

COMMUNITY ENERGY IN SPAIN BRIEFING

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SPAIN

Population: 46.94 million

Percentage of Renewables: 52% (within that percentage, 46% wind, 16% photovoltaic).

Status of Transposition of Renewable Energy Directive (REDII). Started, incomplete.

Spain is a country that has suffered significantly from the lack of a stable and enabling financial and regulatory framework for community energy. Until a royal decree was announced in June 2020 Spain did not have a legal framework nor legal definition for community energy. The development of community energy and all indeed all renewables was hampered by retro-active changes to support schemes and the imposition of the infamous “sun tax” in 2011. This was a tax that people had to pay on the energy that they produced themselves on their own roofs with their own solar panels.

Thankfully, in 2019, new legislation was passed overturning the “sun tax” was passed, and community renewables initiatives have started to slowly emerge again, especially those that could be supported by existing projects like the Som Energía cooperative. Nevertheless, the tax had a deeply chilling effect, and citizens are still reluctant to invest their money due to concerns that such charges could come back in future. What is needed is clear transposition in law of the REDII, and a national information campaign so that citizens and communities are aware and secure of their rights under EU law.

One of the problems Spain faces in developing energy communities is that of its large oligopoly market model. Oligopolies in this sense means the big energy incumbents on the market such as Iberdrola, Endesa, Naturgy, EDP España and Repsol. There is a danger now that the energy transition in Spain is in the hands of these corporate actors rather than by communities and citizens.

This risks putting the popularity of the transition at stake. Large renewable energy developers, especially in the area of wind power, are buying the land from the farmers, with few benefits for local people, and in this way there is a kind of land grab by large corporations. This results in locally unpopular projects.

Wind energy is the biggest source of renewables in the country and receives the most national funding. In the case of wind and hydro, there are very few initiatives that are owned by communities rather than larger renewable developers. The large bureaucracy and administrative burden, together with the lack of a legal framework and definition of community energy, prevents energy communities from being able to develop these technologies.

There is however a very strong Spanish movement for energy ownership that is waiting for the opportunity to drive forward the energy transition in Spain.

The existing initiatives are generally based on photovoltaic energy, and are being developed on the basis of the current legislation on collective self-consumption, in the absence of the transposition of the European directives on energy communities. The encouragement and support of local institutions, especially local and city councils, is key to promoting the initiatives of local energy communities in Spain. There are many local municipalities eager to get involved in energy projects.

Community energy projects in Spain have a strong educational and community support culture. Many projects reach out to and have strong dialogue with the population through joint projects and activities in schools, adult education centres, workshops, and energy cafes. This facilitates greater awareness and support for the energy transition among the general population.

Two examples of renewable energy communities that have managed to make it in the Spanish context.

1. SOM ENERGIA

Som Energia means “we are energy” in Catalan. Som Energia was the first energy cooperative established in Spain. The cooperative was founded by 150 citizens in 2010, who were inspired by Ecopower in Belgium and Enercoop in France. Most citizens can't afford to build wind, hydro or solar projects alone, but Som Energia offered the possibility to work together to support renewable energy from regional sources. The non-profit organisation started out by purchasing local green energy from existing sources, so members could buy affordable electricity.

Meanwhile, Som Energia built its own solar installations and worked on new renewable production projects with its local groups. The goal was to produce enough electricity to meet 100% of the members' consumption.

Seven years later, the project had 47,000 members. Today, Som Energia has nearly 68,000 members. To date, more than six thousand members invested a total of €15,000,000 in the project. After the Spanish government suddenly stopped providing financial support, Som Energia came up with an innovative new financing system called Generation kWh, to set up new projects against market price.

Consumers supplied by Som Energia are not just customers but co-owners of the cooperative, who participate in decision-making. They can also invest directly in the development of renewable energy. Som Energia combines the cooperative model, peoples' commitment and renewable energy generation in an inspiring way, offering every person in Spain the chance to participate in the transition, and invest directly in renewable projects to develop a sustainable economy, a growing grassroots demand.

Spain has the opportunity now to create a legal framework where many more projects such as Som Energia and La Corriente can flourish.

The first most important step in that process will be putting the Renewable Directive adequately into Spanish law and then implementing it.

2. LA CORRIENTE

If I had invested all this time in salsa classes instead of the cooperative, I could be the new Fred Astaire by now!” jokes Pablo Izaguirre Álvaro, 34-year old economist from A Coruña, Spain. Instead, he became founder and president of the only citizen-led renewable energy cooperative in Madrid, La Corriente. Its almost 500 members would certainly congratulate him on the choice.

The story of La Corriente (corriente can refer to a current of electricity, but also to a movement) begins in 2015 with a group of people discussing new energy models in neighbourhood centres. Their challenge: Is it possible to establish a 100% renewable and participatory electricity cooperative in in such a competitive, complex and saturated environment as Madrid?

Pablo recognised early what the bulk of the work would be about: Spreading the word, informing potential consumers, partners and funders what exactly La Corriente is about and how everyone can benefit from it.

For, as Pablo insists, La Corriente is not merely an electricity provider. “We seek to offer a comprehensive energy service that empowers citizens through knowledge sharing and builds up towards a socially and environmentally just energy model.” Sounds ambitious? According to Pablo, it's the only way to really treat people fairly. An essential aspect of La Corriente's mission is to counter the blatant misinformation most of today's consumers are confronted with. Another one is to research how to effectively reduce consumption and train everyone on that - not only clients and members.

But La Corriente's focus on social engagement goes even deeper. Apart from being a consumer, the cooperative gives people the option to be a “promoter” to directly contribute to the social and solidarity economy – this becomes even more relevant in the exacerbating economic crisis in Spain. Since June 2018, the cooperative is also promoting a feminist approach, incorporating more inclusive language in their statutes, promoting gender parity in their decision making and enhancing the visibility of women in the energy sector through talks, articles and presentations. La Corriente's communications often focus on solutions to energy poverty and on the linkages of local energy systems to impacts in other parts of the planet.

The next milestones for La Corriente: Get funding to fully develop its solar installations section, establish itself as an economically viable reference in Madrid, and expand to 1000 members.





PV installation financed by Generation kWh (Som Energia's investment model), providing electricity to 690 homes.(c) Som Energia



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