

# Financial Handbook: a Guide and several Business Cases

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Dissemination Level	
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# **PART I - a Guide to barriers and how to overcome them**

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## Introduction to the Guide

### Why this guide?

When getting involved in renewable energy projects, energy communities are faced with numerous challenges. Community projects do not have the same features as purely private projects. They provide additional benefits but also need extra support. Energy communities do not act on a level playing field with the private sector. Projects are smaller in size. The investment is not predatory and thus often less profitable. Experience tells us that the financing of community energy projects is more challenging, especially at the early stages of the projects, when nothing is yet certain.

Energy communities can rely on several sources of financing (see chart below). However, community projects face barriers when reaching out to traditional investors or banks, mainly because of the mismatch between the expectations from those actors and the needs of energy communities. This means communities must fund their projects with their own resources or find new alternatives.

### Sources of financing for energy projects





In some European countries, when faced with the difficulties of not being able to finance their projects with classical financial instruments, energy communities have created Community Energy Financial Schemes (CEFS): CEFS are financial tools tailored for community energy projects.

These CEFS are innovative funding tools to finance community energy projects. They are at least partly controlled by citizens and are adapted to funding energy communities. They provide appropriate support (e.g. knowledge sharing). Their investment comes with a return to the local economy and often finances actions to raise awareness and motivate actions towards energy transition. More information on CEFS, please refer to the [Annex I](#) of this guide.

### What can you find in this guide and how to read it?

CEFS are innovative financing tools, dedicated to community projects. In order to fund community energy projects, they need to partner with funders (government, banks, philanthropists or investors) depending on the stage at which projects of local energy communities need financing.

### Potential funders of your CEFS



\*only if risk is mitigated by another actor

Community energy projects need specific financial support. Because CEFS are new, innovative ways of funding these projects, they are themselves facing numerous barriers from creation stage.

To uncover and highlight the key barriers to set-up a CEFS, the ACCE project partners have undertaken a range of interviews and meetings with different stakeholders:

- financial operators (banks, private investors)
- energy communities
- finance managers coming from private or semi-public organisations
- representatives of local and national government
- the European Investment Bank, European Institutions, European associations and European Coop Federations.

**This guide aims at facilitating the set-up of a CEFS. For doing so, it identifies the main barriers, and their resulting bottlenecks to set up a CEFS, and highlights solutions to overcome those barriers and transform obstacles into opportunities.** Moreover, the content of those interviews as well as the practical experience from the ACCE project partners are set out in this guide. It includes practical examples and advice on communicating with public institutions, banks and private companies.

The ACCE partners have identified the following main barriers to the creation of a CEFS:

**Barrier 1: [Regulatory barriers](#)**

1. [Rules that regulate the ability to collect investment from the public](#)
2. [Rules that regulate the ability to provide advice on investment](#)
3. [Lack of rules supporting energy communities](#)

**Barrier 2: [Lack of awareness of energy communities](#)**

**Barrier 3: [Risk caused by funders](#)**

**Barrier 4: [Community projects can bring complexity on a micro level](#)**

**Barrier 5: [CEFS scaling difficulties](#)**

**Barrier 6: [Competitive pressure and access to market](#)**

**Barrier 7: [Existence of other financing tools](#)**

**Barrier 8: [Learning curve](#)**

1. [To partner with actors from the public or private sector, a CEFS must adapt to different working cultures](#)
2. [CEFS must provide support to community projects and learn from experience](#)

## Barrier 1: Regulatory barriers

This overview of the Regulatory barriers will be completed by the Regulatory framework analysis that is to include regional and national specificities.

### 1. Rules that regulate the ability to collect investment from the public

<b>Identified barrier</b>	<p>Prospectus regulation</p> <ul style="list-style-type: none"> <li>- Under EU law, companies that collect investment from the public have to issue a prospectus to inform their potential shareholder, which is a burdensome process.</li> <li>- However, European countries can exempt smaller investment companies from publishing a prospectus (up to €8 million collected per year). They can instead decide to ask companies that offer securities to the public to publish a simplified informative document.</li> </ul> <p>The European Securities and Markets Authorities has issued a table detailing each countries threshold for prospectus<sup>1</sup>. You can check to see what the applicable rules in your country are. Make sure it is up to date.</p>
<b>Issue</b>	CEFS are regulated in the same way than other investment companies, and the cost of reporting (prospectus requirement) is time-consuming and expensive.
<b>Type of CEFS concerned</b>	<ul style="list-style-type: none"> <li>- CEFS that are collecting money from the public</li> <li>- Crowdfunding platforms</li> </ul>
<b>Identified by discussing with who?</b>	<ul style="list-style-type: none"> <li>- Financial regulator</li> <li>- Banks</li> <li>- Energy communities</li> </ul>
<b>Available solutions</b>	<ul style="list-style-type: none"> <li>- Your CEFS should <b>collect less than your local prospectus threshold</b> to avoid having to produce a prospectus</li> <li>- Check your local prospectus threshold and <b>liaise with your financial authority</b> to figure what type of documentation you should produce for your shareholders</li> </ul>

<sup>1</sup> [https://www.amf-france.org/sites/institutionnel/files/2020-02/esma31-62-1193\\_prospectus\\_thresholds.pdf](https://www.amf-france.org/sites/institutionnel/files/2020-02/esma31-62-1193_prospectus_thresholds.pdf)

	- There are <b>rules that govern the promotional material</b> that you can publish about investments. Make sure you respect those rules.
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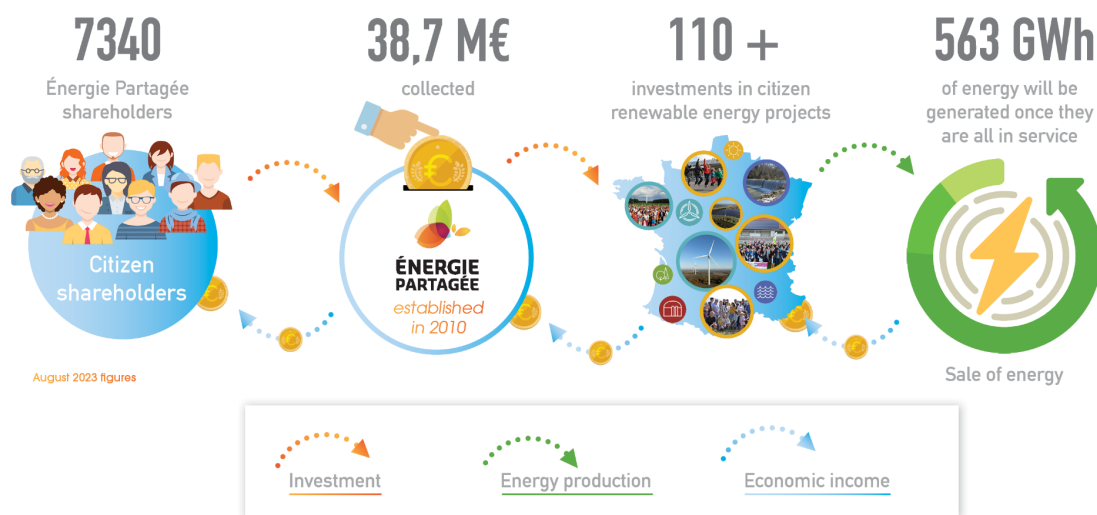
## 2. Rules that regulate the ability to provide advice on investment

<b>Identified barrier</b>	Local rules on the financial investment advisor (FIA) licence <ul style="list-style-type: none"> <li>- A FIA must have a licence and specialised insurance</li> <li>- The FIA must have professional qualification to financially advise</li> <li>- In some countries, there must a minimum number of people working in an organisation for it to be considered a FIA</li> </ul>
<b>Issue</b>	<ul style="list-style-type: none"> <li>- Not everyone can provide investing advice, this is a very much regulated activity.</li> <li>- You cannot be paid as a financial advisor as well as be remunerated on your investments. If you are registered as a FIA, you may not receive funds from your clients other than those intended to remunerate you for your financial investment advice activity. In addition, you may not receive financial instruments from your clients.</li> </ul>
<b>Type of CEFS concerned</b>	CEFS that are directly investing in projects (through loan or equity)
<b>Identified by discussing with who?</b>	<ul style="list-style-type: none"> <li>- Financial regulators</li> <li>- Energy communities</li> </ul>
<b>Available solutions</b>	<ul style="list-style-type: none"> <li>- <b>If your CEFS acts as an intermediary:</b> find a partner whose licence you can rely on at first. You can delegate the management to your partner that is registered as a FIA.</li> <li>- <b>If your CEFS invests in projects:</b> if it has an active role in the projects it invests in and does not have the wish to disinvest, you can negotiate with your local financial regulator to avoid been seen as a financial advisor.</li> </ul>

### Examples

**Example of regulatory requirements: Energie Partagée's equity revolving fund**

In France, Energie Partagée's way of raising capital is to offer shares to citizens. This capital is then invested in energy projects. Energie Partagée currently owns a revolving fund that finances citizen/community energy projects across France. It raised a total capital of 38.7M euros owned by 7340 shareholders.



Energie Partagée is not considered an investment fund or a financial advisor by the French financial regulator (Autorité des Marchés Financiers or AMF). Therefore, it does not need to report to an external fund controller nor through a prospectus. Energie Partagée only issues a simplified document describing its investment product and the risks it presents, available online. Energie Partagée also organises informative workshops for its investors.

The possibility to avoid the qualification of a financial advisor and use a simplified document rather than a prospectus was not evident at first. It was made possible through lengthy discussions with

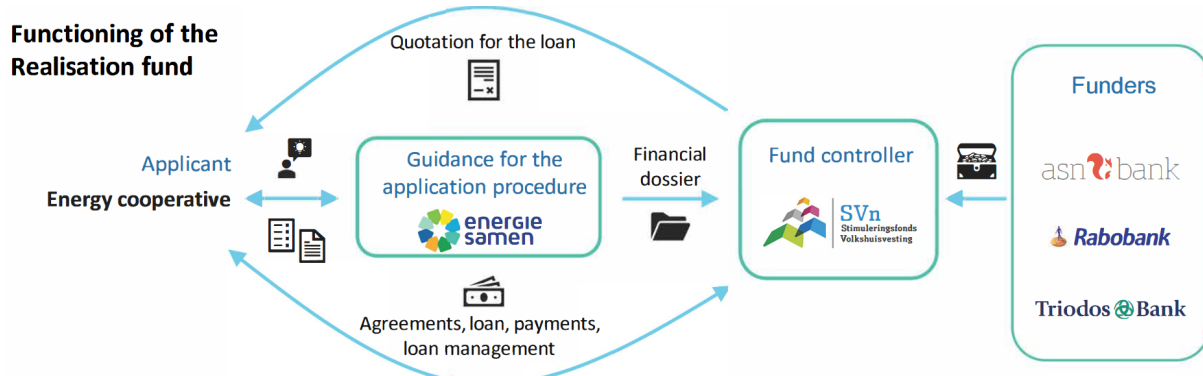
AMF. In the end, AMF agreed to consider Energie Partagée as a **participation holding and not a financial advisor**.

