contributions for this qualitative approach.

Based on the collected insights from the SocialRES project and the policy dialogues examined in this contribution, policy briefs containing policy recommendations for EU and national levels will be written by the end of 2022. To this end the project team will participate in a policy workshop at the Enlit Europe at the end of November 2022. SocialRES will be part of a panel and the event will be an occasion to exchange with a range of key actors from the energy market, civil society organisations and policy makers especially from the EU but also from the national level. At Enlit Europe the project team strives to reflect on the policy briefs to be drafted and to discuss the diverse outcomes of the SocialRES project with different stakeholders. Moreover, SocialRES will have a booth at the fair to further promote the project and to disseminate project insights.

All of the participants perceived the development of policy recommendations to be very useful for the operations of their respective business. Most of them are willing to comment on the first draft of the policy recommendations.



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Appendix

Agenda

Agenda valid for each Workshop

| Time | Agenda |
|---------------|--|
| 11:00 - 11:10 | Welcome and round of introduction |
| 10:10 - 10:25 | Input by respective Case-Study Provider on their experience and barriers of social innovations in the Romanian energy sector Croatia: Tijana Šimek (GoParity) Germany: Volker Kromrey (Bodensee-Stiftung) France: Iban Lizzaralde and Iban Lacoste (Estia and i-Ener) Portugal: Nuno Jorge Brito (GoParity) Spain: - Romania: Alexandru Consteniuc (Tractebel) UK: Karl Harder (Abundance) |
| 10:25 - 11:55 | Discussion Social innovations and policy: Barriers for the uptake of social innovations and necessary changes |
| 11:55 - 12:00 | Closing remarks |



Participation by organisation

Participants Croatia

| Organisation | Number of participants |
|---|------------------------|
| adelphi | 2 |
| North-West Croatia Regional Energy Agency (REGEA) | 2 |
| City of Jastrebarsko | 2 |
| Međimurje Energy Agency (MEDEA) | 2 |
| City of Karlovac | 1 |
| Regional Development Agency of Međimurje County (REDEA) | 1 |
| Regional Development Agency of Karlovac County | 1 |
| Austrian Energy Agency | 1 |
| City of Dugo Selo | 1 |
| City of Sveti Ivan Zelina | 1 |
| OSS Buševac | 1 |
| Green Energy Cooperative | 1 |

Participants Germany

| Organisation | Number of participants |
|--|------------------------|
| adelphi | 3 |
| Bodenseestiftung | 1 |
| Naturstiftung David | 1 |
| Energiegenossenschaft Ilmtal | 1 |
| Leipziger SW | 1 |
| NRW Energy4Climate | 1 |
| Deutsche Umwelthilfe | 1 |
| Baden-Württemberger Genossenschaftsverband | 1 |
| NATURSTROM | 1 |
| N.N. | 3 |

Participants France

| Organisation | Number of participants |
|------------------|------------------------|
| ESTIA | 1 |
| I-ENER | 1 |
| ENERCOOP | 2 |
| ENEDIS | 1 |
| ENARGIA | 1 |
| Izpindar | 1 |
| CIRENA | 1 |
| A nous l'énergie | 1 |
| Energip | 1 |
| Solévent | 1 |



| | |
|---|---|
| Terra Energies | 1 |
| Parc Naturel Régional Périgors Limousin | 1 |

Participants Portugal

| Organisation | Number of participants |
|---------------------------|------------------------|
| adelphi | 1 |
| Goparity | 1 |
| SRS Legal | 1 |
| DLA Piper Global Law Firm | 1 |
| FSO Consultores | 1 |
| N.N. | 1 |

Participants Romania

| Organisation | Number of participants |
|--|------------------------|
| Tractebel Engie Romania | 1 |
| adelphi | 1 |
| Energy Efficiency and Renewable Energy Agency Ploiesti-Prahova | 2 |
| Geostud | 1 |
| CCAT SG | 1 |
| Spiru Haret University | 1 |
| Romanian Ministry of Energy | 1 |
| Romanian Energy Regulatory Authority | 1 |
| N.N. | 3 |

Participants Spain

| Organisation | Number of participants |
|-----------------|------------------------|
| Energética Coop | 1 |
| olivoENERGY | 1 |

Participants United Kingdom

| Organisation | Number of participants |
|---|------------------------|
| Abundance | 2 |
| Green-Finance-Institute | 5 |
| UK100 | 2 |
| University of Leeds | 1 |
| Innovate UK | 1 |
| West Berkshire Council | 1 |
| Local Partnership | 1 |
| CIPFA | 1 |
| Sainsbury Family Trust | 1 |
| Ashden | 1 |
| HM Government - Dept Business, Energy & Industrial Strategy | 1 |



