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HOW BUSINESS CAN SCALE UP COMMUNITY ENERGY FOR A CLEANER AND MORE SECURE ENERGY FUTURE

Community renewable energy projects provide clean and sustainable solutions to the climate and energy crises while bringing multiple benefits to local communities—and society as a whole.

Across Europe, community solar and wind cooperative projects are growing. But to scale from 1 million participants now to 245 million energy citizens in 2050, they need help.

Businesses can play a critical role in supporting this expansion. Not only is community energy good for local communities and society, but it can also be good for business. It offers more stability and a safeguard against skyrocketing fossil fuel energy prices.

This guide covers the basics of exactly how your business can support the growth of community energy, while providing inspiring examples of companies that are already active in the space. Advice on how to incorporate community energy into your GHG accounting is provided in the annex.

“Local communities must be given the means to own their own renewable energy generation, not just as a tool for driving local social innovation but as a means to secure a clean energy supply for future crises.”

Dirk Vansinjantin, RESCOOP





WHAT CAN COMMUNITY ENERGY DO FOR YOUR BUSINESS?

The accelerating climate and energy crises require rapid action from business. Helping scale community energy can bring multiple benefits to your business and local community, working to secure a clean energy future for all while delivering climate action. Here's a glimpse at what community energy can do for your business:

- 1** Benefit from an agreed fixed price and secure source of clean power.
- 2** Get viable returns on investment or generate small income streams from unused spaces.
- 3** Engage your employees in a social and environmental purpose through building local partnerships.
- 4** Build trust and standing with your local communities and become a local champion.
- 5** Go above and beyond in your climate action strategy by supporting the development of clean energy infrastructure and empowering more people to reduce emissions.

WHAT CAN YOU DO FOR COMMUNITY ENERGY?

Across Europe, thousands of local communities are organising to create wind and solar cooperatives—but they are still facing many legal, financial, and bureaucratic barriers. Business can play a crucial role in helping break down these barriers to speed up a promising future of distributed, secure, and clean energy.

| <i>Action</i> | <i>How</i> | <i>Why</i> | <i>Examples</i> |
|--|---|--|---|
| <p>Purchase community energy</p> <p>Via national aggregated community energy providers or for larger power demand tailored power purchase agreements (PPAs). Participating companies are helping increase demand for community energy and benefit from being able to use purchasing to reduce corporate GHG emissions.</p> | <p>Specialised community energy providers</p> <p>Power purchasing Agreement (PPAs)</p> | <p>Indirect financial support for community energy projects.</p> <p>Reducing corporate GHG emissions</p> | <p>Patagonia, Phillips, AkzoNobel</p> |
| <p>Invest</p> <p>In specific countries national community energy organisations provide opportunities for companies to directly invest in helping new community energy projects. Companies benefit from being able to show how they are supporting new renewable energy that also directly benefits local communities.</p> | <p>Some countries offer viable investment opportunities in national community energy initiatives.</p> | <p>Support the expansion of community energy. Earn a financial return with social benefits.</p> | <p>Banca Etica</p> |
| <p>Offer up space</p> <p>Many community energy groups have many new people wanting to participate but have difficulty finding suitable new locations. Large commercial roofs are often highly suitable for larger community solar projects. Large commercial properties can also be suitable for small scale community wind projects.</p> | <p>Provide commercial roof space to community energy projects.</p> | <p>Helps create new projects quicker which scales community energy. Can be used to reduce corporate GHG emissions when combined with power purchasing.</p> | <p>Alpro Aegon Barry Callebaut Lemahieu Group Praxis Bouwmaat Bergzeit Van Marcke</p> |
| <p>Spread the word</p> <p>Companies can help increase participation and awareness of local community energy schemes by encouraging employees and local customers to participate and help promote new community energy schemes.</p> | <p>Promote community energy. Engage employees and customers to switch or support at individual level.</p> | <p>Help local projects grow demand and customer base. There is potential to generate small additional income streams through affiliate schemes.</p> | <p>Barry Callebaut Patagonia Van Marcke Bergzeit</p> |

HOW TO SUPPORT IN DETAIL



Purchase Energy

Most community energy schemes work by selling the power generated to power companies and sharing the financial benefits with members and the local community. Some power companies provide special community energy contracts for commercial customers or community energy cooperatives to join together to sell power directly to domestic and commercial customers.

