

From Energy Crisis to Energy Democracy

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European societies would not run without energy, which is why the energy transition is such a profound transformation. In the first article of our series on urban politics in the climate emergency, we ask whether local energy democracy can overcome the hurdles facing the green transition. Fossil fuels have kept us hooked to large, impersonal energy systems over which we have little or no control. Could renewables re-politicise and even democratise our relationship with energy?

Across Europe, the energy transition is deepening existing divides and generating new political conflicts. On one hand, the deployment of renewable energies risks widening the urban-rural gap. On the other, the need for a paradigm shift towards “energy sobriety” clashes with distorted but deeply rooted notions of individual freedom and economic initiative.

The reasons for this resistance to change can be traced back to the way energy has been managed politically and economically in recent decades. First, there is the disconnect between producer and consumer. European citizens have become accustomed to abundant and cheap imported energy, without realising its negative effects. The production of oil and gas in the Middle East, for example, is far removed from the daily experience of a European consumer. Civil nuclear power also illustrates this discrepancy: the prospect of a few power plants supplying entire countries makes the environmental impacts of energy production invisible.

From a political point of view, energy governance has also been hyper-centralised due to its strategic importance. For conventional energies such as coal, gas or nuclear historically, and, more recently, for renewable sources like onshore or offshore wind and solar, centralised planning has been regarded as an advantage. However, this centralisation undermines the democratic control of energy and the capacity of citizens to make autonomous decisions about their energy use.

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The EU-wide liberalisation of the energy sector that began in the late 1990s also plays a role in hindering the ecological transition. In almost all EU countries, the energy sector, and in particular electricity and gas, used to be managed by public institutions. Since 1996, the EU has transformed the sector into a single, integrated internal market, with the aim of reducing costs and improving the security of supply. Today, electricity producers and operators – the first and final link in the energy chain, respectively – tend to be private actors, while the intermediate steps – transport and distribution – typically remain state

monopolies controlled by public companies and institutions.

With the sector open to private competition, governments saw their planning capacities shrink, and the disconnect between production and consumption increased further. Now citizens who live close to onshore wind farms are expected to cope with the impact of renewable energy infrastructure on their landscape and environment, but it is generally large private companies harvesting all profits.

This is where the concept of “energy democracy” comes in. Based on the conviction that the only way for the energy transition to be just and socially acceptable is for it to involve citizens, energy democracy aims to design a participatory, decentralised model of energy governance. Influenced by the municipalist, cooperativist and “commons” movements, the players involved in energy democracy are campaigning for the remunicipalisation of energy distribution networks, launching citizen energy projects, and working to influence EU policy-making.

Hamburg-style remunicipalisation

One of the levers to regain power at the local level is the remunicipalisation of energy governance or bringing privatised utilities back into the local public sphere. Remunicipalisation applies particularly to production and distribution, and enables politicians to make informed decisions based on the full range of economic, social and, above all, ecological considerations, in contrast to private companies, which are essentially profit-driven. In Germany, for example, distribution networks belong to the states but are operated by private players under concessions of 10 or 20 years. After winning a competitive bidding process, private companies are responsible for strategic decisions on network development (which may have an impact on the feasibility of renewable energy projects in the area), and reap the generated profits.

In Hamburg, the Swedish state company Vattenfall was responsible for operating the city-owned electricity distribution infrastructure until 2013, when the citizens’ initiative “Unser Hamburg unser Netz” (Our Hamburg, Our Network) collected enough signatures to request a popular referendum on remunicipalisation. On 22 September 2013, 50.9 per cent of the population voted to re-communalise the city’s gas, electricity, and heating distribution networks. The result, although contrary to the wishes of the ruling administration (headed by Olaf Scholz, the current German chancellor), enabled citizens to regain power over the city’s energy policies. Today, all three networks are operated by public companies that are entirely owned by the local authorities.

Among the advantages of remunicipalisation are greater democratic control, transparency, higher support for the development of renewable energies, fairer pricing policies, security of supply, and the possibility of channelling the profits generated for the benefit of citizens.

However, remunicipalisation per se does not increase day-to-day citizen involvement in energy governance. It does not entail, for example, citizen participation in the public company managing the network. To ensure decisions are taken collectively and represent the interests of the community, the board of directors of the company could be split equally between citizens, local associations or businesses (civil society), and elected local representatives. Another limitation of remunicipalisation is that it only concerns energy distribution.