Documentation templates

Croatia

Table 1: Documentation Croatia.

| | | | |
|--|---|--|---|
| Date: 22.09.2022 | | | |
| Name of country: Croatia | | | |
| Partner: Tijana Šimek, REGEA | | | |
| Key Note: Tijana Šimek, REGEA | | | |
| Participants: adelphi, REGEA and 13 external participants | | | |
| | Which existing policies are most important to consider when starting, operating, or joining a social innovation in Croatia? | What are the main issues and benefits of the current policy framework? | Which type of social innovation has the most potential under the current regulatory framework? What needs to change for the other social innovations to be similarly attractive and competitive? |
| Administration and bureaucracy | <p>AG: Definition by Law on Electricity Market</p> <p>CF: Definition by Law on the implementation of Regulation (EU) 2020/1503 on European crowdfunding service providers (Official Gazette nr 144/21). Policy aims to create legal certainty through common rules on investor protection, within the single European market</p> <p>EC: Definition of cooperatives by Law on cooperatives, but no definition, or recognition of energy cooperatives. Orientation given by EU-level definition of "Energy communities" and implemented in Law on Electricity market.</p> | <p>EC & AG: Joint prosumer or EC cannot be user of self-sufficiency plant at the same time. Tax treatment of energy sharing.</p> <p>AG: grants and private PV installations only accessible once a year and so high that it disincentivizes investment without the grant. PV installations on apartment block face lengthy approval processes and need to be approved by majority of owners in the buildings.</p> <p>EC: legal form limited to non-profit only; founding EC is complex and time-consuming.</p> | <p>Energy cooperatives have the most potential so far.</p> <p>Generally better regulated and supported citizen inclusion, through ...</p> <ul style="list-style-type: none"> • Directly addressing and contacting citizens during locally implemented projects; • Attractive business models that display benefits for participants in a simple manner (incl. attractive interest rates for citizen investors and a promising case for a better life and environment; |



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| | Also important: Regulation on general conditions for using the network and electricity supply (Official Gazette nr 100/22) | CF: lack of specificity of national regulation. Regulatory framework is difficult to navigate as CF is more than one law. Local governments cannot owe debt directly to citizens and hence not start CF campaigns. This excludes all models except for donation/reward models. | <ul style="list-style-type: none"> • Active project involvement • The provision of a sense of ownership |
| Competitive framework | | EC: difficult to compete in tenders as small market agent. CF: small market so far. Campaigns are geographically centralized. Absence of quality CF service providers. | |
| Technological and digital infrastructure | | | |
| Financial barriers | | EC: cost of using the network in sharing procedures. Price of energy sharing among members | |
| Lack of awareness | | CF: small overall awareness about CF opportunities among general public and potential supporters, even though there have been awareness raising campaigns. | |
| Other barriers mentioned | | CF: project developers rarely have clearly defined and realistic business plans. Lack of support from business support organisations. | |



Germany

Table 2: Documentation Germany.

| | | | |
|--|---|--|--|
| Date: 06.07.2022 | | | |
| Name of country: Germany | | | |
| Partner: Volker Kromrey, Bodenseestiftung | | | |
| Key Note: Volker Kromrey, Bodenseestiftung | | | |
| Participants: adelphi, Partner and 10 external participants | | | |
| | Which policy instruments are most important when founding, operating or joining a socially innovative business model? | What are the advantages of the current policy framework? What are the challenges? | Which type of social innovation has the greatest potential under the current legal framework? What needs to change for the other social innovations to be similarly attractive and competitive? |
| Administration and bureaucracy | EEG (German Renewable Energy Law) | Federalism makes many things difficult. The advantage of policy experimentation at the federal state level does not beat the disadvantage of too slow uniform regulation at the federal level. | Energy cooperatives have the greatest potential. Money is not always the problem. Often available. Mandatory citizen participation in wind energy projects (opt-out). |
| Competitive framework | EEG, Energy Sharing Legal Framework, Cooperative Act ("Genossenschaftsgesetz") | Functioning business models need to be developed and promoted | For aggregators: better definition, Smart meter rollout, de-bureaucratisation. |
| Technological and digital infrastructure | EEG, Smart-Meter Roll-Out | Smart-Meter Roll-Out as support for social innovations | For CF: Simplify prospectus requirements, tiered model for municipal, state and federal participation. |
| Financial barriers | EEG, Feed-in-tariff, support for the participation of low-income households, KfW loans, citizens' energy fund | The barriers apply especially to low-income households, for whom it is difficult to invest in ECs. | |
| Lack of awareness | EEG, CO2 price | Not a sufficiently clear definition for ECs Energy sharing definition important - especially for | |