Purchasing community energy via specialised energy contracts is a relatively simple way for all companies to support community energy. Increasing the demand for electricity produced from community energy projects allows power companies to offer higher purchasing prices to new projects.

The main benefit for companies is that the purchased renewable energy can be used to reduce corporate Scope 2 GHG emissions from purchased electricity (see annex for more detail). By purchasing from community energy projects, companies are also ensuring money flows directly to the local economy and can show the local benefits of their climate strategy. Many community energy projects also fund local initiatives on energy efficiency, community sustainability projects, or electric car sharing.

In addition to community energy contracts, there's increasing innovation in the renewable energy market that allows companies to purchase community energy via power purchase agreements (PPA). Previously PPAs were only available for very large corporate power customers, but in several countries smaller and multi-purchaser PPAs are available.

This innovation is also spreading to the larger community energy producers. The main benefits of a PPA are twofold: A fixed term price for the customer means that they are safe from volatile market prices and fossil energy price shocks for an agreed timeframe; and the certainty of guaranteed purchase can help finance larger community energy projects.



Invest

In some European countries, companies can make a financial investment in larger energy cooperatives to support the growth of community energy. Often community energy projects are too small for traditional bank financing and benefit hugely from alternative sources of financing. Businesses benefit from a predictable return on investment and the cooperatives benefit from securing a source of financing for project start-up costs.

In Italy and France, companies can invest with national energy cooperatives to support new projects and additional activities of the cooperatives such as domestic energy saving schemes. Italian cooperative *ènostra* has a long-term partnership with Banca Etica that also helps the bank's customers save energy with help from *ènostra*.

Companies can discover further national opportunities for investment by contacting their national community energy association via the REScoop.eu network.



Offer Space

Most community energy cooperatives are run on a small scale by local volunteers who spend a lot of time looking for new suitable locations. Large commercial roofs are often well-suited to community solar and industrial locations for community wind projects.

Despite the success of many well-organised community energy projects in other locations, cooperatives often find it difficult to convince commercial roof owners to host community solar projects. Businesses can help by partnering with local community energy cooperatives to find suitable commercial roofs for solar PV and negotiate with roof owners/building landlords to remove contractual and legal barriers that often prevent commercial roofs being available.

The ideal size for a community solar project is between 300-3,000 panels, which requires large roofs and free space. Some commercial projects with cooperatives are over 5,000 panels and can be across multiple commercial properties. The first step to identify a suitable roof is to check orientation and availability to give an estimated number of panels and average power production. A short structural survey is then required to determine if the building structure is suitable for the additional weight of the panels, and finally, agreement from the roof owner.

All these steps are time consuming for cooperatives and can fail as commercial roof owners often prefer to deal only with other businesses. Companies can make a huge difference for local community solar projects if these preparations and agreements are already advanced. This not only dramatically increases the chance of a successful project, but frees up cooperatives to focus on what they do best—finding new members and getting the installation up and running as fast as possible.

Where large roof space is available for more than 1,000 solar panels, hybrid solutions where a company owns part of the installation for its own consumption and the other part is a community solar project can also help significantly reduce costs for both parties.

In Belgium there are many examples of large companies partnering with cooperatives including Barry Callebaut Chocolate, Alpro foods, Qualiphar and Van Marcke. In the Netherlands, Praxis DIY stores, Bouwmat building supplies and Aegon Insurance host community solar projects.



Spread the word

To be viable, community energy projects need to have secured a member base. While local volunteers can promote the opportunity within the community, business can take this much further and help projects reach new audiences.

Options include engaging and motivating employees to join their local community energy scheme so they are directly involved and benefit from local renewable energy solutions. If there's no local scheme for certain employees, some energy companies specialising in community energy tariffs offer group discounts on energy contracts.

The increasing trend for home working often results in employees using more energy at home. Being part of a community energy group that has an independent supply helps keep a handle on energy bills while building connections in the local community.

Participation in this way demonstrates a company's commitment to the local community and climate action. It is a genuine approach to building purpose and increasing customer loyalty.