Specific features of Energie Partagée were taken into consideration to exclude the financial advisor qualification:

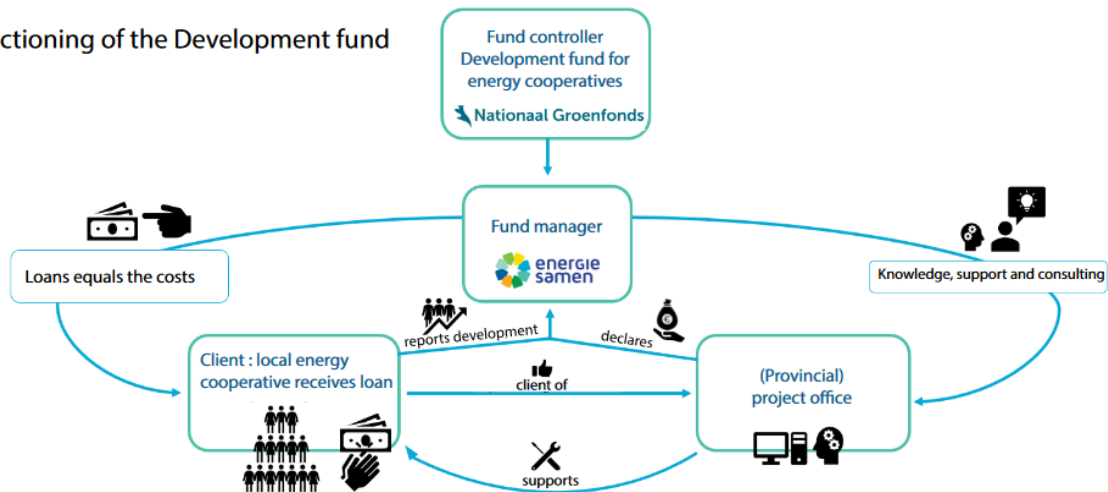
- management of the CEFS was internalised (not made by a 3rd party)
- no deadline for the duration of investments (no specific prospect of resale)
- not only financial investment in equity but also support and services charged to project companies (for development services for example)
- not only profit prospects but also ethical/social purpose demonstrated by Energie Partagée's ethical finance and social enterprising labels (French labels: Finansol and ESUS)

**Example of partnerships with existing financial advisor: the CEFS Energie Samen**

In both CEFS it manages, Energie Samen, a partner of the ACCE project, relies on the credibility and the capacity of external fund controllers (SVn and NGF).



### Functioning of the Development fund



NGF and SVn both have licences registered with the Dutch financial market authority AFM. The fund controllers have a licence to offer credit (mortgage and regular credit) alongside a licence as a financial service provider.

This makes them a credible and trustworthy stakeholder when it comes to financial management, which is important to any investor. Energie Samen on the other hand is a cooperative with relatively low money flows (+-3M€ a year) and is asking for funds that are often bigger, up to 10x as big as its annual turnover. Hence Energie Samen needs to prove that they are capable of dealing with such money flows - in fact it is a key requirement from the CEFS funders. **By collaborating with fund controllers, and by making them responsible for the financial control, the cooperative Energie Samen can cover such requirements from funders and give them confidence.**

### 3. Lack of rules supporting energy communities

<b>Identified barrier</b>	<p><b>Absence of support to energy communities</b></p> <ul style="list-style-type: none"> <li>- No definition of energy communities in some countries</li> <li>- Poor or over complex transposition of EU rules on energy communities in other countries</li> <li>- Absence of rules specifically supporting energy communities</li> </ul> <p>💡 See <b>REScoop's transposition tracker</b> for more information on the definition of energy communities in your country:</p>
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	<a href="https://www.rescoop.eu/transposition-tracker">https://www.rescoop.eu/transposition-tracker</a> (check if up to date)
<b>Issue</b>	Energy communities are not on a level playing field with private actors and need supporting rules to emerge and to launch projects
<b>Type of CEFS concerned</b>	all CEFS
<b>Identified by discussing with who?</b>	- energy communities
<b>Available solutions</b>	<ul style="list-style-type: none"> <li>● <b>Track if the notion of “energy community” exists in your country.</b> Under EU law, Member States have to introduce energy communities in their national law<sup>2</sup>. It can be Renewable Energy Community (REC) or Citizen Energy Community (CEC), see the definition here: <a href="https://rural-energy-community-hub.ec.europa.eu/energy-communities/what-energy-community_en">https://rural-energy-community-hub.ec.europa.eu/energy-communities/what-energy-community_en</a></li> <li>● <b>Push for the definition to match the reality of community projects in your country</b></li> <li>● <b>Push for supporting rules to be adopted for energy communities in your country</b> such as rules favouring energy communities (ex. access to feed-in-tariff, preferable rules for access to land etc.). Indeed, under EU law, Members States should facilitate the development of energy communities<sup>3</sup></li> </ul>

### Examples of rules favouring energy communities

The following **support mechanisms** can be adopted to support energy communities' projects:

- **a facilitated access to an electricity purchase tariff (over the counter feed-in tariff or following a call for tenders)**

<sup>2</sup> Article 2 (16) and Article 22 (2) and (3) of Directive n° 2018/2001/EU of 11 December 2018 on the promotion of the use of energy from renewable sources, OJ L 328, 21.12.2018, p. 82–209.

<sup>3</sup> Article 22 (3), article (4) (a), (g) and (h) and recital 26 of Directive n° 2018/2001/EU of 11 December 2018 on the promotion of the use of energy from renewable sources, OJ L 328, 21.12.2018, p. 82–209.



- inclusion of specific criteria targeting communities' or smaller projects (e.g. bonus on governance for project implicating citizens, share of the tender dedicated in priority to smaller projects)
- a reserved quota for energy communities' projects
- reduced security and performance guarantees
- an increased commissioning delay to complete the project after winning a call for tender
- **a facilitated or dedicated grant regimes**
  - the grant of higher premium (on the basis of higher reference costs)
  - grant schemes dedicated to energy communities/cooperatives
- **a facilitated access to land via specific concession rules**
  - specific award criteria dedicated to energy communities and emphasising their co-benefits
  - adapted procedures ensure a level playing field with profit based actors
- **a facilitated access to loan and guarantee financing through public funds**
  - dedicated loan facilities dedicated to supporting community-based projects
  - state guarantee schemes to de-risk early investments in energy community developed projects
- **Adapted licensing and authorization procedures relevant to the scope and size of the activities of energy communities**
- **Dedicated One-Stop-Shops for the development and scaling of energy communities**

In an effort to compile the possible **rules favouring community energy in public tenders**, REScoop issued a **procurement guide** to inspire municipalities that wish to foster community energy projects locally: <https://www.rescoop.eu/toolbox/procurement-guide-for-community-energy>.

For more on **rules favouring energy communities**, you can check REScoop report on good practices: <https://www.rescoop.eu/toolbox/enabling-frameworks-for-renewable-energy-communities-report-on-good-practices>.

## Barrier 2: Lack of awareness of energy communities

Actors that do not know about energy communities can be reluctant to work with them

<b>Identified barrier</b>	<p>Fear from actors</p> <ul style="list-style-type: none"> <li>- lack of awareness of cooperatives movement</li> <li>- reluctance from municipalities, private actors, funders, bankers to get involved in community projects, notably with non professional actors</li> </ul>
<b>Issue</b>	It takes time and efforts to convince actors to work with energy communities
<b>Type of CEFS concerned</b>	all CEFS
<b>Identified by discussing with who?</b>	<ul style="list-style-type: none"> <li>- banks and other funders</li> <li>- national and local government</li> <li>- energy communities</li> </ul>
<b>Available solutions</b>	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>● <b>Have your offer shared by an external player:</b> start from the existing policy framework (civil servants) then find the right hook there then convince them to have your offer presented with the help of an outside player (ex. known consulting firms)</li> <li>● <b>Identify which civil servant</b> is sensitive to community energy issues</li> <li>● <b>Find the right terminology</b></li> <li>● <b>Produce a white paper</b> on community energy, focused on politicians, preferably with other ethical partners (ex. GreenPeace)</li> <li>● <b>Target a group of members of parliament</b> that are looking at issues relating to the cooperative movement or to local energy - be part of their agenda finding key members of parliament that have a voice</li> <li>● <b>Get credibility by getting known ethical partners to vouch for you</b> and become interested in your model (ex. GreenPeace, ethical banks, climate organisations)</li> </ul>

	<ul style="list-style-type: none"> <li>● <b>Create a track record</b> to highlight positive experiences from past projects</li> </ul> <p><b>Banks and funders</b></p> <ul style="list-style-type: none"> <li>● <b>Speak their language</b> to create trust and show professionalism: do not only focus on your positive social impact but be also clear on your profitability and business plan. If you don't have that background or affinity with the banking sector yourself, hire or bring someone along with a business or financial background that can look at your project with a banker's eyes.</li> <li>● <b>Focus on your communication:</b> build your track record, investors are risk averse so for your first project, put effort in the communication and have project board members that are able to communicate well, even on technical issues</li> <li>● <b>Understand their point of view and their business model:</b> the banker's business is to supply finance at a return commensurate with the risk they will take. No matter how great a project is, their business is to weigh opportunity, expected financial return and risk.</li> <li>● <b>Find their needs and highlight how a CEFS can help</b> them enter a new market with potential for new opportunities, with little effort and by relying on a professional partner</li> <li>● <b>Understand that the bigger the bank, the more elaborate the decision-making process.</b> Some banks have a governance department, a risk department, a legal department etc. Are you speaking with decision-makers or are there many future hoops to jump through?</li> <li>● <b>Reach out to funders who are sensitive to your approach:</b> liaise with ethical banks, regional banks, social impact funds etc.</li> <li>● <b>Document financial and social impact:</b> evaluate, document and highlight the positive impact of projects by keeping track or conducting studies on financial impact and social impact, evaluation tools and reporting</li> <li>● <b>Approach funders through links with your partners</b> (public sector, local authorities) that might have contacts or influence with funders</li> </ul>
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Example of CEFS

### ***Energie Samen and the use of an external consulting firm in their discussion with their funder***

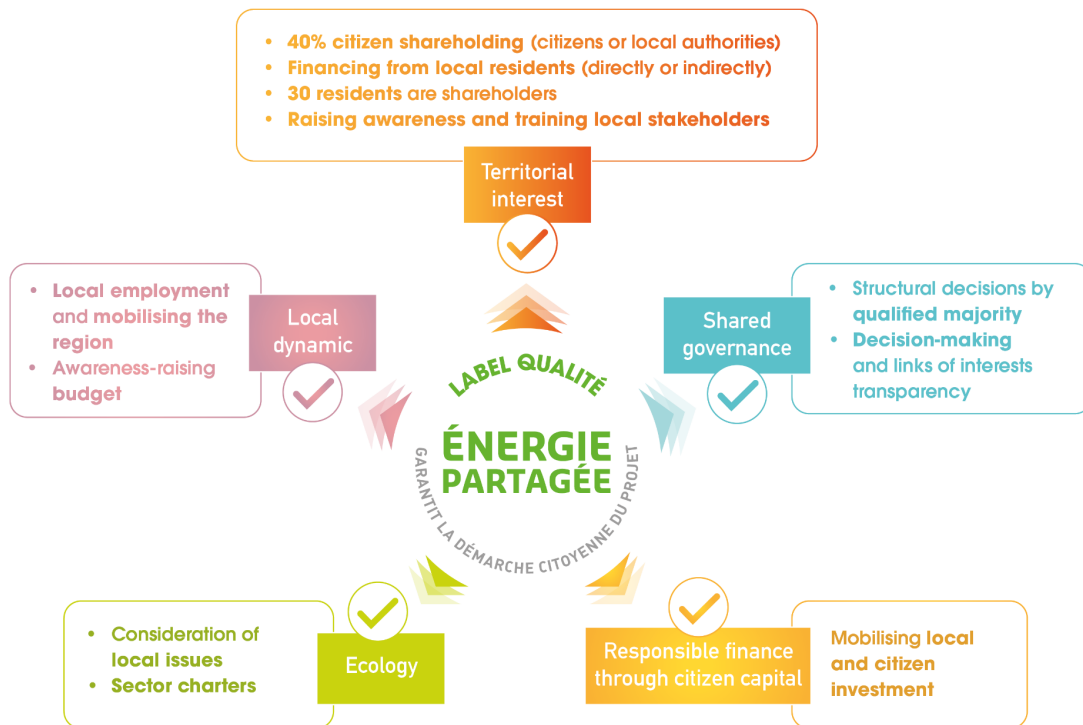
During the creation of one of their funds, Dutch cooperative Energie Samen convinced a national government to request a presentation of their model to a consulting firm. EzK (the ministry economic and climate affairs) hired a consultancy firm to investigate the desirability of a fund like the development fund proposed by Energie Samen and if it would really help realising projects. The consulting firm came to the exact same conclusions as Energie Samen had in their initial presentation, but in a more elaborate and convincing way. The fact that the presentation was made by a third party made it more convincing to the ministry.

