



Libraries and Learning Services

University of Auckland Research Repository, ResearchSpace

Suggested Reference

Hernmeijer, A. L. (2016). Institutional preconditions for mutuality in clean energy markets. In *2nd EMES Polanyi Conference: Societies in Transition*. Paris, European Institute of Political Economy. <http://emes.net/events/emes-polanyi/2nd-emes-polanyi-international-seminar/>

Copyright

Items in ResearchSpace are protected by copyright, with all rights reserved, unless otherwise indicated. Previously published items are made available in accordance with the copyright policy of the publisher.

For more information, see [General copyright](#).

Institutional preconditions for mutuality in clean energy markets

2nd EMES-Polanyi International Seminar, May 2016

anna l. harnmeijer

anna.h@scene.community

University of helsinki, Scene Consulting

Contents

- Introduction: Mutuality inside energy technology markets
- Historical development of community versus commercial renewable energy in the UK since 1870
 - Growth and characterisation
 - Institutional change following shifts in narratives dominating energy governance
 - Comparison with countries leading in community energy
- Conclusions: Institutional preconditions for the emergence and widespread manifestation of mutuality in energy markets

Based on: Harnmeijer A. (in press). A Short History of Community Energy in the UK, In: Handbook on Energy Transition and Participation, Holstenkamp L. and Radtke J. (Eds), Springer Verlag Wiesbaden.

Introduction

- Two value realms (Gudeman, 2009):
 - 1) *Mutuality and community trade* - Goods and services are allocated through continuing ties and therefore subject to collectively defined social/cultural values.
 - 2) *Market and impersonal trade* - Goods and services are impersonally and competitively exchanged, primarily subject to individual gains.
- 20th Century: commodification and emergence of global international markets = erosion of trade that mediates and maintains social relationships.

Introduction

Why is mutuality important?

- Necessary for the emergence of trade, especially where i) the state is a poor ‘nightwatchman’ ii) in innovation ie. pre-commercial new markets (‘niches’).
- Arena for (re-) negotiation and shaping of socio-cultural values that should underly resource allocation, societal adaptation.
- The only value realm through which we can facilitate a transition to sustainable development? (Yunus, 2008; Leville, 2013; O’Hara and Stagl, 2002).

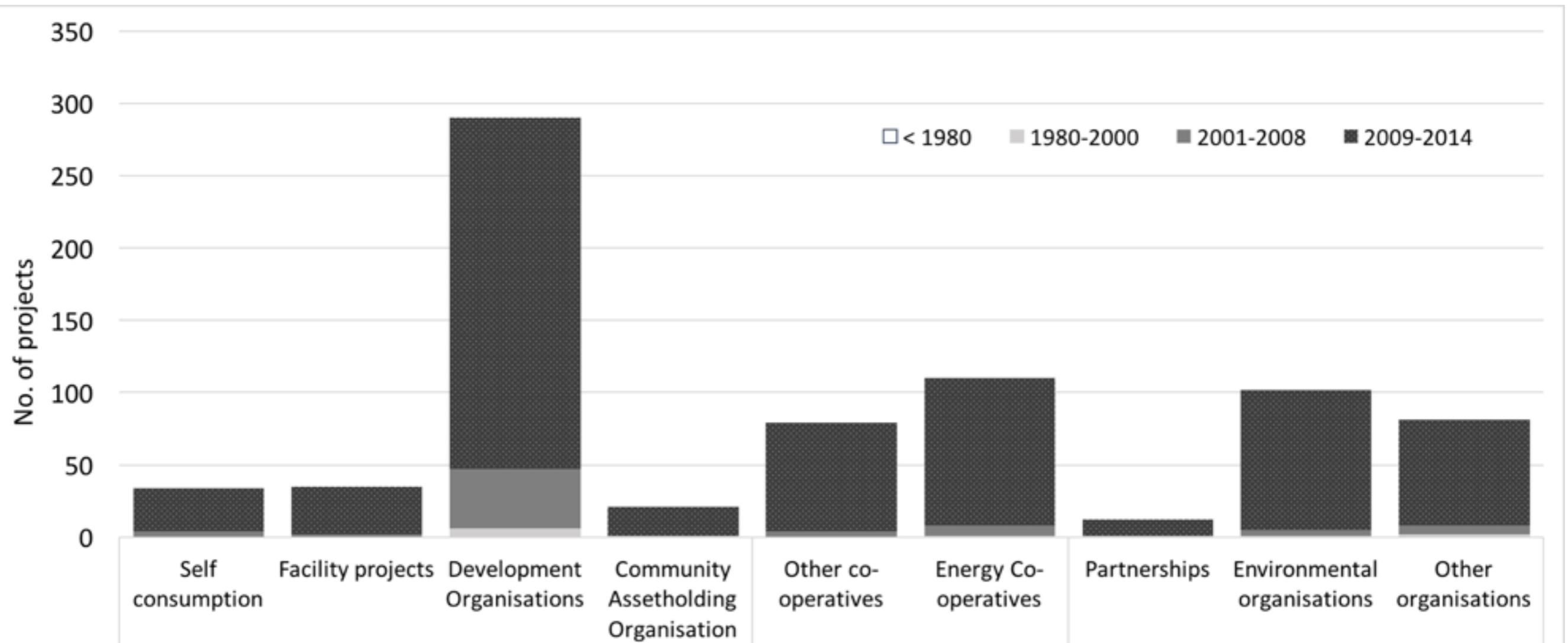
Community energy is *“collective and citizen-led heat and power generation projects that are owned and managed by for- or non-profit organisations operating across a geographically defined population, involving active community participation and collective benefits”*