There are multiple other participation and marketing opportunities for companies to support community energy projects and help it scale beyond current participants.

In Belgium, chocolate producer Barry Callebaut and bathroom store Van Marcke have both encouraged staff to participate in community solar projects hosted at their sites. Patagonia EMEA has incentivised its staff to switch over to community energy or invest in local projects across Europe. In Germany, outdoor retailer Bergzeit is encouraging customers to choose community energy in partnership with the EWS cooperative.

EXAMPLES FROM ACROSS EUROPE



Energy Garden and Patagonia, UK

Energy Garden is a British community initiative that, since 2011, has transformed London's railway stations into thriving food and energy hubs with solar installations and vegetable gardens run by locals. Almost 30 projects have increased cohesion and inclusiveness by engaging people in climate solutions in some of the capital's most deprived neighbourhoods.

Inspired by this, Patagonia partnered with Energy Garden in 2021 to help it expand. Patagonia's two UK stores in Manchester and Bristol, and its Manchester showroom, need around 80 MW per year, combined across locations, and Patagonia has entered into a Power Purchase Agreement (PPA) to source this from Energy Garden's solar array of 500-plus panels in Streatham, London. The agreement is the first of its kind. This PPA was facilitated by Yunity, an organisation dedicated to supporting the growth of community energy.

For every kilowatt of electricity Patagonia buys from Energy Garden, Patagonia will also pay an additional "Social Premium" to support Energy Garden's work with local communities—regarded by Energy Garden as a major breakthrough.

Through this premium, Patagonia provides crucial financial support to Energy Garden, above and beyond the procurement of renewable energy. This premium will be used by Energy Garden to support the delivery of social and environment benefits through its programme of activities, including community engagement, schools-based education, and youth training.

This work by Patagonia and Energy Garden is now a model for businesses to support community energy projects while furthering their aims of corporate social responsibility.

EXAMPLES FROM ACROSS EUROPE



Ecostrroom and Praxis, Netherlands

Amsterdam has a huge number of commercial roofs that are suitable for solar. This represents a major opportunity for the rapid expansion of clean, secure, and local energy. Despite the success of individual solar projects on commercial roofs in the city, the vast majority of cooperative solar projects tend to be on community buildings such as schools, sports clubs, and council buildings.

Energy cooperatives to date have found that despite the potential of commercial roofs, commercial roof owners are reluctant to consider cooperative solar projects due to concerns such as running a financial risk or dealing with local cooperatives.

Despite this, in 2016 Ecostrroom installed one of its first projects on the roof of the Praxis DIY retail chain in Amsterdam West. Ecostrroom's project manager first contacted the building owner, a private real estate investor, to establish a relationship. A statement of intent was quickly issued to build on the initial enthusiasm, while a guarantee was given that the owner would not run any financial risk. The cooperative also sped up negotiations by mapping out each party's responsibilities, ensuring that the process and negotiations followed business procedure.

More than 350 solar panels now generate enough power for 27 households and save 34 tonnes of CO₂ emissions per year. Local residents in the neighbourhood who invested in the project's panels now benefit from significant annual reductions on their power bills. Praxis also receives an annual fee for the use of the store roof.

Ecostrroom followed the success of the Praxis collaboration with a new cooperative project on the roof of the Bouwmaat builder's supplies store in Amsterdam Noord and a project on the Westergasfabriek venue in Amsterdam.

EXAMPLES FROM ACROSS EUROPE



Beauvent, Van Marcke and Barry Callebaut, Belgium

Belgium cooperative Beauvent has over almost 7,000 members, 29 community solar and 3 community wind projects. In addition to projects on community buildings and schools, Beauvent has an unusually high number of solar projects on commercial roofs both with local businesses and multinationals.

At two locations of major chocolate maker Barry Callebaut, Beauvent has installed 4,500 panels owned by members, with the power consumed by the company operations. Company staff were encouraged to participate and had one week's notice to participate before other Beauvent members could buy shares. Internal promotion of the opportunity to participate in the project helped engage and motivate staff to get involved.

At a production site of plant based food company Alpro, Beauvent has installed a 435 kWp solar installation with the power consumed on site. It is also now installing a combined heat and power installation that partially runs on solar power during peak production periods. More than 60 Alpro employees became members—contributing €100,000 to the project costs.