### ***The evaluation of the positive impact of projects by French CEFS Energie Partagée***

Energie Partagée owns an equity revolving fund of 38.7 million euros and to this date invested in +110 projects. The positive impact of the projects it invests in is demonstrated using its « citizen energy label », recognised by the French government. This label became a tool that allows Energie Partagée to check whether projects meet its standards and have a sufficient positive impact. It is a very good communication tool, notably for its investors or partners.

The screening of projects is based on 5 main pillars:

1. Territorial interest: presence of public and private actors in the shareholding
2. Responsible finance: non-speculative, implicating citizen and local authorities' investment
3. Local dynamic: involving local players in the project, mobilising the local population
4. Ecology: limited environmental impact
5. Shared governance: citizens involved in the governance, all decisions are made transparently



In 2019, Energie Partagée also conducted a study recognised by the French government that highlights the economic benefits generated by a community project compared to a fully private project. The study shows the economic impact of projects where energy communities are involved, compared to classical projects. This study shows that each 1€ generated a 2.5€ benefit to the local economy<sup>4</sup>. In 2023, another deep-rooted study investigated the broader social impact that energy communities projects generate<sup>5</sup>.

These two studies, focused on French energy communities, were corroborated in March 2023 by a German study, brought to the French sector by the French-German public agency for Energy transition<sup>6</sup>.

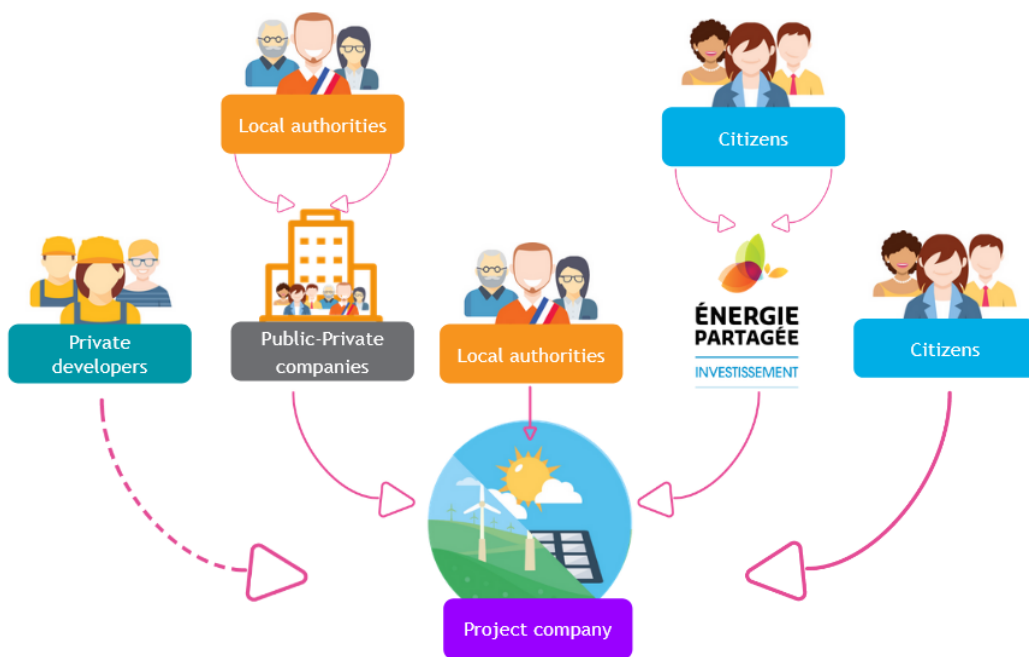
<sup>4</sup> <https://energie-partagee.org/etude-retombees-eco/>

<sup>5</sup> <https://energie-partagee.org/etude-lenergie-citoyenne-quest-ce-que-ca-change-focus-sur-limpact-social-de-lenergie-citoyenne/>

<sup>6</sup> <https://energie-fr-de.eu/fr/energie-eolienne/actualites/lecteur/traduction-en-francais-etude-la-transition-energetique-dans-les-communes.html>

***Establishing trust to develop partnerships with the private sector: the example of co-development by French CEFS Energie Partagée***

The CEFS Energie Partagée supports the development stage of projects by co-funding projects with other actors from the private and public sector. Energie Partagée acts as a trusted third party that represents the voice and interest of the territory and helps the public authorities, citizens and private sector work together. This also helps implicating the local territory and citizens in projects of a larger scale.



## Barrier 3: Risk caused by funders

Funders can have high expectations or cause ethical issues

<b>Identified barrier</b>	Reputational and burden risk caused by the relation with your funder - funders that are trying to use community energy projects for greenwashing - funders that have too many communication expectations
<b>Issue</b>	funders can have a detrimental effect on your reputation or ask a lot of reporting that you might have difficulties in delivering
<b>Type of CEFS concerned</b>	all CEFS
<b>Identified by discussing with who?</b>	- energy communities
<b>Available solutions</b>	<p><b>Ethical issue</b></p> <ul style="list-style-type: none"> <li>• Screen the origin of the funds</li> </ul> <p><b>Expectations of the funder</b></p> <ul style="list-style-type: none"> <li>• Be careful about recuperation, check if the funders do not overuse your projects, beware of funders who would like to put in a little money but want a lot of communication</li> <li>• Make sure you are able of giving sufficient reporting to your funder</li> </ul>

## Barrier 4: Community projects can bring complexity on a micro level

Community energy projects are often too small to be examined by traditional funders

<b>Identified barrier</b>	<p>Projects are too small for funders</p> <ul style="list-style-type: none"> <li>- Projects are too small to cover a classical bank/investor process</li> <li>- Project leaders require support and training to be able to present their projects to traditional funders</li> </ul>
<b>Type of CEFS concerned</b>	CEFS that receive money from external investor or that support energy projects that require a loan
<b>Identified by discussing with who?</b>	- banks and other funders
<b>Available solutions</b>	<p><b>Establish a partnership with a funder</b></p> <ul style="list-style-type: none"> <li>● <b>Partner with a funder to create an opportunity for your CEFS:</b> your CEFS can make those high costs an opportunity by reaching costs that are smaller than those occurred in a classical bank screening process. This will allow you to partner up with a bank or investor by offering that your CEFS provide a service to the bank by screen projects at a lower cost. You can reduce cost per loan by reaching efficiency through standardisation.</li> <li>● <b>Create a process with a standardized model validated by funders:</b> facilitate the work of your funder and bring confidence in your process by establishing a clear instruction process with standardized documents</li> <li>● <b>Develop a process that reduces the time spent</b> with limited costs and offer the best way possible to screen but also support projects in their application</li> <li>● <b>Reach a critical volume</b></li> <li>● <b>Reach out to ethical banks</b> that will be attracted by partnerships with</li> </ul>



	<p>energy communities</p> <p><b>Bundle projects</b></p> <ul style="list-style-type: none"> <li>● <b>Find an opportunity for your funder:</b> try to identify how you could bundle projects to help reach a critical size and refinance several projects in one go, with a repeat deal logic</li> <li>● <b>Make the financing gap before refinancing several advanced projects an opportunity for your CEFS</b> by offering bridge loans to bundle projects: CEFS can finance the building phase project by project, and the bank refinance these projects once they make profit i.e when their risk-profile becomes less exposed for long term benefit</li> <li>● <b>Once a critical size is reached, bundle projects in a single SPV to reduce fixed costs:</b> first include the projects on the energy community or cooperative balance sheet. Once 1 MW is reached, transfer projects to one project company (SPV) that will group all projects</li> <li>● <b>Using a project company will help you dilute risk and match your funder's expectations:</b> most traditional investors are using the project ownership as collateral in case the investment is not successful - but this is not possible for energy communities. Transferring projects to a project company will allow you to dilute risk and match the investor's expectations.</li> </ul>
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### Example of CEFS

#### ***Example of CEFS standardisation process: the screening of project by Energie Samen for its Realisation fund***

The Realisation fund for energy cooperatives was launched at the end of 2021. Since then, it helped 43 energy communities in securing business loans for the building phase of their large-scale PV projects. The loan can vary from 30,000 to 1 million euros and covers up to 75% of the total realisation costs of the project. The fund is managed by Energie Samen, one of the partners of the ACCE project.

One of the strengths of the fund is that the roles and responsibilities are clearly defined: three ethical banks supply the funds that will eventually be given in the form of loans. A fund manager guides the applicants – energy cooperatives – for those loans through the application process.

This fund has streamlined the processes of acquiring the business loans for energy cooperatives by standardising the application processes. The key agreements shaping this fund are:

- Agreement between the three banks and the fund controller about the processes of financing and controlling the fund
- Collaboration agreement between the fund controller and the fund manager, detailing the roles and responsibilities
- Investment policy agreed upon by the fund manager, fund controller and bank that stipulates the requirements of applicants and their projects to be eligible.
- Template dossier with required documents for application
- Standardised assessment procedure.

***Example of a partnership between a CEFS and a bank: Energie Partagée and la Nef***

In order to support small roof PV projects, the French CEFS Energie Partagée has developed a specific offer with ethical bank "la Nef". Energy communities develop and fund several roof projects at a time. Energie Partagée supports those projects by providing funding in the form of equity and shareholders loans to finance the development and construction of the installations. Once several installations have been built, la Nef refinances a tranche of projects. Energie Partagée pre-screens the projects and makes sure they all have a similar timeframe. La Nef refinances all projects as a single one and has limited analysis to make.