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| | | ECs and the social transition | |
| Other barriers mentioned | EEG | One challenge is social inclusion, as ECs are mainly founded and run by well-off men. Innovation driver: internalised external costs -> CO2 price higher. | |

France

Table 3: Documentation France.

| | | |
|--|--|---|
| Date: October 3rd 2022 and October 13th 2022 | | |
| Name of country: France | | |
| SocialRES Partner: i-Ener and Estia | | |
| We discuss policy dialogs in two different reunions with different partners. In the first one we were different collectives (I-ENER, Izpindar), alternative suppliers (Enargia, Enercoop) and the French DSO (ENEDIS). In the second one, we were different regional structures from the regional network to develop renewable energies (CIRENA) | | |
| | Barrier | Solution |
| | <p>How can which institutional approach overcome the main barriers for RES social innovations / RE Crowdfunding in the UK?</p> <p>To what extent do existing national and regional policies mitigate or exacerbate these barriers?</p> <p>Are there any upcoming policies that could mitigate or exacerbate these barriers?</p> <p>Which constructive alternative policies would be able to mitigate these barriers or support existing / upcoming policies do so?</p> | <p>What could be solutions for the identified barriers? And why?</p> |
| Administration and bureaucracy | I-ENER develops new photovoltaic project in ground in contaminated lands. Even in this type of project, there are administrative blockages which are aberrant. In fact, three projects are | The law is moving a lot in the sector of energy in the last months. A new law is for example in discussion in the French assemble: the main objective is to |



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| | <p>blocked by the administration because the municipalities are near the ocean or near the mountains (littoral law and mountain law). These laws do not take into consideration that the projects are in contaminated lands or in urbanized lands.</p> <p>There is a new legal framework for collective autoconsumption in France but this framework is not yet economically profitable.</p> <p>Other organizations also are doing lobbying (for example for nuclear energy, or fishing organizations that complicate the realization of small hydroelectricity projects).</p> | <p>accelerate the development of renewable energies in France removing administrative blockages. Normally this law will permit to facilitate our projects in contaminated lands and it will be also easier to do small photovoltaic plants in ground until a power of 1MWc.</p> <p>The policies change because of the European energy context but also because of the lobbying which is done by different partners (at European level and French level). For example, there is a big lobbying in France to change the status of collective self-consumption (to reduce associated fees) but it is advancing slowly.</p> <p>One solution is to gather in different networks to be able to learn from each other and be able to weigh more in front of the administration. I-ENER is for example part of a regional network for renewable energies (CIRENA), a national network (Energie Partagée) and European network (REScoop). The public policies can help this networking. For example, the Nouvelle-Aquitaine region give subsidies to CIRENA to do this networking and help the new citizens collectives or cooperatives.</p> |
| <p>Competitive framework</p> | <p>The current energy framework is very complicated. The energy market is very unstable and that bring a lot of uncertainties for the future.</p> <p>Some actors had bad experience in the photovoltaic field. A lot of companies are doing canvassing to sale photovoltaic plants in self consumption in abusive prices.</p> <p>Big multi-national competitors are also in the same area and activities. The department also create the SEM64, a</p> | <p>We are trying to build a short circuit of energy in the Basque country with the development of I-ENER and Enargia and with the development of collective self-consumption projects. The objective is to be less dependent of the market and to do projects in the long term between us. The problem is that the banks are reluctant to finance this kind of project. It would therefore be much easier to develop these projects if the public actors</p> |



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| | <p>structure half public half private to develop renewable energies in the county</p> <p>French cooperatives are dependent on the public organizations to develop them activities (subsidies, calls for projects...)</p> | <p>(county, region, state) stand surety or guarantee these projects for the bank.</p> <p>To answer this barrier, we find new partners of confidence and improve our specifications in calls for tender. We also begin to advice citizens to avoid scams and restore confidence about the photovoltaic field.</p> <p>We need to work in a partnership with these local structures, not in competition. We can build projects together.</p> <p>To be more independent, a renewable energy cooperative need to have a lot of projects in production. I-ENER need to develop new projects in roofs and also change a scale of projects for example with photovoltaic in ground.</p> |
| Technological and digital infrastructure | <p>The supply of the material is very difficult in this moment: some production lines are stopped, the cost of the material increased a lot, supply times have increased...</p> | <p>The country or Europe could have a big politic to relocate the renewable energy industry in the territory. It will be easier if the suppliers were local and less dependent of geopolitical crisis.</p> |
| Financial barriers | <p>Inflation touch all the sectors of activity, including the photovoltaic material and the energy field. The costs of our projects have increased a lot in the last months.</p> <p>The bank interest costs have increased a lot too in the last months => it is more complicated to develop projects</p> <p>The French state did a law that not permit the other public actors (for example the region) to give subsidies for the invest on renewable energy projects if these projects have already feed-in-tariffs.</p> | <p>The state increased again the prices of feed-in-tariffs in the last months. These feed-in tariffs were failing in the last years but in this context the state to increased them to complete with the renewable energy objectives in the country. Like explained above, it will be also very helpful if public actors stand surety for specific projects in front of the bank.</p> <p>A work is done with the region and other public actors to target the aids not in the invest of the projects but in another fields: subsidies for the mobilization of citizens, calls of project for collective self-consumption, subsidies for asbestos removal...</p> |
| Lack of awareness | | |
| Other barriers mentioned | | |