Other examples of Beauvent's successful partnerships with companies include 5,000 solar panels on a timber trader and two wind turbines at Qualiphar Healthcare. Beauvent has also installed 2,500 panels on seven locations of Van Marcke bathroom retailers. Van Marcke promoted employee participation in this projects to allow staff also to benefit in the financial return from the project. Beauvent is now installing its largest ever project of 17,000 new solar panels (7.8 MWp) on the roofs of timber trader Lemahieu Group in Ghent. This electricity will be purchased by the city of Ghent, providing Ghent with 46% of its electricity consumption from locally produced renewable energy. Local residents can also invest in the project.

Beauvent has more than doubled in size since 2016, helping thousands of Belgium citizens to easily invest in scaling local solar and benefit from annual returns. In addition Beauvent provides funding for local sustainability projects such as local electric car sharing schemes.

EXAMPLES FROM ACROSS EUROPE

Outdoor retailer Bergzeit's community solar partnership in Germany

"For Bergzeit, the use of renewable energy is the key to mitigating the effects of catastrophic climate change. We are reducing the amount of electricity we consume at our sites and generating more energy than required. Meanwhile, we are trying to encourage employees and customers to switch to green power themselves.

The energy transition needs everyone on board. Companies, in particular, can make an important contribution on the way to 100% renewable energy, by contributing to the regional, local network."
Markus Zabel, Managing Director Bergzeit GmbH

One of Germany's major outdoor companies, Bergzeit, is aiming to maximise impact on accelerating the energy transformation. A rooftop solar installation of 990 panels was planned to cover Bergzeit's own electricity consumption. However, the company decided to think beyond purely economic considerations by using the extra roof space to install 1,370 panels (514KWp) and partner with EWS—one of Germany's most established energy cooperatives—to encourage as many employees and customers to benefit from community energy.

Bergzeit is now actively promoting Bergzeit green electricity in partnership with EWS to their staff, customers, and wider network in the outdoor business. Bergzeit considers supporting community energy and increasing participation as a critical step to advancing the urgently needed solution to the climate crisis.

JOIN BUSINESS IN ACCELERATING COMMUNITY ENERGY

There's already a number of innovative companies leading the way to support community energy across Europe, but to scale community energy at the speed required to tackle the climate crisis, we need more to join and take back control of our energy system.

With many ways to get involved that provide multiple benefits to companies, local communities, and scaling renewable energy, there's never been a better time to join forces with community energy.

ANEX

COMMUNITY ENERGY AND CORPORATE GHG ACCOUNTING

Purchasing community energy either directly or via a power company can be used to lower corporate GHG emissions, but only when specific detailed steps are correctly followed and best practice for corporate renewable energy purchasing is applied.

In most countries in Europe, each unit of renewable energy is tracked with a Guarantee of Origin (GOs) that is also referred to as renewable energy credits (RECs) or Energy Attributes Certificates (EAC).

To make any claim in GHG accounting of renewable energy consumption in most European countries, Guarantees of Origin or their equivalent must be purchased equal to the amount of renewable energy purchased and cancelled by the purchaser or provider.

However, GOs are often traded separately from the actual power generated, thus allowing power companies to purchase GOs from other countries to make their power generated from coal or gas 'green' on paper when sold to customers and businesses. This process is termed unbundled GOs/credits and should be avoided.

Companies looking to purchase renewable energy from community energy providers should wherever possible purchase power and GOs bundled together to show exactly where the power purchased is being generated. Most European countries legally require power companies to document where their power is generated and disclose details on GOs purchases, so power companies should provide this level of detail and disclosure to any customers.