Taking back energy production

Cooperatives and citizen energy initiatives take energy democracy to the next level. Cooperatives are

collectively owned enterprises where power is exercised democratically. Shareholders are citizens, each having one vote on the board of directors (regardless of the number of shares they own). Applied to energy, a cooperative is often a group of citizens who invest in and operate a renewable energy project.

Citizen energy initiatives or energy communities, on the other hand, describe renewable energy production projects that open up the majority of their capital to collective financing and their management to local stakeholders. These initiatives often take the form of cooperatives, but there are also renewable energy projects whose shareholding is shared between private companies and citizens, with more or less horizontal governance.

By sharing the direct or indirect benefits of energy production, people living near renewable energy projects are much more likely to be in favour of them. Lack of transparency, democracy and benefit-sharing are among the arguments most often used by opponents of renewables. With decision-making power at their disposal, citizens reclaim a form of agency, learn about the challenges of the energy transition and discover political action.

Instead of being captured by delocalised private interests (the company behind the project is rarely based in the region), the profits generated are either paid back to the citizen-shareholders or re-invested in local projects with positive social and environmental impacts. Democratic control over profits ensures that they are not used to finance polluting activities, as is sometimes the case with private companies active in both renewables and fossil fuel projects.

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Moreover, energy projects co-developed by residents can help forge links and overcome ideological or human divisions, giving concrete meaning to the notion of “community”. Involvement in a collective enterprise can also positively shape individual behaviour, leading for example to lower electricity consumption. Finally, citizen energy initiatives shield communities from the negative consequences of market fluctuations.

Recognition from Brussels

While the overall EU framework still favours privatisation and competition, two EU directives were adopted in 2020 to encourage renewable energy communities (RECs) and citizen energy communities (CECs). Both categories are characterised by limited profitability and a positive environmental, social, or local economic impact.

RECs can be seen as a subset of CECs that need to fulfil a few additional requirements. First, they must be made up exclusively of citizens, local authorities or small and medium-sized enterprises, while large corporations may be members of CECs. Second, they must be governed by the same principles of democratic governance as a cooperative. Third, they must be autonomous not only from other market players but also from their own members. Fourth, their members must be based in the vicinity of the renewable energy project, even though the perimeter is not specified. Finally, they are limited to production, while CECs can carry out a broader range of activities, such as distribution and energy services.

Once ratified, the two directives were translated into the legislation of each EU member country with varying degrees of fidelity to the European text. The purpose of these definitions is to set up public subsidy mechanisms for citizen energy projects. However, the project and the legislative amendment are still too recent to assess their concrete effects.

Even though they represent a valuable alternative for the energy transition, citizen energy projects remain a small minority in the energy mix of European countries. In France, the 315 projects approved by the *Energie Partagée* movement collectively produce 225 GWh annually, or 0.3 per cent of national electricity consumption. In Germany, a leading country on energy democracy, there are over 900 cooperatives producing 8 TWh of electricity a year, or 1.6 per cent of the country's consumption.

BürgerEnergie Berlin: energy democracy in action

Founded in 2011 to strengthen democratic control over energy management, BürgerEnergie Berlin is the city's largest cooperative and now has 1500 members (share owners), the majority of whom are citizens based in the region. The cooperative was initially set up to take action on distribution by bidding to operate Berlin's electricity network, whose concession was due to expire in 2012. The operating contract was not awarded (the grid is managed by the municipally-owned public company *Stromnetz Berlin*), so BürgerEnergie Berlin is now working on the production side, running solar power projects scattered across the city. In addition to raising awareness among citizens, the cooperative lobbies local and national elected representatives for greater energy democracy.

In reality, a cooperative of this scale is hardly profitable and relies on the work of volunteers. On the dozen projects in operation, the cooperative manages to generate a margin of 2 per cent, enough to pay its five employees. Like the commons, cooperatives represent a third way between the state and the market in resource management. While they operate in a similar way to the horizontal, self-managed organisation of the commons, the main difference lies in the financial contribution required to join a cooperative – in the case of BürgerEnergie Berlin, a share costs 100 euros. A minimum of five shares is required to become a member and have a vote at the general meeting. However, each member holds the same power, regardless of the number of shares she holds.

Besides Berlin, many actors are mobilising at local, national, and European levels to make energy democracy a reality.