Portugal

Table 4: Documentation Portugal.

| | | | |
|--|---|--|--|
| Date: 12.10.2022 | | | |
| Name of country: Portugal | | | |
| Partner and Input Presentation: Nuno Jorge Brito, Go Parity | | | |
| Participants: 6 | | | |
| | What are the main barriers of the current framework that hinder the uptake of (renewable energy) Crowdfunding in Portugal? | What is the status in other EU countries and how can Portugal benefit from it? | What are potential solutions for the current regulatory framework in Portugal? What needs to change for the other social innovations to be similarly attractive and competitive? |
| Administration and bureaucracy | Implementation of EU Regulation ESPC has not happened yet Lack of municipal support | New EU law applicable since Nov. 2021, but not yet implemented in PT. The implementation should, however, not be an issue. Most of EU member states adjusted law according to EU law (Germany, France, Croatia, Spain, but also Scandinavian countries) In most EU countries: existing players apply for licenses. In Germany, the government decided to introduce liability clause. | Lower tax compliance burden for CF Platforms Tax incentives for CF investors (learning from other countries) Implementation of the EU Regulation ESCP Inclusion of the Ministry of the Environment Finance capacity building for citizens interested in investing via crowdfunding Facilitate municipal support to raise awareness of local co-benefits of RES social innovations |
| Competitive framework | Tax benefits mainly for big projects | | |
| Technological and digital infrastructure | | | |
| Financial barriers | Financial illiteracy of citizens Struggle to attract institutional investors | Idea for incentives from other countries Italy: Tax benefit for equity investment | |



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|--------------------------|--|--|--|
| | Lack of financial incentives for crowdfunding investors | UK: “best practice” tax incentives France: co-investment framework Netherlands: municipal participation is mandatory for PV and wind parks | |
| Lack of awareness | | | |
| Other barriers mentioned | Legislative gap: for now only lending crowdfunding considered in legislation | | |

Romania

Table 5: Documentation Romania.

| | | | |
|--|---|---|---|
| Date: 20.09.2022 | | | |
| Name of country: Romania | | | |
| Partner: Alexandru Costeniuc, Tracetebel Engie Romania | | | |
| Input presentation: Alexandru Costeniuc, Tractebel Engie Romania | | | |
| Participants: adelphi, Tracetebe Engie Romania and 10 external participants | | | |
| | Which existing policies are most important to consider when starting, operating, or joining a social innovation in Croatia? | What are the main issues and benefits of the current policy framework? | Which type of social innovation has the most potential under the current regulatory framework? What needs to change for the other social innovations to be similarly attractive and competitive? |
| Administration and bureaucracy | | | Live pilot projects |
| Competitive framework | | General: energy trading still centralized - OPCOM; legislation does not encourage the coexistence of more trading platforms | Aggregate the prosumers to have more benefits It needs to analyse and develop the innovative entrepreneurial ecosystem |



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| | | The ‘old’ rules make the market access for new concepts if not prohibitive at least very expensive | in order to ensure the interest of all participant in the market |
| Technological and digital infrastructure | | Smart metering is evolving slowly and not yet standard. IoT needs investment. Communications protocols for IoT equipment are not standardized Flexible grid tariffs or virtual metering are missing | We need another approach to be friendlier with the citizens Continuously address social challenges, in order to find and improve on the solutions The process should be transparent for all the regarding parties, and the end-users should be able to see the direct benefits. |
| Financial barriers | | | |
| Lack of awareness | | General: New concepts like EC and AG are not properly defined and normed. Are only mentioned in national legislation. Low market awareness of alternative energy providers Lack of transparent guidance adapted to national particularities | |
| Other barriers mentioned | | Low interest in environmental protection Stakeholders’ reluctance to apply new policies. Lack of multiple trading environments, validated ones at national level, Benefit: supported for prosumers implementation | |