## Barrier 5: CEFS scaling difficulties

Size issue during start-up CEFS period (how to reach breakeven)

<b>Identified barrier</b>	CEFS are too small to scale-up at the start-up period The initial pipe of projects and invested amounts are too small to generate revenues that balance the cost of the CEFS during the initial phase
<b>Issue</b>	There is a high risk to your CEFS during the start-up period as you do not have revenues yet
<b>CEFS concerned</b>	all CEFS
<b>Identified by discussing with who?</b>	- energy communities - initial funders of the CEFS
<b>Available solutions</b>	<p><b>Create a model that quickly reaches breakeven</b></p> <ul style="list-style-type: none"> <li>● <b>Find the suitable projects for your start-up period:</b> could be projects that are attractive and can bring you good communication or conversely that are small and replicable, or a little bit of both.</li> <li>● <b>Buy already up-and-running assets at first,</b> having one big up-and-running project that ensures revenues at first is a plus.</li> <li>● <b>Ensure you have good cash flow and a base portfolio</b> then reach for bigger projects</li> <li>● <b>Think about your costs structure:</b> have service providers paid on a volume basis depending on the number of projects and the result, have review points every few months to adapt to your size and activities</li> </ul> <p><b>Find ways to access cash before you reach breakeven</b></p> <ul style="list-style-type: none"> <li>● <b>If your CEFS is financed by public funds, you can request a payment that the first deliverable (creation of the tool) be paid at a fixed price and then establish a payment at a variable price for the management of the fund (running costs).</b> You can agree with your funder to take a fee of the amount of money channelled via the CEFS (e.g. you get 2-5% of the funds channelled to the CEFS), but you also agree on a minimum amount you need a year to sustain yourself.</li> </ul>

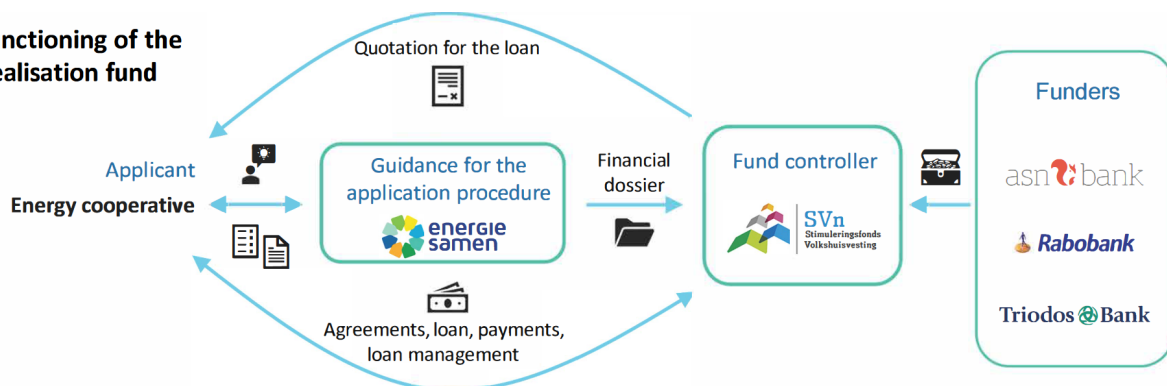
	<ul style="list-style-type: none"> <li>● <b>Start-up with less risky investments as an exception:</b> bond financing at the start, invest part of the funds over a fairly short term (2-3 years) to generate income,</li> <li>● <b>Be clear about your model:</b> if you are doing things that are outside the model to start up make it clear that you are doing this as an exception</li> <li>● <b>For cash advance, try to mobilise big cooperatives</b> to lend or grant you this money - these are the cooperatives that likely do not need the CEFS, but they might support the cooperative movement and setting up the CEFS. This only works if these rich cooperatives are agreeing on the direction you are taking with the CEFS.</li> <li>● <b>Rely on pro bono services (consulting or legal)</b></li> </ul>
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### Example of CEFS

#### *The business model of Energie Samen's Realisation Fund*

The Realisation fund, managed by Energie Samen in the Netherlands, funds the construction stage of medium size PV projects. It was built in 2021 following an agreement between Energie Samen and three ethical banks. Energie Samen received 200 000 euros by the banks to set the fund up and is paid 1000 euros for each successful loan.

#### Functioning of the Realisation fund



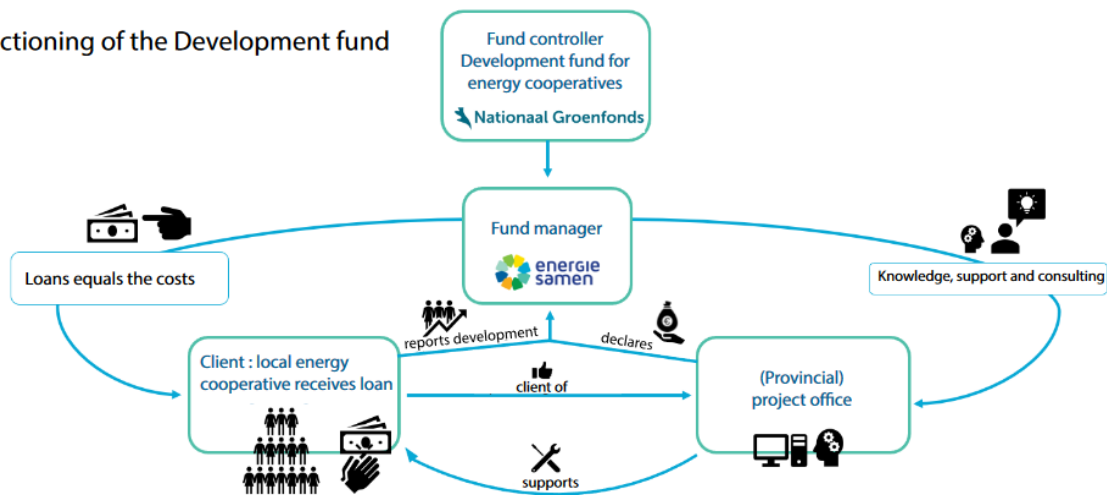
***The business model of Energie Samen's development fund***

Launched in 2021, Energie Samen Development Fund finances the development costs of community energy projects in the Netherlands. It is funded through public funds coming from 4 provinces and the national government and managed by a fund controller and Energie Samen.

The fund manager Energie Samen received a one-off payment of 100 000 euros from the Ministry of Economic and climate affairs to set up the fund and will receive 200 000 euros each year for the first 5 years of operation. After a 5 year period, Energie Samen will receive 1,33% of the total available fund size, with a guaranteed minimum of €200 000/year.

The fund controller NGF receives 0,67% of the total fund per year to operate the fund (guaranteed minimum of €100 000/year).

**Functioning of the Development fund**



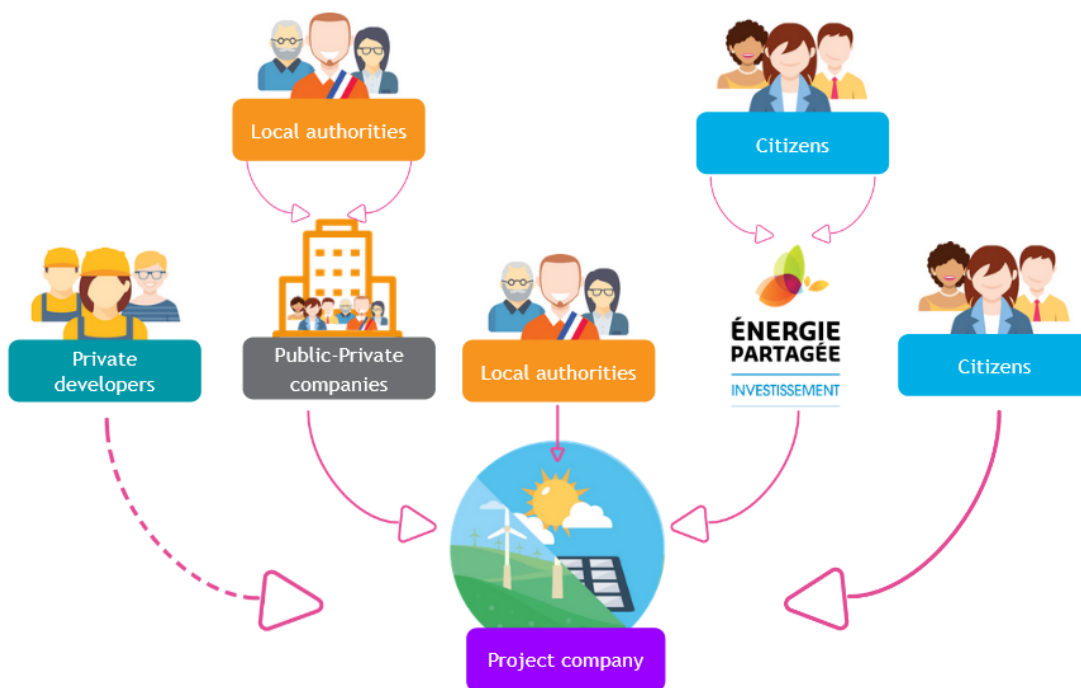
## Barrier 6: Competitive pressure and access to market

The energy market is competitive, making it difficult for small players to negotiate and conclude contracts

<b>Identified barrier</b>	Cooperatives supported by CEFS are too small to compete with the private sector Need for critical size to conclude contract with supplier or negotiate with other market players (banks, installer, etc.)
<b>Issue</b>	Due to their smaller size and because they are competing with the private sector, organisation and projects that are financed by your CEFS will face difficulties in concluding contracts and getting good deals
<b>Type of CEFS concerned</b>	investor CEFS
<b>Identified by discussing with who?</b>	- energy communities
<b>Available solutions</b>	<ul style="list-style-type: none"> <li>● <b>Organize joint purchasing</b> with other community actors to reach a significant size</li> <li>● <b>Establish partnerships with the private sector:</b> you can co-develop projects and rely on private partners' access to the market</li> <li>● <b>Create trust with your partners and contractors to establish a network of partnerships:</b> this will enable your partners to adapt their offer to the communities because they will be able to promote the fact that they are working with energy communities and citizens</li> <li>● <b>Reach out to local players</b> that are close to the project: they will be more approachable and sensitive to your local impact</li> <li>● <b>Negotiate contracts through the players that are working on the project</b> (e.g. negotiate with your wind turbine manufacturers via the developer working on your project)</li> </ul>

**Example of CEFS**

*Co-developing projects with private actors to enter the market: the example of Energie Partagée*

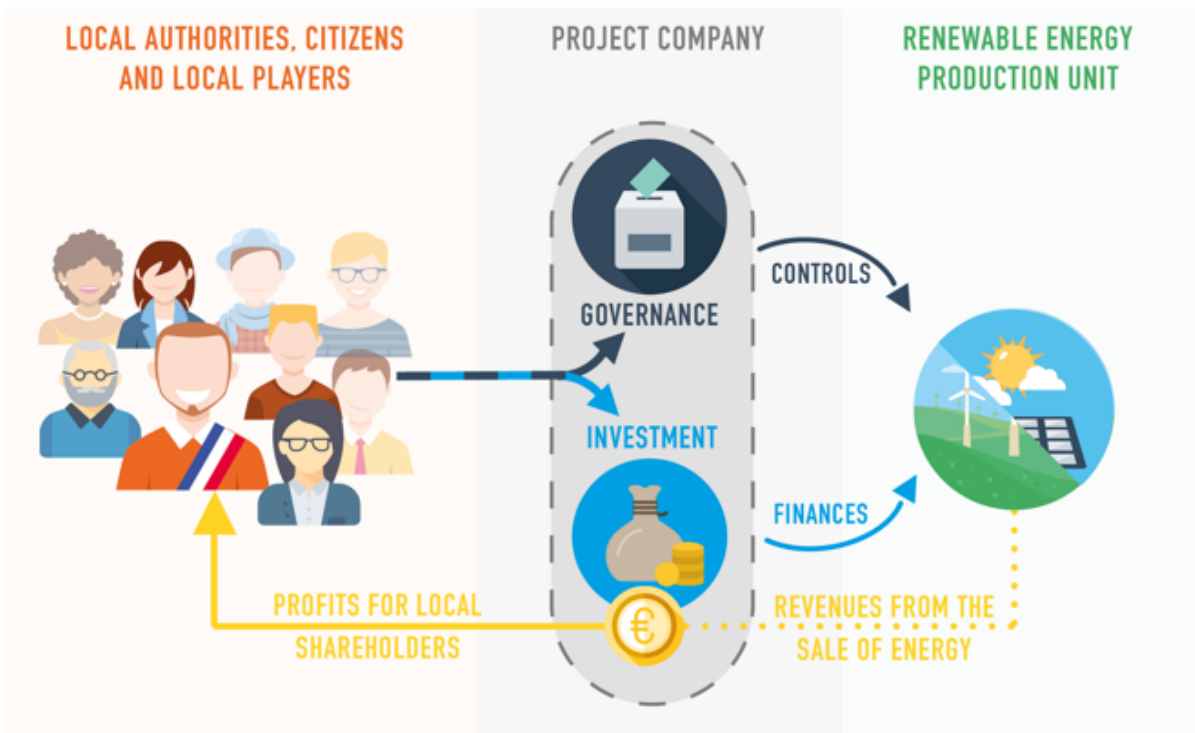


Energie Partagée partners with other actors such as public authorities and private developers that are co-shareholders in the project. The development of the project is financed through shareholders loans and the risk taken is valued at the end of the development phase.

