

Identifying a pathway for renewable energy community-industry development

DR. NOREEN BRENNAN

DR. THOMAS VAN RENSBURG





Introduction

REC Characteristics



Formally constituted as a legal entity



Open to individuals, SMEs, local authorities and other eligible entities



Controlled by local members or shareholders residing or located near the project



environmental, economic or social benefits to its members or the local area,



Control exercised by those close to the project site.



Entitled to generate, consume, store and sell renewable energy.

- Renewable energy communities (RECs) are entities which are owned by shareholders or members that live near the renewable energy projects.
- Limited community energy of any form in Ireland to date.
- Alternatives to grass-roots community energy-collaborations/ coownership with industry.
- Recode- aims to evaluate potential for REC collaboration, partnership and co-ownership in Ireland.
- University of Galway, partnered with Sharedturbine (Irish SME).



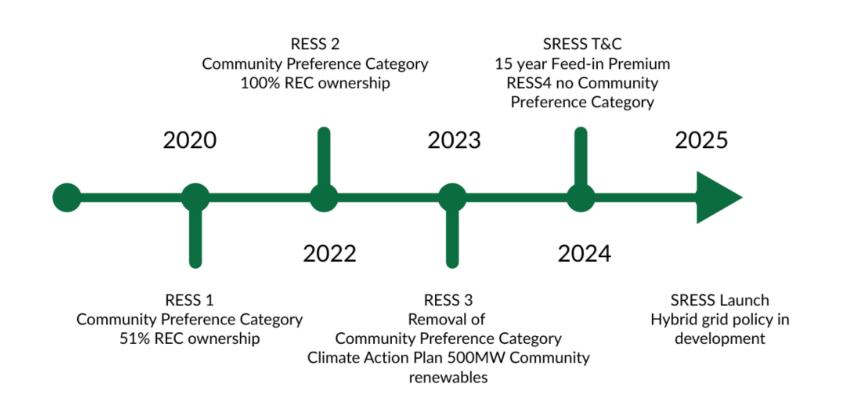
Shared ownership policy guidance

- The REC is the *legal entity-* not necessarily the full project.
- Even with minority share, community has significant benefits- Hogan (2024), Scotland community share-both residents living near 100% community owned and 4% shared ownership had higher level of wind energy acceptance [1].
- REScoop: recommends member states develop co-ownership policies separately and in addition to supports for RECs, e.g. "right-to-buy".
- Scotland: Onshore Wind Policy Statement: encourage shared ownership as standard, CARES provides funding, contractors, financial & legal expertise in shared ownership.

^{1:} Hogan, J.L., Why does community ownership foster greater acceptance of renewable projects? Investigating energy justice explanations. Local Environment, 2024. 29(9): p. 1221-1243.



Recent policy changes in Ireland





Stakeholder Engagement

- •Focus groups, Nov 2024-Feb 2025.
- •What are the key perspectives on the concept of coownership/collaborative developments.
- •2 Irish community groups.
- •3 international groups- Canada, Portugal, Scotland, England, Belgium, Italy, Sweden, France, Wales, Spain.
- •1 Irish renewable energy industry.
- •1 Irish policymaker group.





Legitimacy and power in community-private energy relationships.



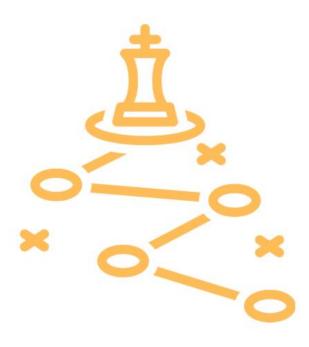
- Perception of developer as "wolf in sheep's clothing".
- Policy changed to 100% community ownership to prevent exploitation.
- Need to protect community share.
- Requires accountability, strong governance structures, minimum retention, buy –out clause for community, additional support from government agencies.
- Industry concerns over restrictions.
- Need for industry to have final say over technical aspects and securing capital.
- Policymaker concern over lack of definition on "community" vs "citizen".
- Difference in motives of both partners particularly on income.
- Working with approachable and trustworthy partner is key.



"We call them the 49ers, basically in the RESS auction... it was 49% ownership possibility for a developer and 51% for community. We lobbied against that primarily just because, you know it's an ownership thing...developers...were using, well, our perception was within RESS1 they were using that vehicle to get a higher tariff rate."



Strategic pragmatism in co-ownership models



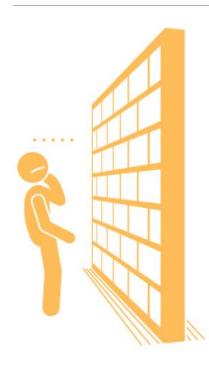
- Greater capacity, knowledge, cost reductions, avoid complexity for communities.
- Site identification, reduced bureaucracy, CSR, democratisation of energy.
- Local financial benefits, reduced volunteer burnout.
- Skills and capacity building.
- Reduced opposition to development & greater appreciation for renewable energy.
- Protected route for developer.
- Avoid uncooperative banks.
- Energy transition expedited.
- Community owned energy target achievement.



"It's something I think for all of us to think about is...do we really need to own all the assets and run them, which is a highly technical thing or do we want to get the benefits flowing to communities?"



Systemic gatekeeping of energy transitions.



- Similar barriers to community projects.
- Grid connection issues.
- Lack of political will.
- RESS policy restrictions.
- Hybrid grid connection issues.
- Industry indicate that banks may still have concerns.
- Lack of existing financial models and examples.
- Legal restrictions on number of shareholders.



"Specifically, if we were looking at the idea of having the example that that ID.3. gave of a wind farm, say 15 turbines owned by company A and one turbine owned by the community. At the moment that isn't allowable under Irish law because of the lack of hybrid connection policy."

Identifying a pathway: Recommendations



CO-OWNERSHIP POLICY

Offer shared ownership as standard for all new wind farm developments and repowering and extensions.



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CITIZEN INVESTMENT

Explore opportunities to develop citizen investment schemes for offshore wind energy in particular.

SHARED OWNERSHIP EXPERT SUPPORT

The SEAI should explore methods to provide funding, contractors and legal expertise in shared ownership for interested communities





RESS FLEXIBILITY

Creation of funding category in RESS to permit co-ownership while maintaining existing supports provided by SRESS.

CO-OWNERSHIP PILOTS

Utilise state and semi-state developers to conduct co-ownership pilots to act as demonstration projects.





TARGETS

Set concrete national targets for community projects with actions and task owners.

CONNECTION POLICIES

Finalise hybrid connection policies including the permitting of multiple lega entities to share connection points.



COOPERATIVE STUDY

Conduct study to assess the legal and policy changes required to facilitate cooperatives.

CAPITAL FUNDING

Conduct stakeholder engagement wit the finance sector to establish what additional security is required.





SKILLS AND TRAINING

Provide local level skills and training courses for community groups keen to develop renewables.

COMMUNITY ENERGY FORUM

Create a national forum for RECs, SECs and co-owners to share experiences and support future projects.





Thank you



• Visit: www.recodeproject.ie

Contact: noreen.brennan@universityofgalway.ie