Spain

Table 6: Documentation Spain.

| | | | |
|---|---|---|--|
| Date: October 2022 | | | |
| Name of country: Spain | | | |
| Partner: EnergeticaCoop | | | |
| Participants: EnergeticaCoop, external expert energy policy expert | | | |
| | Which policy instruments are most important when founding, operating or joining a socially innovative business model? | What are the advantages of the current policy framework? What are the challenges? | Which type of social innovation has the greatest potential under the current legal framework? What needs to change for the other social innovations to be similarly attractive and competitive? |
| Administration and bureaucracy | Regional law on cooperatives PNIEC 2121-2030 and the PRTR (Plan de Recuperación, Transformación y Resiliencia) Regulation about the energy markets and Redeia | Differences between the regional legislations Necessary to consider the activity to be carried out by the cooperative and to carefully examine the different regulatory frameworks European regulation on the creation of energy communities has not yet been transposed into Spanish law | Energy cooperatives have the greatest potential. Energy aggregators: a new regulation that enables independent energy aggregators is expected to come into force in 2024 With a stronger regulatory framework for community energy, more diversified projects could be implemented and make these social innovations appealing to new stakeholders |
| Competitive framework | | Historic power of big companies (oligopoly) in the Spanish electricity market | |
| Technological and digital infrastructure | | | |
| Financial barriers | European funding as an enabler to social innovation business, especially renewable energy cooperatives and community energy projects | | |



| | | | |
|---------------------------------|--|---|--|
| | Spanish IDAE, the Implementa funds and the Plan de Recuperación, Transformación y Resiliencia | | |
| Lack of awareness | New policies could consider the particularity of social innovations which mainly offer proximity and trust to citizens | Not a sufficiently clear definition for ECs Energy sharing definition important - especially for ECs and the social transition | |
| Other barriers mentioned | | | |

United Kingdom

Table 7: Documentation United Kingdom.

| | | |
|---------------------------------------|--|--|
| Date: October 3rd 2022 | | |
| Name of Country: UK | | |
| SocialRES Partner: Abundance | | |
| | Barrier | Solution |
| | <p>How can which institutional approach overcome the main barriers for RES social innovations / RE Crowdfunding in the UK?</p> <p>To what extent do existing national and regional policies mitigate or exacerbate these barriers?</p> <p>Are there any upcoming policies that could mitigate or exacerbate these barriers?</p> <p>Which constructive alternative policies would be able to mitigate these barriers or support existing / upcoming policies do so?</p> | <p>What could be solutions for the identified barriers? And why?</p> |
| Administration and bureaucracy | <p>Councils take time to progress and adopt new ideas; lack of internal resource and confidence.</p> <p>updating municipal Treasury Management Strategy only once a year and needs full cabinet sign off.</p> | <p>Showcasing success stories GFI: continuing to promote success stories</p> <p>A key policy requirement is for the harmonization of the loan and bond ISA rules to make bonds issued by local</p> |



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| | | <p>authorities ISA eligible. GFI are taking the lead on the policy work.</p> <p>Abundance liaising with UK policy makers (FCA) recently agreed a new category of crowdfunding investment - a Local Authority Security. People buying this investment do not have to go through the same risk warnings and investor tests that company crowdfunding investors must see. This is on the basis local authority investments are very low risk. This change should support the growth of the proposition.</p> <p>There are no other material policy barriers to growing the Municipal Investment crowdfunding market in the UK.</p> |
| Competitive framework | Currently no competitor exists to Abundance from the perspective of providing a crowdfunding solution to councils. | <p>Abundance may be better placed to target smaller councils, who have smaller borrowing requirements.</p> <p>→ financial savings that MI can generate meaningful for them</p> |
| Technological and digital infrastructure | It was not felt that there were any technological or infrastructure barriers to scaling MIs. | |
| Financial barriers | general misunderstanding of retail investment, council finances, non-finance depts within councils. i.e.: some councils were slowing the implementation of their MI down during the current financial crisis as they thought the CMI product would not be attractive at this time to investors. | GFI: could consider how they built this into their messaging with councils |
| Lack of awareness | <p>high levels of awareness in the council world of the solution. Though: still misunderstandings of the features, benefits and weaknesses.</p> <p>key barrier: public awareness of the new product; greater investor awareness would drive greater success and ease the scale up challenge.</p> | GFI: next phase of work focuses on building regional investor awareness. → Specifically, council comms teams (how to market an MI). |