Energie Partagée is able to access the market by partnering with private players. The partnerships established between Energie Partagée and private and public actors helps financing the development phase and reaching larger projects; it also secures citizen access to governance in those larger projects. Citizens can be involved:

- directly via local energy communities investing in the projects
- indirectly via Energie Partagée but also via public actors, ex. municipality or a public investment vehicle

Energie Partagée is seen as a knowledgeable trusted third party from all sides. Its intervention in projects helps citizens, the private sector and local actors working together.





## Barrier 7: Existence of other financing tools

A CEFS must adjust to the existence of financing programmes that it relies on to fund its projects and with the existence of other competing financing programmes

<b>Identified barrier</b>	Existing financing tool can be a threat to your CEFS - A CEFS must adapt to the financing mechanisms it relies on to finance its projects (ex. grant programme from the government) and to the fact that this mechanism might change over time - To be viable, a CEFS must adapt to the existence of other competing financing programmes
<b>Issue</b>	The need of your CEFS and the potential of your growth will be impacted by programmes that can change over time and the existence of other financial programmes
<b>Type of CEFS concerned</b>	all CEFS
<b>Identified by discussing with who?</b>	- energy communities
<b>Available solutions</b>	<ul style="list-style-type: none"> <li>● <b>Understand your market</b> and how your CEFS can stand out</li> <li>● <b>Spend time monitoring your market</b> to keep differentiating your offer from others and identify potential changes that can constitute a threat</li> <li>● <b>Have alliance strategies:</b> partner with actors that will help you deliver your offer locally</li> <li>● <b>Join federations</b> to get visibility, be informed and conduct lobbying actions</li> <li>● <b>Have a way to be informed about local dynamics</b> that can impact your CEFS: either have staff that have a dedicated region or team up with local partners</li> </ul>

### Example of CEFS

#### ***Example of the proximity of a CEFS with the project it finances: the investment team of Energie Partagée***

The projects in which the French equity fund Energie Partagée wishes to invest in are checked by the investment team of Energie Partagée, composed of 7 professionals that have knowledge of the energy sector and project finance. The team is split across France and each member is assigned a specific area. Team members therefore gain a good knowledge of the actors (citizen, private and public) present in their area and are able to meet them on a regular basis.

#### ***Example of partnership between a CEFS and local actors: the role of the regional officer in Energie Samen's development fund***

The development fund managed by Energie Samen, one of ACCE partners, finances the development costs of large-scale wind and solar projects owned by energy cooperatives. This fund gives out interest-free loans, with a success fee for successful projects.

The fund is managed by Energie Samen that receives and reviews applications from cooperatives. Energie Samen provides the quality check of the loan application before sending it to the fund controller for validation.

In order to best manage its development fund, Energie Samen partnered with regional project consultants. The regional project consultant provides direct guidance to the applicants. They provide the second quality check of a loan application and also bring relevant local knowledge. After loan approval, they continue to guide projects. They therefore reduce the risks of the loans. Regional project consultants have thorough knowledge of cooperative projects and are paid freelance for their services.

## Barrier 8: Learning curve

1. To partner with actors from the public or private sector, a CEFS must adapt to different working cultures

<b>Identified barrier</b>	<p>Learning curve from your partners and need of cultural adjustments</p> <ul style="list-style-type: none"> <li>- It takes time for your funder to understand the investment model and time frame of community energy projects</li> <li>- The private sector, funders and energy communities often have very different working cultures and decision-making processes</li> </ul>
<b>Issue</b>	Working together with actors that have different methods takes time and adjustments which can lead to potential deadends
<b>Type of CEFS concerned</b>	all types of CEFS
<b>Identified by discussing with who?</b>	- energy communities
<b>Available solutions</b>	<ul style="list-style-type: none"> <li>● <b>Clarify things for your funder:</b> make sure your funder understands your process early on to avoid any bad surprise. Write down clear guidance for decision making processes</li> <li>● <b>Cultivate a culture of change:</b> train your funders or partners to get them acquainted with your working methods and processes and define together the steps to overcome to reach a common culture</li> <li>● <b>Be practical:</b> it might be helpful to invite your funders or partners to watch your internal decision-making processes for practice</li> <li>● <b>Think ahead:</b> acculturation takes time and you might encounter some bumps along the way</li> <li>● <b>Consider your funder's organisation in full:</b> make sure that your funder's management is onboard and not only the people you are working with</li> </ul>

	<ul style="list-style-type: none"> <li>● <b>Beware of change of personnel:</b> you might need to acculturate your partners again</li> </ul>
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## 2. CEFS must provide support to community projects and learn from experience

<b>Identified barrier</b>	<p>Learning curve from your CEFS</p> <ul style="list-style-type: none"> <li>- Your CEFS will have to learn from experience on how to best support its projects and address the needs in its market</li> <li>- Your CEFS needs to provide funds but also support to community energy projects that are often led by non-professional</li> </ul>
<b>Issue</b>	Your CEFS will have to learn from experience
<b>Type of CEFS concerned</b>	all types of CEFS
<b>Identified by discussing with who?</b>	- energy communities
<b>Available solutions</b>	<ul style="list-style-type: none"> <li>● <b>Be structured</b> prepare how you will support your project (reporting and supporting should be clearly defined)</li> <li>● <b>Think local:</b> have local partners to best understand local dynamics and support your projects</li> <li>● <b>Clarify things for your funder:</b> make sure your funder understands that community energy projects need support to emerge. Showing this early on is actually an opportunity for your CEFS</li> <li>● <b>Learn from experience and document:</b> compile information from successes and failures on past projects</li> <li>● <b>Have a training programme:</b> have continuous learning processes in place on hot topics</li> <li>● <b>Team up:</b> partner with federations to offer co-training and learn from their experiences</li> </ul>

### CEFS example

***Example of support system from a CEFS to the projects it invests in: Energie Partagée's support system and training programmes***

Over the years, Energie Partagée has developed numerous training programmes and material for the energy communities that are part of its network. To access this programme, energy communities pay an annual membership fee.

Energie Partagée monitors industry and regulatory developments. It provides expertise in the form of documents and webinars on the following topics: group dynamics and partnership, communication and fundraising, economic modelling, consultation process, drafting shareholders agreement and partnerships negotiations.

Energie Partagée worked on developing an up-to-date expertise on new or hot topics. To do so, Energie Partagée also leads working groups on hot topics and organizes webinars to share results. Energie Partagée gets energy communities to give feedback from their experience during webinars. This helps energy communities continuously learn from each other's experiences on the ground.

Finally, Energie Partagée also offers paid tailor-made services that include individual training programmes, coaching as well as communication and consultation activities around a specific project.

## **PART II - CEFS Business cases**

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## Introduction to the Business Cases

The Financing Handbook aims at facilitating the set-up of a Community Energy Financing Scheme (CEFS). It made up of:

- a Guide, that describes barriers a CEFS might face at creation stage and provides insights and examples on how to overcome them, as well
- Business Cases gathered in this document, that provide on the ground insights from CEFS that are already in operation

CEFS with an established track record and stabilized Business models have been selected in this handbook. They are:

- Tipperary Energy Community Cooperative (ECTC - Ireland): this cooperative provides financing services and project management office (PMO) to households that are to engage in renovation projects.
- Energie Partagée Investissement (EPC - France): this fund gathers citizens' saving throughout the country and invests it in energy communities projects, bringing capital to meet the projects' financing needs along with expertise to strengthen the local capacity building.

The CEFS are all described within the same Business model canvas that answer key questions.

## Business case canvas

<p><b>Key partners</b> Who are your Key Partners? Who are your key suppliers?</p> <p>What are the motivations for partnerships?</p>	<p><b>Key activities</b> What Key Activities do your Value Propositions require?</p>	<p><b>Value proposition</b> What value do you deliver to the customer? Which one of your customer's problems are you helping to solve? What products/services are you offering to each Customer Segment? Which customer needs are we satisfying?</p>	<p><b>Customer relationship</b> What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p>	<p><b>Customer Segments</b> For whom are we creating value? Who are our most important customers?</p>
	<p><b>Key resources</b> What Key Resources do our Value Propositions require?</p>		<p><b>Channels</b> Through which Channels do our Customers are reached? Which ones work best?</p>	
<p><b>Costs Structure</b> What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p>		<p><b>Revenue stream</b> For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p>		



## Business Case of Tipperary Energy Community Cooperative (ECTC)

ECTC represents 8 Community Energy Teams (coming from 8 communities) consisting of volunteers living in the area with an interest in working for local benefit. Representing between 1000 and 1600 residents, or 300-500 households, per community. It is governed by a board of directors made up of volunteers coming from the participating communities (two per community) plus one director coming from both the Tipperary Energy Agency and the North Tipperary Development Company. The board forms sub-committees to deal with specific tasks, which then report back to the board. The individual directors of the board report back to the community energy teams they come from, who in their turn provide input coming from the community to the board. Members from the energy teams are encouraged to attend board meetings. Board meetings take place 8-10 times per year.

ECTC provides financing services and PMO to households in Tipperary County. The cooperative collects a project pipeline for renovation projects from households across the county. The cooperative provides a technical assessment of the home of beneficiaries. It standardized and presented this pipeline of project to the SEAI (Sustainable Energy Agency of Ireland) funding schemes which grants between 35% and 85% of the project budget to households based on their types (social criteria).

Government grants for homeowners: up to 35% for all homeowners, up to 85% for homeowners with lower incomes (receiving some types of benefits), up to 50% for community buildings, and up to 30% for commercial buildings. ECTC makes use of the Sustainable Energy Communities and Better Energy Communities grants. The grants require an upgrade to a BER B2 rating and houses need to be built before 2006.

Loans: ECTC has partnered with local credit unions that can provide 'green' loans to homeowners to fund the non-grant part of the renovation costs.