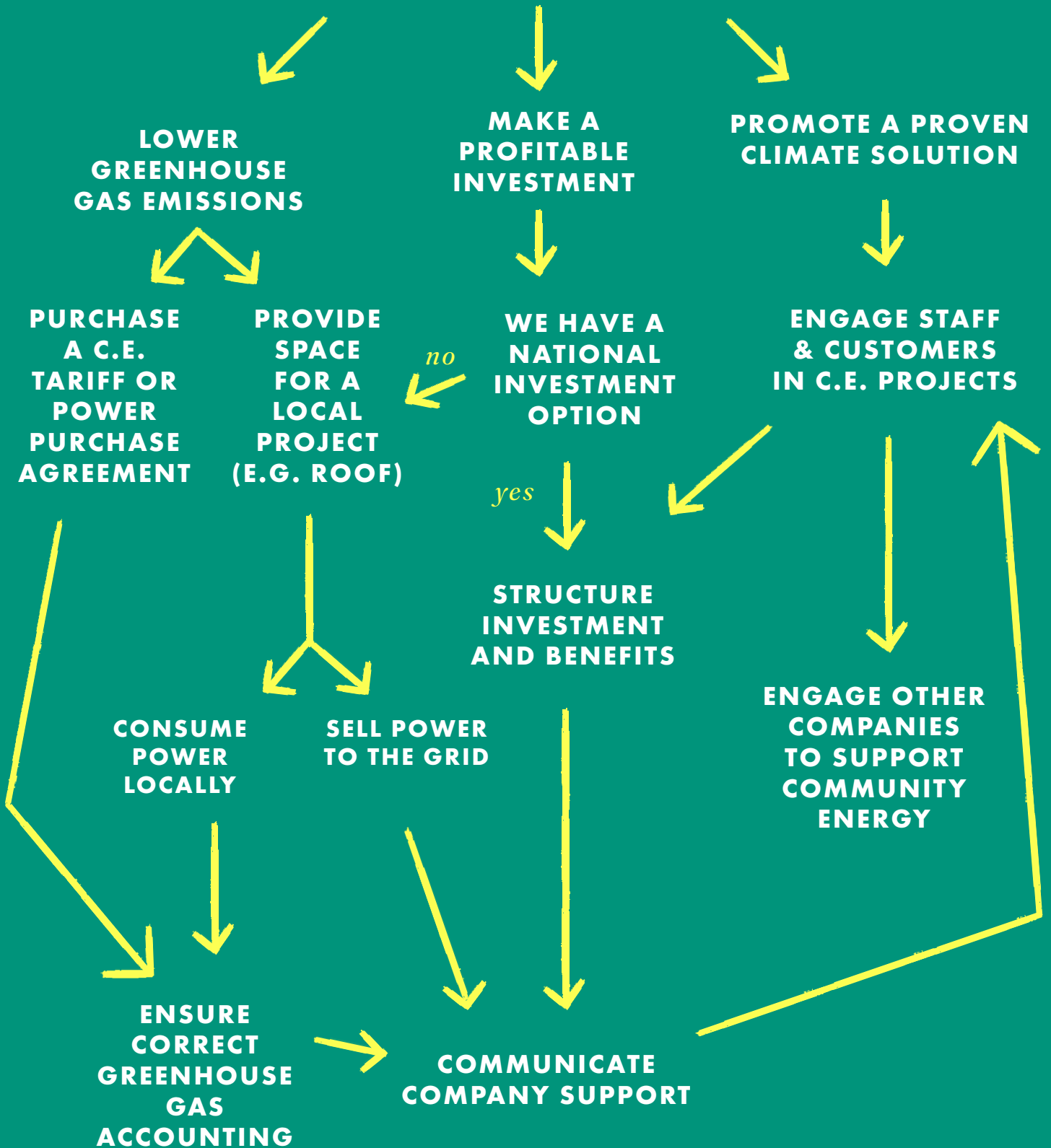
If purchasing bundled GOs together with community energy is not possible, companies should buy GOs from new solar or wind projects on the same national grid as the company's power consumption to ensure credible claims on renewable energy purchasing.

The majority of community energy schemes sell power to power companies to provide financial benefits to members and the local community. This allows specialised power companies who purchase power from community schemes at a premium to resell to customers.

Some large community energy projects and cooperatives provide power directly to companies either by self consumption on site or PPA contracts. In this case any company consuming power directly from a community energy project must ensure that associated GOs are cancelled in order to correctly claim GHG reductions.

Further detailed information on making credible renewable energy claims [here](#).

We want to support community energy to..



CONTACT

Questions about this guide?

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or drop us an email: wethepower@patagonia.com

Questions about where to begin in your region?

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