Community Power in NRW and Germany

At the outset of the first session, Jan Dobertin (LEE NRW) highlighted the importance of the direct participation of citizens in the energy transition as a key factor for its implementation. In contrast, he criticised the obvious misleading regulations of the EEG 2017 as well as the proposed new barriers for the further development of wind power by the state government of NRW (1500m proximity control, forest ban, etc.). He stated that these proposed regulations have not only already led to massive insecurity within the industry, but they also eliminate around 97 per cent of all potential areas for wind energy in NRW. In contrast, he argued that in order to gain more acceptance within local communities, steady information and education would be needed to overcome common reservations around the energy transition like expected cost burdens and supply uncertainties.

Lars Holstenkamp (Leuphana University of Lüneburg) upheld the previous arguments as well as attempts at defining community energy. According to Holstenkamp, community power is hard to grasp by strict definitions, as it contains heterogeneous entities and business models. Especially important, he indicated, is that financial participation in wind projects is beneficial for its local and social acceptance.

Olaf Fiesel from the Ministry of Energy, Infrastructure and Digitalization of the northern German state of Mecklenburg-Western-Pomerania presented a state approach on a definition on community wind, which came into law in 2016 with its “citizens’ and municipalities’ participation law”. According to this law, residents as well as municipalities within a radius of 5km around the turbine(s) must be offered at least 20 per cent of shares in any wind park entity. In addition, a limited liability company is to be established for citizens’ and municipalities’ protection. It remains to be seen if this approach will be successful in the long run, especially as one major German project developer has filed a lawsuit claiming that this approach is an infringement on entrepreneurial freedom.

Subsequent to the presentation of the NRW-case study’s main findings, a panel of NRW-based Community practitioners and an expert from Mecklenburg-Western-Pomerania, chaired by Stefan Gsänger (WWEA), discussed the appropriateness of EEG’s definition of ‘community wind’. In the beginning, the main findings of WWEA’s
and LEE NRW’s case study were confirmed by the experts; participants agreed that the present design of the EEG 2017 is not able to preserve the variety of actors nor further the development of community wind projects. Locally founded community wind entities are unable to successfully participate in the auctions, as they are not willing or able to speculate with the capital of their local community and therefore cannot compete in the current price battle. The participants, including the ones of second panel on perspectives for community wind in NRW, chaired by Julian Schönbeck (EA.NRW), criticised that small project developers suffer most – especially those that already invested considerable capital for the BImSchG-approval but are not able to realize their projects under the current auction structure. They therefore came to the conclusion that the EEG design has to be adjusted to guarantee the further realization of community projects with a high degree of local added value (economic, social and ecological benefits) and local participation.

Although all participants were in favour of a de-minimis rule, there was a discussion about whether the current EEG definition of community wind should be adjusted or entirely abolished. Participants in favour of abolishing the definition claimed that it is not possible to define community power, as the landscape of actors is too diverse. They noted that the community motivation is crucial, along with local and financial involvement of initiators in these projects. On the other hand participants argued that the ability of an entity to adapt its business model to defined parameters should not be the deciding factor in recognizing community participation. Participants who were in favour of an adjustment of EEG’s definition community wind demanded longer holding periods for projects, abolition of the provision that no single project member be involved in another successful bid in the previous twelve months, binding of citizens to shares and not only voting rights, increasing in the number of persons, and requiring the same regulations for the management companies (Verwaltungs GmbH) as for limited partnerships (KG).

Despite these demands, representatives of various associations recommended practitioners not focus solely on wind energy projects, but be open to new business models, which offer larger margins, for example for projects in the heating, mobility and efficiency sector.

Panellists of the NRW expert discussion on the Symposium 2017
De-minimis rule
The option of a de-minimis rule is embedded in the guidelines of the European Commission, which allow small installations to be exempted from participating in bidding processes. Small installations are defined as those producing less than 6 MW of wind power (or with no more than 6 generation units). In January 2016 the EU Competition Commissioner Margrethe Vestager specified an average generator size to be 2.5 to 3 megawatts, meaning that the largest wind farm that could be built without taking part in auctions would be no larger than 18 MW (Vestager 2016).

At the end of the session, speakers and other symposium participants were asked about their opinion on an appropriate definition of Community Power. A clear majority of participants voted for parameters of social and economic benefits (86%), voting control (81%), a majority ownership share (67%), as well as a fixed maximum number of voting rights per person (61%) in defining Community Power. It should be mentioned that three out of these four parameters are already part of WWEA’s definition of community power (see Figure 22).

Legend
- Blue: Voting control for community-based organization
- Red: Local stakeholders own a majority share
- Green: Majority of social and economic benefits are distributed locally
- Orange: A fixed minimum number of persons
- Purple: A geographically defined community
- Teal: Participation of the municipality

Voting for a Community Power definition by Symposium’s 2017 participants