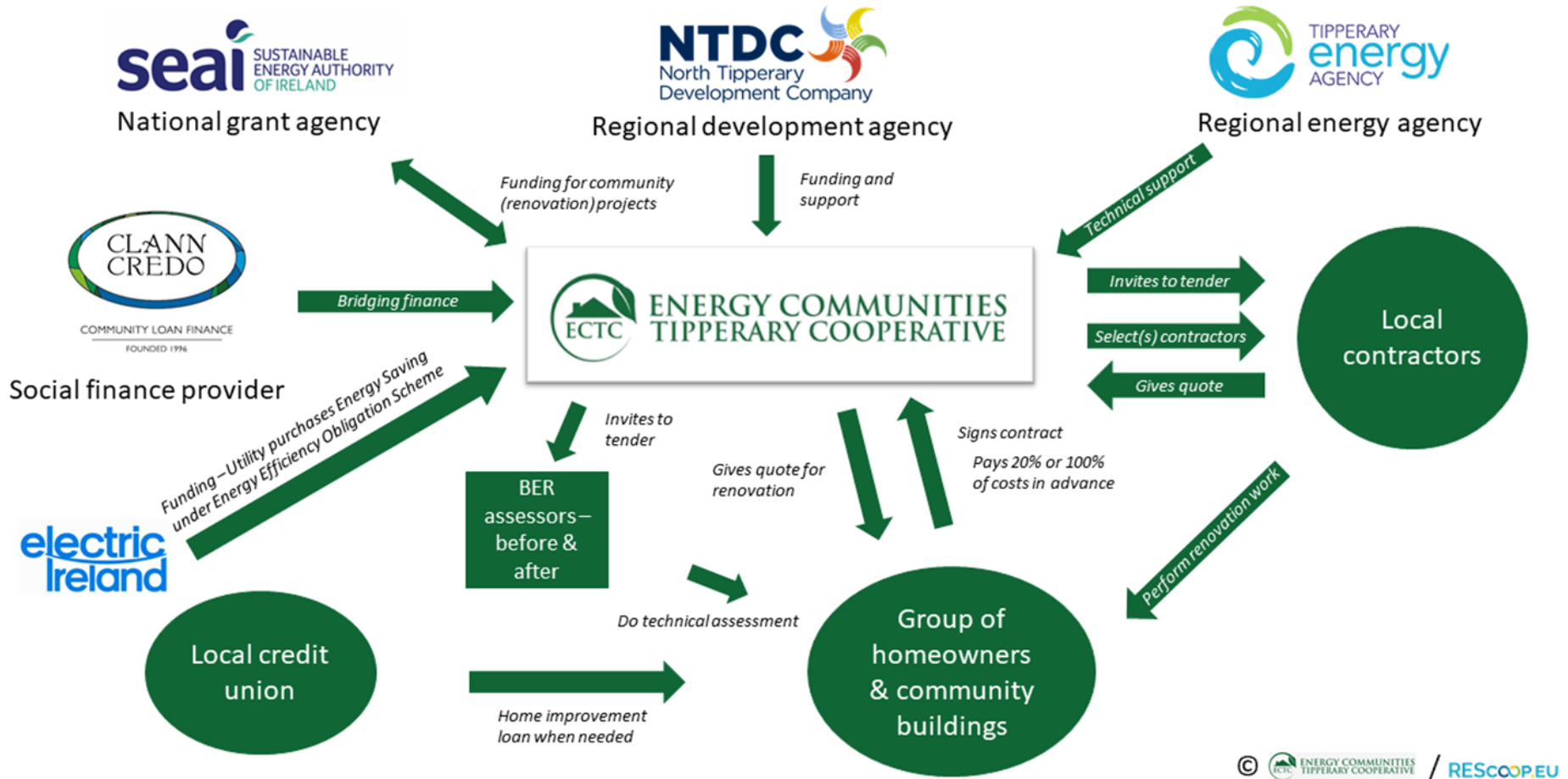
Between and 2012 – 2019 ECTC renovated 827 houses and 25 communal/commercial buildings in 13 communities leading to 8.8 GWh in energy savings.

### Fund main characteristics:

- **Sources of the fund:** Public and private
- **Target projects:** Energy poor households in priority, then all house owners in Tipperary.
- **Investment product:** Grant
- **Institution (fund governance):** The funding is managed by SEAI, a public agency which grants the dispersion of the funds based on proposal to ECTC.

Fund special features:

### Tipperary Energy Communities Cooperative - Business model



Business Canvas of Tipperary Energy Community Cooperative

<p><b>Key partners</b></p> <ul style="list-style-type: none"> <li>- Sustainable Energy Agency of Ireland: main source of grant funding</li> <li>- Directors coming from local community groups: promoting ETCT to local residents</li> <li>- Tipperary Energy Agency, carries out the Energy Audit on buildings</li> <li>- Clann Credo Social Investment Fund, providing bridging finance until grant is delivered</li> <li>- Energy utilities (enrolled in Carbon Credit Sytem)</li> <li>- Local contractors, performing renovation</li> <li>- Local credit unions, bridging finance</li> </ul>	<p><b>Key activities</b></p> <ul style="list-style-type: none"> <li>- community organizing with boards of directors and subcommittees to reach out house owners</li> <li>- organizing technical/BER assessment of houses</li> <li>- selecting local contractors for renovation works</li> <li>- standardizing and budling renovation projects to obtain funding from governmental grant schemes</li> <li>- go-between households and local credit union to secure private funding as needed</li> </ul>	<p><b>Value proposition</b></p> <p>Main value proposition from ECTC to households and beneficiaries: the coordination of all aspects of a sustainable home renovation. A one-stop-shop service.</p> <p>The value proposition from the renovation itself is:</p> <ul style="list-style-type: none"> <li>- Improved living conditions: warmer, healthier, and more energy efficient houses</li> <li>- Savings on energy spending through both increased awareness on energy use and the improved energy efficiency</li> <li>- Reduced GHG emissions</li> </ul> <p>To communities ECTC also offers the following social and environmental value:</p> <ul style="list-style-type: none"> <li>- Job creation at local level: both directly through the renovation projects and indirectly through improved spending power through savings on imported fuel.</li> <li>- Reduced energy poverty</li> <li>- Reduced GHG emissions</li> </ul> <p>- Possible investments in community projects: the sales of carbon credits through the Energy Efficiency Obligation scheme generates revenue that can be invested in the community</p> <p>Social benefits through empowerment and participation of citizens: for example, in the first Drombane/Upperchurch project an increased willingness of the residents to tackle community issues was noticeable.</p>	<p><b>Customer relationship</b></p> <p>The service serves households and the community (commercial and public buildings). They are thinking about building a membership model to make the governance model not only community led but also directly citizen led. Currently ECTC is in contact with the households only during the works stage (implementation of renovation measures). During the other stages (see renovation journey) the community energy teams are involved.</p>	<p><b>Customer Segments</b></p> <ul style="list-style-type: none"> <li>- Households: ‘regular’ &amp; those receiving fuel allowance (eligible for more grant support)</li> <li>- Communities (community buildings)</li> <li>- Churches</li> <li>- Assisted living dwellings</li> <li>- Commercial businesses</li> </ul>
	<p><b>Key resources</b></p> <ul style="list-style-type: none"> <li>- Volunteers from the communities who provide their time for free to help deliver the renovation projects.</li> <li>- Paid project manager/development coordinator that coordinates the work, does administration, and liaises with all partners to ensure schedules and necessary standards for the government (SEAI) grants are met.</li> <li>- Grants from the national government delivered through the SEAI</li> <li>- Strategic support from the regional energy agency</li> </ul>		<p><b>Channels</b></p> <ul style="list-style-type: none"> <li>- Website</li> <li>- Social media (local groups)</li> <li>- Presentations at community events</li> <li>- Word of mouth</li> <li>- Through partners (including contractors)</li> </ul>	

<b>Costs Structure</b>	<b>Revenue stream</b>
<p>Given that ECTC is mainly volunteer run the costs are limited. The costs include:</p> <ul style="list-style-type: none"> <li>- Wage costs for inhouse project developer</li> <li>- Cost of drafting the technical application for the grant funding from SEAI</li> <li>- Cost of recruiting/tendering for Technical Assessors</li> <li>- Cost of recruiting/tendering for local contractors</li> </ul> <p>Volunteer hours: both the people and board at ECTC and at the local energy teams many people are doing work on a voluntary basis. For example, just the board invests over 240 hours per year (10 board members, with 12 two-hours meetings).</p>	<p>ECTC is largely a volunteer based and non-profit group. They do have some revenues, with the main source being the sales of Carbon Credits. Household payments and government grants also go through ECTC, but all of these are invested into the renovation works.</p> <p>Recurring:</p> <p>Carbon credit sales (revenues go to project manager + investment into community)  All Grants and payments go through ECTC: the homeowner pays ECTC, ECTC pays for Technical Assessor and the contractor. Once works are complete and validated ECTC sells the energy savings Carbon credits (White Certs under the EEOS) to an Energy Supplier with which we have agreed a price per kWh.</p> <p>One off:</p> <p>Interreg funding: also used to cover wage costs of project manager  Start-up funding from local community</p>

## Business Case of Energie Partagée Investissement

**Energie Partagée Investissement** (EPI) is a fund that invests in energy communities' projects, as defined by the Energie Partagée *label*. The fund is financed by citizens investors from all over France. It invests money by taking equity shares and providing shareholders' loans in renewable energy project companies (SPV). This money helps raise the necessary capital to finance the construction phase of citizen energy projects in France. Since 2010, the fund has supported over 110 projects. When investing in project companies (SPV), EPI becomes a shareholder. Once the project is up and running, EPI gets a return on its investment (from 4% to 9%) from the benefits of the project, generated by the sale of energy (electricity, biogas, heat). It then pays its running costs and finally aims at giving a 4% return on investment to its own (citizen) shareholders.

### Fund main characteristics:

- **Sources of the fund:** Citizen savings (one share costs 120€): in January 2024, 7 400 shareholders have invested over 35 M€. A few institutional investors (pension funds that offers and finances its employees' participation in Energie Partagée as a voluntary benefit) may supplement the fund, up to 10% of the total funding (as of January 2024, they account for 8% of the total funding).
- **Target projects:** construction phase of citizen projects in France (min 40% citizen shareholding), min 1MW / max 30MW, all technologies (wind, solar, biogas, hydropower, biomass heating)
- **Investment product:** equity and shareholder loans, long term investment with a minimum investment ticket of 50k€
- **Institution (fund governance):** the EPI fund is closely tied to Energie Partagée Association, the national network that gathers energy communities. The EPI fund and the EP Association share Managing Directors. Investment decisions are validated by a panel of experts gathered from energy communities (members of the EP Association). Citizen shareholders participate in the over-all governance of the fund through a Supervisory Board.

### Fund special features:

- **Strong Investment team** to review projects: 8 investment professionals with strong finance and energy knowledge, located across France to liaise with local energy communities and public and private actors
- **Long term investment**
- **Technical support** to projects and knowledge sharing
- **Partnerships** with the public and private sector
- **Facilitation** of partnerships with project co-sponsors (acts as a go-between to create good relationships between citizens, private and public sector)
- **A citizen label**, based on extra-financial criterias, that ensures the projects funded meet high energy community standards and fit Energie Partagée expectations. In return, this label provides good communication and trust to project funded.

## Business Canvas of Energie Partagée Investissement

<p><b>Key partners</b> <i>Co-sponsors in energy projects</i></p> <ul style="list-style-type: none"> <li>- Energy communities</li> <li>- Local authorities</li> <li>- Public investment organisations</li> <li>- Regional networks of energy communities</li> <li>- Renewables private sector players energy that are interested in co-developing projects with citizens</li> </ul> <p><i>Global partners</i></p> <ul style="list-style-type: none"> <li>- Government agencies (Ministry for the energy transition..)</li> <li>- Renewables Industry federations</li> <li>- Local authorities federations</li> <li>- Environmental NGO</li> <li>- Banks (ethical, public..)</li> </ul>	<p><b>Key activities</b></p> <ul style="list-style-type: none"> <li>- Investment (equity)</li> <li>- Legal and financial advising (as a shareholder)</li> <li>- Support in negotiating contracts (with banks and the energy sector players)</li> <li>- Training for energy communities and/or local authorities</li> </ul>	<p><b>Value proposition</b></p> <ul style="list-style-type: none"> <li>- Funding at a non-speculative expectation return level</li> <li>- Long-term investment</li> <li>- Funding that comes with expertise and support</li> <li>- Funding that comes with low-cost, high expertise advising on financial engineering</li> <li>- Fostering local dynamics and increase acceptance of EnR projects</li> <li>- Trusted third party that helps creating partnerships between citizens and the public and private sector - built on a deep know-how of renewable projects and on strong ties with the civil society</li> <li>- Transparency and democratic governance that fosters confidence in the long-term</li> </ul>	<p><b>Customer relationship</b></p> <ul style="list-style-type: none"> <li>- To citizen investors (who are not necessarily in an energy community): social impact investment (simple and clear offer)</li> <li>- To project co-sponsors: innovation, knowledge-sharing, problem-solving oriented</li> </ul>	<p><b>Customer Segments</b></p> <ul style="list-style-type: none"> <li>- Citizen investors, in France. 2000 eur investment in average, from activists (&lt;500 eur) to golden savers (&gt; 50 Keur)</li> <li>- Project co-sponsors (energy communities, local public authorities, private companies) who want to develop a local citizen project using Energie Partagée's label.</li> </ul>
<p><b>Cost Structure</b></p> <ul style="list-style-type: none"> <li>- Managing costs (fix and variables, covers staffing): +/- 50%</li> <li>- Marketing / promotion costs: +/- 15%</li> <li>- Losses: fails in project development</li> <li>- Administrative costs (internal/external): +/- 15%</li> <li>- tax (VAT not refunded): +/- 10%</li> </ul>		<p><b>Revenue stream</b></p> <ul style="list-style-type: none"> <li>- Dividends and interests from investment in project companies (90%)</li> <li>- Instruction fees (0%): staff costs are covered by our investments</li> <li>- Subscription fees (5%) paid by energy communities and other members (public authorities, industry players, sector federations, local authorities)</li> <li>- Short term treasury investments (5%)</li> </ul>		

## Business Case of Energie Samen - Development

The “Ontwikkelingsfonds” is a development fund for PV and Wind project that created by Energie Samen in the Netherlands. The fund is financed by provincial governments and the ministry of economic and climate affairs. The goal of this fund is to make development capital easily accessible such that energy communities can react to project opportunities swiftly. Between the fund creation in 2021 and December 2023, 37 projects have been funded at the development phase.