Historical development of community energy in the UK

Five shifts in energy governance:

1. Early grid development (1870 - 1914)
2. Nationalisation in the Fordist Era (1915 – 1979)
3. Unbundling & Privatisation (1980 – 2000)
4. Introduction of Renewable Energy (2001 – 2008)
5. Support for community energy (2009 – 2014)
6. In remission? (2015 onwards)

Historical development of community energy in the UK



- Little overlap between areas that were historically co-operative strongholds and areas where community energy is particularly prevalent.

Historical development of community energy in the UK

- Community energy is more concentrated in areas with strong regional intermediaries; South – West of England, London and the Scottish Highlands
- In absence of centralised support early in the renewable energy transition, community energy remains marginal
 - Enterprises in rural areas were the primary niches for small-scale and community-led renewable energy development until 2009
- Intermediaries are crucial: enable route to market, drive supportive national policy frameworks

Historical development of community energy in the UK

- Intermediaries shape diversity of business models:

		A. Project Ownership	
		Whole	Partial
B. Investment Source for Community Stake	Community Body Includes Local Development Organisations such as Development Trusts	Community-led projects	Revenue-sharing arrangements with local development organisations
	Individuals Includes Co-operatives of all kinds	Wholly cooperatively-owned projects Wholly crowd-funded projects	Revenue-sharing arrangements with co-operatives

Conclusions

- Socio-technical transitions are an opportunity for redistribution, shifts in dominant ownership patterns, mutuality
- Pre-commercial stages of technology innovation curves provide a unique context for mutuality
- Mutuality is difficult to sustain in mature technology markets, when the industry begins to compete on the basis of cost-efficiency and scale.
- Mutuality has no prospects where there is institutional segregation of energy and social policy.
- Mutuality a transient response to market and state failure? (de Moor, 2013).

References

- Dóci, G., Vasileiadou, E., & Petersen, A. C. (2015). Exploring the transition potential of renewable energy communities. *Futures*, 66, 85–95. <http://doi.org/10.1016/j.futures.2015.01.002>
- Gudeman, S. (2009). Necessity or contingency: mutuality and market. In C. Hann & K. Hart (Eds.), *Market and Society* (pp. 17–37). Cambridge: Cambridge University Press. <http://doi.org/10.1017/CBO9780511581380>
- Laville, J.-L. (2013). *The Social and Solidarity Economy: a theoretical and plural framework* (pp. 1–17). