

# Taking Energy Systems From Profit-Making to Ensuring Wellbeing

**Article by Chris Vrettos**

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At a time when the moral bankruptcy of energy companies has been laid bare by their profit-making in an energy crisis, different models for energy production and consumption are more relevant than ever. Chris Vrettos argues for more autonomy and longer-term approaches to energy security and looks to energy communities across Europe taking this approach.

The profit-driven energy system is not fit for purpose. As oil and gas companies are raking in billions in windfall profits, millions of European households are pushed below the (energy) poverty line, laying bare the complete moral bankruptcy of the system. Citizens across the EU are reappropriating the means of energy production through collective solutions such as energy communities. They illustrate what a truly just, sustainable, beyond-profit energy transition could look like.

There is an observable dissonance in public discourse around the energy and food crises. Although both crises have been severely fanned by supply disruptions of energy and foods from Ukraine and Russia, an aspect less talked about is that of unfettered capitalism, financialisation and speculation in commodity markets. It's not a coincidence that publicly traded oil corporations, like Shell, Exxon and Total, have seen their profits soar by tens of billions of euros since February 2022. The EU's energy market architecture, not only prevents, but actively facilitates this exorbitant accumulation of windfall profits. The marginal pricing systems means that the wholesale price of electricity is linked with that of gas (the most expensive source), thus even in countries like Denmark, Greece or Lithuania, where there is a high penetration of renewables in the grid, electricity prices still remain exorbitantly high. And although some promising legislative initiatives exist, like Spain's windfall tax on energy companies, which is to be channelled towards free train travel, the message is clear: our current energy system, wired towards profit over sustainability and human wellbeing, is not fit for purpose. And as geopolitical and climate crises further compound, the window of opportunity for a deliberative discussion on the future, democratic, equitable and sustainable energy system of tomorrow, will close rapidly, paving the way for further haphazard, band-aid solutions, like scrambling for new fossil gas investments in third countries.

The energy crisis has indeed accelerated some important discussions, such as the need to radically reduce energy (and resource) demand. Yet, measures such as turning off lights in public monuments, are temporary and feel half-hearted. They constitute piecemeal, reactive, short-term solutions, which are not informed by deep behavioural changes nor are they guided by a long-term strategic compass around decommodifying and democratising the energy system. Unfortunately, technocratic efficiency interventions, or in other words, just switching to LED lights, will not cut it this time.

What Russia's invasion of Ukraine did is shed further light on an already broken, neoliberal energy system. It has thus supercharged calls to reimagine the socio-economic relations underlying our energy systems, linking with broader discussions about a new EU financial architecture altogether. The EU Commission recently came forth with a revised Stability and Growth Pact, which still lacks the ambition of shifting the EU beyond eternal growth seeking but opens a window of opportunity to steer away from strict austerity. Hundreds of civil society, academic and trade union organisations recently signed an open letter towards the EU, urging it to prioritise human wellbeing and sustainability over profit in its economic governance.

These discussions are of course echoed worldwide: the European Parliament's COP27 resolution responds to the urgent demands by developing countries and calls for a reform of the Bretton Woods Institutions to mobilise trillions towards climate mitigation, adaptation and loss and damage. This demand for global financial reform, including of Multilateral Development Banks, even made it into the final cover text of COP27. The time seems ripe for radical structural change.

## **A socio-economic system that is fit for purpose**

We need not look any further than degrowth to draw inspiration for what a democratic, decommodified energy system could look like, as well as the changes in economic governance required to achieve that. A rallying call, an academic field, an activist movement, degrowth is ever-evolving and by definition pluralistic. In a nutshell, it calls for an equitable downscaling of resource and energy throughput, whilst ensuring that everybody lives a meaningful life within planetary boundaries.

One of its most basic principles is that of sufficiency and autonomy, i.e., how do we radically but equitably reduce the energy and material throughput of the economy, while empowering local communities with the right skills and means of production, so as to become thriving and autonomous? With decades of history under its belt, a burgeoning academic interest, and an increasing presence across all disciplines (e.g., art, design, finance), degrowth has steadily flourished from within the cracks of the current neoliberal socio-economic order.

An emblematic example of degrowth's consolidation into concrete political and policy demands is the 2018 Post-Growth Conference organised by the European Parliament, between no less than 6 political parties. A similar conference is currently planned for the summer of 2023. The Wellbeing Economy Alliance, spearheaded by Bhutan and Costa Rica, is pushing to replace GDP with wellbeing and sustainability indicators, as guiding tools for countries' development.

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To tackle the twin and mutually reinforcing crises of inequality and climate breakdown, a deep re-democratisation of socio-economic relations is needed. Beyond mere representation politics, degrowth calls for equity and inclusion, uplifting the voices of those

traditionally sidelined from mainstream conversations, including working-class people, women, LGBTQIA+ individuals, and indigenous and peasant populations. Reversing the grim milestones of passing several planetary tipping points, or marking a 70 per cent average loss in wildlife populations, are too important feats to be left at the whims of eco-modernist, techno-optimist billionaires. Degrowth fundamentally recognises that a mere switch to renewable energy will not suffice to bring the world into a safe and just space. A broader reconfiguration of socio-economic relations is urgently needed. Is deliberative democracy as flashy as sending Teslas into space? Probably not, but it sure is more legitimate when the future of the planet is at stake. As one panellist at a recent [event](#) organised by the Green European Foundation eloquently put it: “the times are urgent – we need to slow down”.

## **Energy communities: the “snails” of hope**

What sort of energy-system configuration could both prefigure and be influenced by degrowth politics? [Energy cooperatives](#) have a long-standing history in Europe, starting from the 1970s collectively owned Danish wind parks. The momentum for a democratic and sustainable energy system has been building ever since. In 2018, with its landmark Clean Energy for All Europeans Package of Directives, the EU has legally recognised the right of citizens to produce, self-consume, store and even distribute renewable energy. This marks a monumental shift from the status quo of centralised, fossil politics, towards a pluralistic, clean, decentralised energy system.

While EU governments are responding to the energy crisis by embarking on a *rigor mortis* shopping spree of new or revived fossil fuel deals with severely undemocratic regimes (like Azerbaijan, Israel, and Egypt), EU citizens are powering the clean energy transition. From building renovations in Germany and heat pump installations in Poland, to rooftop PV installations in the Netherlands and Italy, everyday citizens, municipalities and small and medium-sized businesses are stepping up.

Indeed, the power of individuals and energy communities to drive the European energy transition enjoys quite a sunny outlook. By 2050, [around 45 per cent](#) of renewable energy production in the EU could be coming from citizens, about a quarter of which could come through participation in cooperatives. Simultaneously, citizens have the capacity to invest up to [240 billion euros](#) toward the energy transition by 2030.

But simply rehashing the numbers does not do justice to the qualitative contributions of the community energy movement. Energy cooperatives in Ireland and the Netherlands are powering a community-led building renovation wave, delivering deep and structural energy reductions, while tackling energy poverty. In Belgium and [Scotland](#), energy cooperatives have fiercely advocated for – and won – the right of citizens and communities to participate in offshore wind parks as stakeholders. In France, Enercoop, a cooperative supplier is charging a tariff on its customers’ contracts, with the proceeds channelled towards an energy poverty solidarity fund. What’s common about all these diverse business models and communities? Their primary purpose is to deliver societal and environmental benefits, not profit, while revenues are distributed amongst multiple members and largely reinvested into local economies.

## **The case of Greece: choosing the third way**

Stuck between *the rock* of country-wide oil and gas exploration and development projects (a notable example is the proposed EastMed pipeline), and *the hard place* of massive, poorly planned, privately-owned renewable energy projects, like wind parks that decimate local ecosystems and biodiversity, Greek communities are choosing a third way. All over the country, energy communities are reclaiming their energy futures through practices of deliberative, direct democracy.

Hyperion is the first not-for-profit energy community based in Athens with 70 members and growing, representing both physical persons as well as cultural organisations and non-governmental organisations. The community is currently preparing a 500 kilowatt peak (kWp) solar park to be constructed outside of the city. The electricity produced will be used to cover the energy needs of the participating members, while a portion of the total will be given for free to a community space for migrants in the centre of Athens. Emphasis should be given here to how the community reconceptualises energy as a common good and a human right, not a tradeable commodity, whilst embodying the degrowth principles of sufficiency and autonomy. The community's decision-making always passes through a deliberative process of voting in the General Assembly. Importantly, the community is regularly organising so-called Hyperion Cafés, voluntary skill-sharing gatherings, where members socialise and discuss pressing topics such as ecofeminism, intersectionality, degrowth, and RePowerEU.

Collective Energy, another not-for-profit energy community based in Athens, is also licensing its first collective solar project to power its members (households, vulnerable individuals, and other cooperative businesses). Through smart metering and dedicated software use, they inform their members when to reduce energy consumption, thus saving money and facilitating greater renewables penetration into the grid. Collective Energy abides by the seven international cooperative principles, something which they want to instill in other (energy) cooperatives. “[such] initiatives are “living” examples which can play a major role in this fight against energy oligarchs, and for that, we deem it crucial to collaborate with other Greek and European energy communities and support each other's actions.”

Moving up north, to the region of Epirus and the city of Ioannina, there is Common Energy (CommonEn). Its geographic location is not a coincidence: Epirus, is one of the most pristine and biodiverse regions of Greece, with UNESCO-protected heritage sites and multiple NATURA2000 stretching across intact mountain ranges of unparalleled beauty. Yet, it's the site of fierce social struggles unfolding against proposed oil drilling by multinationals like Spanish Repsol or Israeli Energean, and massive wind park developments. CommonEn, founded by two local cooperatives working on energy democracy and the commons, Electra Energy and Peer to Peer Lab, is proposing a third way. It has begun an energy sovereignty campaign, supported by the Guerrilla Foundation, promoting community-owned energy projects that are appropriately integrated into the local environment. Think small wind turbines, agri-voltaics, and a carefully planned, small hydroelectric system. It is advocating for municipalities across the region to develop energy communities to cover their own energy needs, and thus resist top-down, privately owned, destructive energy projects, and maintain the cultural and ecological heritage of the region.

## **And what now?**

People are increasingly aware of that biodiversity collapse, food insecurity, geopolitical instability, and socio-economic inequality are becoming more frequent and intense. Pouring billions into new fossil infrastructure, or even unconditionally fast-tracking the licensing of mammoth private renewable energy investments, simply perpetuates this kind of dissonant thinking that posits capitalism as the problem solver of its woes. The renewable “go-to areas” proposed under the REPowerEU strategy are meant to address the severe bottleneck of permitting times, by cutting the red tape of environmental and spatial planning legislation. Multiple civil society organisations have pointed out the flawed logic behind this argument, as project development delays are mostly owed to inefficient and understaffed public agencies, lack of expert personnel, and supply chain disruptions. Civil society counter-proposes to exhaust the range of renewable-friendly surfaces across (peri)urban zones before moving to agricultural and natural areas, whilst setting and enforcing strict limits on protected areas.

We need to stay with the trouble, as Donna Haraway would put it; to slow down and ask ourselves these uncomfortable questions of *how* we got here and *what* do we need to start doing differently from now on. Rescoop.eu, the European Federation of Energy Cooperatives, currently represents more than 1900 cooperatives, accounting for 1.25 million citizens from 22 EU countries. 1900 cooperatives that are pursuing a plurality of socio-ecological goals, like gender equality, tackling energy poverty, fighting climate change, targeting mobility poverty, and upskilling and educating their members. Cooperatives that engage their local communities to sketch out on a drawing board where and how to install new renewable energy projects, to power through the energy transition with speed, but also democratic deliberation and legitimacy. Energy communities are stepping up every day to build that social buy-in for renewables, weaving it deeply into the fabric of our communities through everyday practices of empowerment, such as talks, workshops, door canvassing, and even art and games. The (degrowth) energy revolution is already here, not with a bang, but surely and steadfastly doing the snail work in the limelight.

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Chris Vrettos is currently conducting a traineeship at the European Parliament. He is a master's graduate from Stockholm Resilience Center with a degree on Socio-Ecological Resilience for Sustainable Development. He's also working for Electra Energy Cooperative a social enterprise that promotes the active engagement of citizens in renewable energy production in Greece the Balkans and abroad. He has worked in multiple research programs as an assistant on topics such as climate smart farming and the EU Green Deal. He's interested in journalism and has written for various Greek newspapers.

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