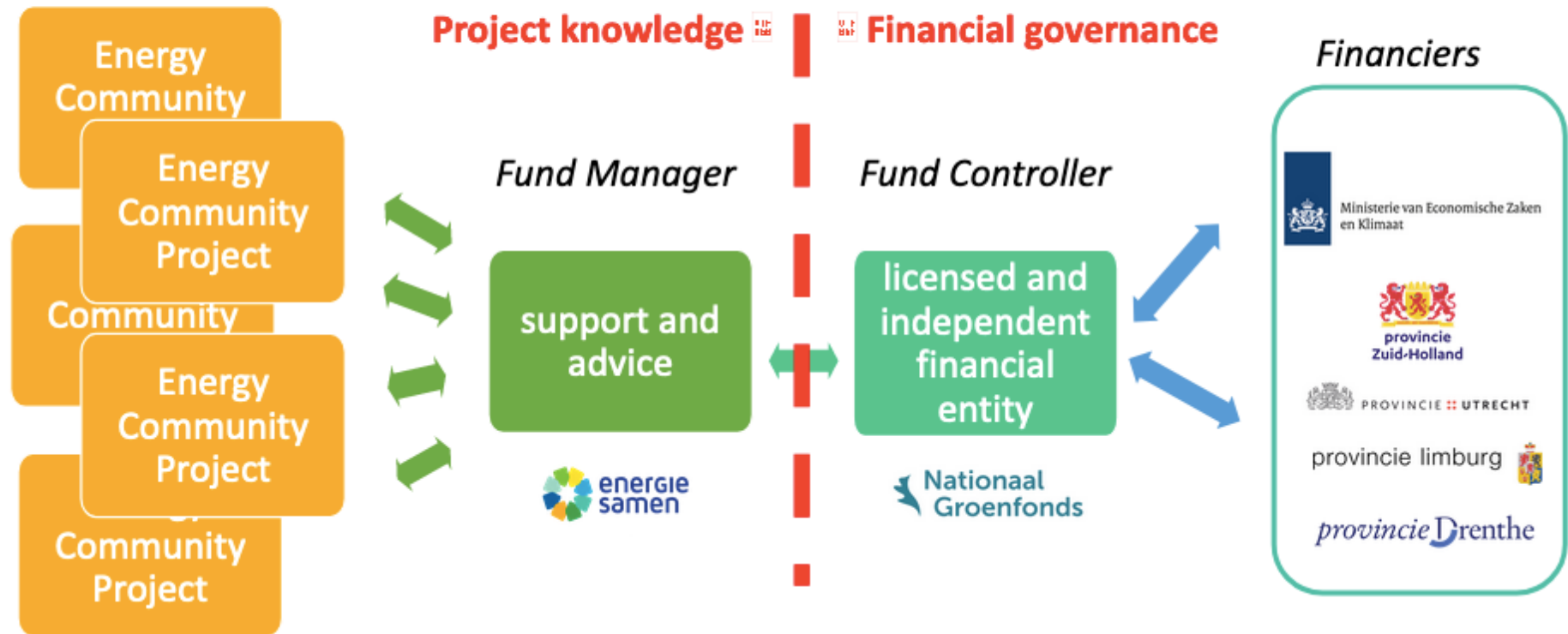
### Fund main characteristics

- **Sources of the fund: Ministry of Economic and climate affairs (EZK) and four provinces. Four provinces decided to create a fund to boost cooperative energy projects with which risk free development loans are provided.** EZK provides “match funding”: when a province gives money for the fund, the Ministry will match by adding the same amount and taking the first losses.
- **Target projects:** The target group are citizen energy initiatives that develop large-scale cooperative wind or solar projects. Projects are eligible if they meet the following criteria:
  - The energy cooperative owns at least 50% of the project
  - The project has a total cost of at least €500.000
  - Maximum 70% of the development cost can be funded via the development fund.
- **Investment product:** The Development Fund is a **revolving fund providing interest free loans with a success fee**. At the end of the development process if the project is successful, the cooperative repays the **loan including the success fee**. If a cooperative is unable to realise the project, the loan is forgiven.
- **Institution (fund governance):** Governance of the fund is split up into main two roles: the fund manager and the fund controller. Energie Samen acts as the fund manager who is responsible to support the applying cooperatives, to facilitate them in successfully developing their project and the quality of the projects. The fund controller is the financial administrator of the fund. They make sure all the administrative constraints of the funders are met and act as a proxy for the funder on a day-to-day basis.

### Fund special features

- Due to the revolving character and the success fee principle, loans of unsuccessful projects can be waived. Therefore, development money is suddenly very easy to access
- In early development, project risks are high, but loan amounts are low and success fees high. Therefore, the risk for the fund itself is also quite low.

# Development fund



Business Canvas of CEFS Energie Samen (intermediary) Development fund



<b>Key partners</b> <ul style="list-style-type: none"> <li>● National government (ministry of economic and climate affairs)</li> <li>● provincial governments</li> <li>● local energy initiatives</li> <li>● regional/provincial umbrella organisation</li> <li>● fund controller</li> </ul>	<b>Key activities</b> <ul style="list-style-type: none"> <li>● Receiving and reviewing applications to the fund; assisting the cooperative in assembling the dossier with the required documents.</li> <li>● Providing the first quality check of the loan application</li> <li>● The final application dossier is checked by the regional project consultant for a detailed quality check.</li> <li>● Monitoring progress of projects by Energie Samen and twice-a-year report to the fund controller</li> <li>● Knowledge sharing between projects</li> </ul>	<b>Value proposition</b> <ul style="list-style-type: none"> <li>● Access to development loans without losing local control on the project</li> <li>● Easier access to development capital, that is key especially for young cooperatives.</li> <li>● Revolving fund enables a high leverage factor per invested euro, makes this an attractive investment for governments.</li> <li>● Energie Samen is better equipped to guide both the fund and the projects to success than the funder itself</li> <li>● Activate citizens in the energy transition by enabling them to take active role in energy projects</li> </ul>	<b>Customer relationship</b> <ul style="list-style-type: none"> <li>● Applicants for the fund and Energie Samen have an intense working relationship. Energie Samen makes the fund accessible and easy to use with low entry requirements and assistance in applying.</li> <li>● the applicant does not have to deal with the other funder and fund controller, and Energie Samen carries a significant amount of the administrative burden relates to development loans.</li> </ul>	<b>Customer Segments</b> <ul style="list-style-type: none"> <li>● local energy cooperatives in the Netherlands: accelerating the development of their projects</li> <li>● Governmental organisations: enabling citizen initiatives to realise projects and become more professional and reliable partners</li> </ul>
	<b>Key resources</b> <ul style="list-style-type: none"> <li>● <b>direct access to</b> development capital provided by national and provincial authorities - which per project equated to a project depot of up to 500k€ per loan</li> <li>● fund managers (human capital) and project development experts</li> <li>● the cooperative network &amp; local network of projects</li> </ul>		<b>Channels</b> <ul style="list-style-type: none"> <li>● Energie Samen members</li> <li>● provincial and regional umbrella organisations</li> </ul>	

**Costs Structure**

- fixed payment to Energie Samen (200k€ per year): covers managing costs (staffing) and the online application and monitoring portal
- fixed payment to fund controller (100k€ per year)
- treasury needed to cover for the loans of projects that fail and are fully depreciated

**Revenue stream**

- initial deposit in the fund of 9 million
- When the building phase of a project starts (often 1 to 3 years after being granted a development loan), each project pays back the loan with a success fee.
  - success fee for PV between 25-100%
  - success fee for wind between 50-200%

## Business Case of Energie Samen - Energy Savings

To substitute natural gas installations in households, many houses first need to become more energy efficient. The CEFS “opschaling energie besparende maatregelen” aims to active citizens to take energy saving measures in their home. Together with 2 partner organisations, Energie Samen acts as the “fund manager” in this CEFS. The CEFS receives a large subsidy from the ministry of economic and climate affairs to target 250 neighbourhoods. Energy cooperatives are subcontracted by the CEFS to target specific neighbourhoods with informational campaigns and to organise collective actions in order to active citizens to take energy saving measures.

### Fund main characteristics

- **Sources of the fund:** The Dutch ministry of Economic and Climate Affairs has set up a variety of programmes over the past years to increase energy savings. Several early programmes have shown that it is very difficult to build up a meaningful relationship with citizens that leads to investments in renovations. Thus this programme is focussed on building a long lasting relationship between cooperatives and citizens in order to activate the citizens to take energy saving measures. Funding received by Energie Samen and its two partners is thereafter distributed to over 250 citizen initiatives. These initiatives make use of this funding so as to leverage approximately 11.000 energy saving measures.
- **Target projects:** The fund targets energy cooperatives that are already active on the topic of energy savings. These cooperatives often work with volunteers that go into neighbourhoods to educate and activate citizens to take energy saving measures. But as they are volunteer driven their capacity is limited. With this fund they are able to pay for this labour and increase their capacity and reach significantly.
- **Investment product:** A grant to cover labour costs of people who guide a neighbourhood in the process of investigating, deciding upon and investing in energy saving measures. The energy cooperatives would not be able to access this grant individually, but by grouping them it is easier for the ministry to subsidise them.
- **Institution (fund governance):** Energie Samen acts as an aggregator; Energie Samen applies for a large subsidy that is then given out to energy cooperatives via subcontractor agreements. These energy cooperatives would not be able to access this same amount individually.

### Fund special features

- Aggregation of cooperatives in a portfolio enables the ministry to invest into one coherent programme instead of 20 small ones.
- Energy communities have a unique position that allows them to build up meaningful relationships with citizens that commercial parties have more difficulties with.
- This CEFS leverages citizen investments into energy saving

**Business Canvas of CEFS Energie Samen Energy Savings fund**

<b>Key partners</b>	<b>Key activities</b>	<b>Value proposition</b>	<b>Customer relationship</b>	<b>Customer Segments</b>
<p>National government (ministry for economic and climate affairs &amp; the ministry of internal affairs)</p> <p>Energy cooperatives that are active in energy saving projects</p> <p>Likeminded non-profit organisations that aim to active citizens to apply energy saving measures</p>	<p>Local energy communities enabling neighbourhoods to organise collective energy saving measures by facilitating the neighbourhood process (project management, teach people how to have conversations and decisions on energy saving measures, facilitate input from experts, etc)</p> <p>Energie Samen enables energy communities to access the available subsidies by grouping the projects and taking care of the subsidy application, the financial administration and accountability.</p>	<p>By facilitating the process, citizens can focus on the decisions for energy saving measures at hand, not at the organisational struggle in the neighbourhood.</p> <p>By activating the citizens to take collective action and make shared investments, long term and sustainable solutions can be found, rather than only enabling quick fixes.</p> <p>Citizen initiatives have a higher success rate of reaching other citizens than commercial parties.</p>	<p>Local energy communities build a relationship with neighbourhoods; they educate a few citizens thoroughly that help them activating their citizens</p> <p>The energy communities have a subcontractor relationship with Energie Samen, formally arranged in a subcontracting contract. There is also a active knowledge sharing relationship between Energie Samen and all the participating communities.</p>	<p>Energy communities in the Netherlands that focus on energy saving measures; we are enabling them to access subsidy funds that are hard to access as a single LEC</p> <p>Governmental organisations; LECS can be more effective to reach citizens, but are often not very professional. Energie Samen works as an intermediary to enable a more professional working relationship</p>
	<p><b>Key resources</b></p> <p>Government subsidies</p> <p>Citizens investments</p> <p>Human capital</p> <p>Partnership with nonprofits and with our member base</p>	<p>By joining forces with like-minded non-profits, we can reach neighbourhoods in the entire country and build upon each other's strengths instead of competing for the same job.</p>	<p><b>Channels</b></p> <ul style="list-style-type: none"> <li>● Energie Samen members</li> <li>● provincial and regional umbrella organisations</li> </ul>	

### Costs Structure

Almost all costs are labour costs.

