RP3007

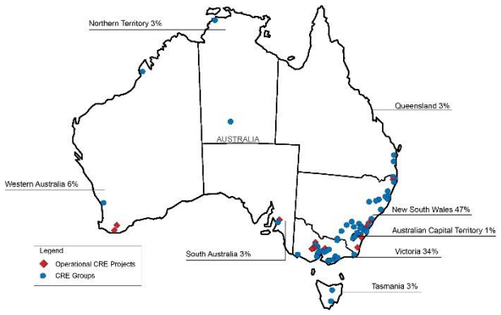
THE ROLE OF INSTITUTIONAL FACTORS IN COMMUNITY RENEWABLE ENERGY DEVELOPMENT: A THREE COUNTRY COMPARISON

Research Question

Community owned renewable energy (CRE) projects have received increased public, political and academic attention because of their positive social and economic impacts and their potential to contribute to the energy transition. Countries with high renewable energy capacities, such as Denmark, Germany and the UK are leading the way for CRE. Australia has 70 CRE groups and 23 operating CRE projects as of October 2015 (see Fig 1).

The question at hand is what are the institutional factors that contribute to the success of community owned projects and what prevents in particular Australian communities to implement projects more widely and to contribute to an increased deployment of renewable energy?

Fig 1: Map of CRE groups & operating projects 2015



Methodology

The thesis embarks on the assumption that the relevant technology exists, yet the political and social conditions impede implementation. By applying a mixed method approach, case study analysis, surveys and semi-structured interviews are conducted to identify drivers and barriers for CRE.

The research is based on a theoretical framework that helps to analyse field emergence, development and decline from a regime level perspective (Fligstein and McAdam, 2012). Fields are considered as meso-level social orders representing main structural building blocks of modern political life in the economy, civil society and the state.

Results

CRE projects can be considered as emerging organisational fields that are embedded in broader environments including other state and non-state fields (see Fig 2). Their emergence is associated with the existence of a crisis or conflict that gives rise to a grassroots movement – such as the anti-nuclear movements in Germany and Denmark after the Oil Crisis in the 1970s.

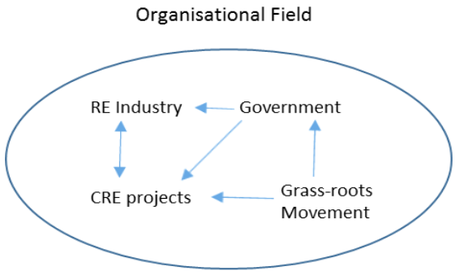
CRE projects can challenge incumbent field players and influence the reproduction of the field. However they are bound, constrained and enabled by different institutional elements that effect their emergence, development and survival through coercive, normative and mimetic mechanisms. While favourable regulative institutions such as feed in tariffs played a vital role in Germany and Denmark, the emergence of CRE is intrinsically linked to normative elements including values, motivations and norms of the social actors.

Regulative constraints for CRE in Australia are associated with energy market regulations (e.g. the access to the grid, tariff system), corporations regulations (e.g. 20 investor limit as investor protection mechanism) and financial hurdles (e.g. getting a fair price for the electricity produced). A lack of understanding and knowledge by the CRE actors is another barrier to their greater engagement.

Conclusions

In Germany and Denmark exogenous shocks triggered the emergence of CRE field and an active civil society with targeted government support paved the way for the establishment of a successful CRE field.

Fig 2: Establishment of an Organisational Field



CRE constitutes in a favourable policy environment carried by a grassroots movements providing additional value and meaning to RE activities

In Australia, increasing public concerns over climate change and an unresponsive government are the driving forces behind CRE engagement. However many institutional barriers have to be removed. Government has to recognise and value the social and economic benefits and implement long term strategic programs that create a stable environment for CRE projects to distribute and scale.

Anticipated impacts

The project output will provide a better understanding of institutional and political requirements for the implementation of community driven renewable energy projects e.g. the potential role of Local Government.

THE COMMUNITY IS AN IMPORTANT DRIVER FOR THE ENERGY TRANSITION.

Further information

www.cpagency.org*; *www.c4ce.org.au

National Community Energy Congress
27 & 28 February 2017 in Melbourne
http://c4ce.net.au/congress//

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