Driving change in France: Nantes en Commun

The municipalist movement *Nantes en commun* (NeC) started in early 2019 with a clear desire to reclaim the city for its residents. With a program built around thematic citizen surveys, NeC took part in the 2020 municipal elections but failed to win any seats on the city council. However, the movement continues to put forward and implement action proposals by residents. In particular, NeC is working to set up joint ventures such as *Énergie de Nantes* (EDN), France's first local, non-profit supplier and producer of renewable energy.

In June 2023, after two years of negotiations with the French Ministry of the Environment and Energy, EDN was officially authorised to become a supplier – a first for a citizen's association. EDN was able to sign several contracts with local renewable energy producers (*Loire Atlantique*, *Bretagne*, *Nouvelle Aquitaine*, *Pays-de-la-Loire*), which will enable it to supply 10,000 members with electricity and ensure access for all at a low price.

With the aim of reclaiming their electricity needs and freeing themselves as much as possible from the market, the members of EDN have also become owners of the Moulin d'Angreviers in Gorges. The mill is one of France's 2300 small hydroelectric power stations, and produces enough electricity to supply 20 households, or around 100 people. When it comes to distribution, however, the French grid is mainly administered by the national public utility Enedis, preventing EDN from achieving complete independence.

Strengthening democratic participation and control throughout the energy chain is essential to overcome the framing of the energy transition as a “green dictatorship”.

EDN's approach is focused on raising awareness and reducing consumption. The association also works to combat fuel poverty and empower individuals by putting their expertise to work for the common good. The mill is also a symbol of “conviviality” as understood by the Austrian priest-philosopher and political ecology thinker Ivan Illich. According to Illich, a “user-friendly tool” is one that is controlled by its users, rather than the other way around, and that empowers them without creating inequalities. Management of the Moulin d'Angreviers, like that of the supplier, is carried out jointly by volunteers. Strategic orientations are decided at horizontal assemblies, following a shared governance model inspired by sociocracy. In this way, the EDN community prefigures a degrowth society based on mutual aid and “the joyful intoxication of voluntary sobriety”, as Illich put it.

The way ahead

EU-wide legislative advances towards energy democracy are not simply the initiative of decision-makers in Brussels. Organisations such as EnergyCities and REScoop also play a key role in the formulation and adoption of such measures.

EnergyCities is a European network that brings together more than 1000 cities in over 30 countries to collaborate and pool actions in favor of energy transition in urban areas. The remunicipalisation of energy governance is central to their advocacy. Mainly active in Brussels, the network is currently advocating for place-based energy strategies designed by elected representatives, local administrations, civil society, academics, and economic players.

Moreover, EnergyCities wants to ensure that the notion of “sobriety” (not just individual but systemic) is integrated at all levels of projects funded by the EU Commission, and that the number of direct-democratic initiatives such as citizen conventions increases.

REScoop, the European federation of citizen energy cooperatives, was formed just over 10 years ago but has managed to become a major player in the field of energy cooperatives. By lobbying the EU, REScoop is pushing European legislation to encourage energy democracy. The organisation is also active in structuring the network and strengthening cooperation.

National federations are also key in mediating between EU-level initiatives and local energy democracy projects. In France, Énergie Partagée provides energy initiatives with access to the tools and best practices they need to develop. The association coordinates the national citizen energy network and can even provide financial support for certain projects. In Germany, DGRV represents the interests of all

cooperatives (including energy cooperatives), while VKU is a federation bringing together municipal companies such as Unser Hamburg unser Netz.

Thanks to a multitude of local initiatives and players at all levels, the ideal of energy democracy is spreading across Europe. Strengthening democratic participation and control throughout the energy chain is essential to overcome the framing of the energy transition as a “green dictatorship”. But despite the dynamism of the remunicipalisation and citizen energy movement, there is still a long way to go and European countries need to truly commit.



In a gap year in the middle of her Master’s degree in ecology “Societies and Biodiversity”, Cléa is involved in social and ecological issues. She is active in LUPA at Sorbonne University and participated in the People’s Summit for Climate Justice in Glasgow during the COP26. She also contributes to the citizen project “La Route en Communes” which focuses on the municipal level.



After studying geology, Hugo did a master’s degree in economics with a specialization in renewable energies. He has been involved in a student representative association, working on the integration of climate issues in academic programs before joining the CliMates research team as a research coordinator.



As a student in ecology, she started getting involved politically within her university, before becoming interested in the local level by interviewing mayors on issues of democracy and ecology. In 2021, she attended the COP26 to learn about international negotiations. She was also part of the Relais Jeunes.

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