- Energy Samen pays project managers, and financial controls & network facilitators
- The energy communities pay neighbourhood process supervisions and some out of pocket costs for events and meetings

### Revenue stream

- A yearly subsidy to a coalition of nonprofits of 7.5 million, <5% of this money is kept by the non profits itself for the activities related to the subsidies finances and accountability and project management.
- Additionally Energy Samen gets 300k per year as a subsidy for the knowledge sharing activities and network between all the participating neighbourhoods.

# Annexes

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## Annex I: Definition of the Community Energy Financing Scheme (CEFS) concept

In defining the notion of CEFS, the ACCE project partners highlighted four main dimensions differentiating Community Energy financing from traditional financing mechanisms.

The four identified dimensions allowing to define a CEFS are:

- **Targets:** this dimension refers to the types of projects in which CEFS invest, and mainly analyses the degree of citizen control and community benefit of the financed projects.  
*The project partners agreed that target projects must involve citizens and create positive value at the local level.*
- **Institutions:** refers to the organisations that manage the CEFS and their ability to support community energy projects.  
*The partners agreed that a CEFS must involve a community energy network representative to ensure the capability of the fund to perform the necessary support to projects, and to guarantee the stability and relevance of the investment policy.*
- **Sources:** it refers to the origin of the funds managed by the CEFS and the objective pursued by the investors, that is, if they look more for the public or private interest.  
*The partners agreed that the transparency around the origin of the funds utilised by the CEFS is key. Lastly, the partners recognized that different types of sources are needed to finance the different project phases.*
- **Products:** refers to the final product offered by the CEFS, which will oscillate in a range between grants, debt and social capital.  
*Partners feel that all types of financial products are welcome to be delivered by CEFS. The key issue to tackle seems to be pursuing the de-risking of investment for private consumers – and therefore all tools pursuing this agenda might be suitable.  
Many partners highlighted the fact that community benefits (social, environmental, and economical) must be considered, along with the wish to avoid speculative investment.*

## Annex II: Interviews supporting the content of the guide

The content of this guide is supported by 85 interviews and meetings conducted by the members of the ACCE consortium with investors, banks, regulators, energy cooperatives, European institutions and local and national government representatives between November 2022 and December 2023.

#	Contact details			Meeting details
	Country (interviewer)	Organisation	Organisation type	Date of meeting
1	Germany (BBen)	EB-SIM (Protestant Churchbank – Sustainable Investment Management)	Bank	05.07.2023
2	Germany (BBen)	Bürgerwind Hörstel GmbH & Co. KG	Energy Cooperative	19.04.2023
3	Germany (BBen)	Das Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA)	Other	Multiple in Oct 2023
4	Germany (BBen)	Bundesministerium für Wirtschaft und Klimaschutz	National government	oct. 2023
5	Germany (BBen)	KfW	Bank	nov.2023
6	Germany (BBen)	EB – Sustainable Investment Management GmbH	Private investor	nov.2023
7	Romania (Cooperativa de Energie)	Ministry of Energy, Ministry of Investment and European Project, ANRE (National Authority for Regulating the Energy)	National government	Oct-Nov 2023
8	Romania (Cooperativa de Energie)	AFIN	Bank	23/08/2023
9	Romania (Cooperativa de Energie)	Libra Bank	Bank	15/11/2023



	Contact details			Meeting details
#	Country (interviewer)	Organisation	Organisation type	Date of meeting
10	Romania (Cooperativa de Energie)	Unicredit bank	Bank	17/11/2023
11	Belgium (Ecopower)	REScoop Vlaanderen	Energy Cooperative	09/01/2023
12	Belgium (Ecopower)	VEKA	National government	08/06/2023
13	Belgium (Ecopower)	Triodos Bank	Bank	08/11/2023
14	Belgium (Ecopower)	Triodos Bank	Bank	08/11/2023
15	Belgium (Ecopower)	Sustainable Capital Group	Private investor	08/11/2023
16	Belgium (Ecopower)	Innpact	Other	08/11/2023
17	Belgium (Ecopower)	PMV ParticipatieMaatschappij Vlaanderen	Local government	08/11/2023
18	Belgium (Ecopower)	KBC Asset Management	Bank	08/11/2023
19	Belgium (Ecopower)	BNP Paribas Fortis	Bank	08/11/2023
20	Belgium (Ecopower)	BNP Paribas Fortis	Bank	08/11/2023
21	Belgium (Ecopower)	Ethias	Other	08/11/2023
22	Belgium (Ecopower)	Ethias	Other	08/11/2023
23	Belgium (Ecopower)	Impact Capital - Impact House	Private investor	08/11/2023

	Contact details			Meeting details
#	Country (interviewer)	Organisation	Organisation type	Date of meeting
24	Belgium (Ecopower)	SFPI-FPIM	National government	08/11/2023
25	Belgium (Ecopower)	Impact Finance Belgium	Other	08/11/2023
26	Belgium (Ecopower)	VDK	Bank	08/11/2023
27	Belgium (Ecopower)	P&V Group	Other	08/11/2023
28	Belgium (Ecopower)	ABN AMRO Sustainable Impact Fund	Bank	08/11/2023
29	Belgium (Ecopower)	ABN AMRO Private banking	Bank	08/11/2023
30	Belgium (Ecopower)	King Baudouin Foundaton	Other	08/11/2023
31	Belgium (Ecopower)	REScoop Vlaanderen	Energy Cooperative	23/11/2023
32	France (Energie Partagée)	Government gency for Ecological Transition	National government	17/10/2023
33	France (Energie Partagée)	Crédit Coopératif	Bank	11/12/2023
34	France (Energie Partagée)	La Nef	Bank	05/12/2023
35	France (Energie Partagée)	Caisse des Dépôts	Bank	Multiple in Dec 2023
36	France (Energie Partagée)	Regional association for energy transition	Local government	16/12/2023

	Contact details			Meeting details
#	Country (interviewer)	Organisation	Organisation type	Date of meeting
37	France (Energie Partagée)	Brittany Region	Local government	20/12/2023
38	Italy (Energie Samen)	Ötzi (italian Cooperative)	Energy Cooperative	07/07/2023
39	Netherlands (Energie Samen)	Ministry of Economic Affairs and Climate	National government	30/05/2023
40	Netherlands (Energie Samen)	Ministry of Economic Affairs and Climate	National government	19/01/2023
41	Netherlands (Energie Samen)	Ministry of Economic Affairs and Climate	National government	24/7/2023
42	Netherlands (Energie Samen)	Ministry of Economic Affairs and Climate	National government	27/7/2023
43	Netherlands (Energie Samen)	InvestNL	Private investor	13-07-2023
44	Netherlands (Energie Samen)	BNG bank	Bank	03-07-2023
45	Netherlands (Energie Samen)	Rabobank	Bank	07/07/2023
46	Netherlands (Energie Samen)	Rabobank	Bank	31/05/2023
47	Netherlands (Energie Samen)	Noord Holland province	Local government	11-05-2023

	Contact details			Meeting details
#	Country (interviewer)	Organisation	Organisation type	Date of meeting
48	Netherlands (Energie Samen)	Ministry of economic and climate affairs, 5 provincial governments and Nationaal groen fonds	National government	27/03/2023
49	Netherlands (Energie Samen)	Developer Windunie	Project developer	27/02/2023
50	Netherlands (Energie Samen)	Ministry of Economic Affairs and Climate	National government	07/12/2022
51	Serbia (Energy4All)	Electropionir	Energy Cooperative	23/06/23
52	Sweden/France (Energy4All)	Agence France Locale + Kommuninvest	Bank	oct. 2023
53	UK (Energy4All)	Westmill Solar	Energy Cooperative	oct. 2023
54	UK (Energy4All)	E4All	Energy Cooperative	nov. 2023
55	Spain (Goienar)	Caja Laboral	Bank	27/01/23
56	Spain (Goienar)	Fiare	Bank	06/03/23
57	Spain (Goienar)	Caja Rural Navarra	Bank	23/03/23
58	Spain (Goienar)	Fiare	Bank	19/04/23
59	Spain (Goienar)	Caja Rural Navarra	Bank	20/06/2023
60	Spain (Goienar)	Nafarkoop	Energy Cooperative	21/07/2023

	Contact details			Meeting details
#	Country (interviewer)	Organisation	Organisation type	Date of meeting
61	Spain (Goienar)	Caja Rural Navarra	Bank	05/10/2023
62	Spain (Goienar)	Fiare	Bank	10/10/2023
63	Spain (Goienar)	Laboral Kutxa	Bank	17/10/2023
64	Spain (Goienar)	Coop57	Bank	27/10/2023
65	Belgium (REScoop)	EIB	EU institution	Several meetings
66	Belgium (REScoop)	DG Regio	EU institution	Multiple
67	Belgium (REScoop)	DG Ener	EU institution	Multiple
68	Luxembourg (REScoop)	EIB	EU institution	Multiple
69	Luxembourg (REScoop)	EnerSave Capital S.a.r.l.	Private investor	10-07-2023
70	France (REScoop)	Agence France Locale	Bank	08-11-2023
71	Belgium (REScoop)	DG Regio	EU institution	Multiple
72	Belgium (REScoop)	INTERREG Meuse Rhin	Local government	21-11-2023
73	USA (REScoop)	Waverley Streets Foundation	Other	05-09-2023
74	Germany (REScoop)	European Climate Foundation	Other	Multiple

	Contact details			Meeting details
#	Country (interviewer)	Organisation	Organisation type	Date of meeting
75	Netherlands (REScoop)	Patagonia	Private investor	23-11-2023
76	Belgium (REScoop)	EIC	EU institution	08-12-2023
77	Belgium (REScoop)	BE Impact	Private investor	27-11-2023
78	Belgium (REScoop)	Cooperatives Europe	Other	13-11-2023
79	Croatia (ZEZ)	Ministry of Economy and Sustainable Development & Environmental Protection and Energy Efficiency Fund	National government	17/4/2023
80	Slovenia (ZEZ)	Energy Directorate Slovenia	Other	3/6/2023
81	Croatia (ZEZ)	Croatian energy market operator	National regulator	15/6/2023
82	Austria (ZEZ)	Austrian coordination office for energy communities	National regulator	10/10/2023
83	Croatia (ZEZ)	Municipality of Križevci	Local government	Multiple Oct-Dec 2022
84	Croatia (ZEZ)	City of Zagreb	Local government	Multiple Oct-Dec 2023
85	Croatia (ZEZ)	Croatian Energy Regulatory Agency - HERA	National regulator	8/11/2023

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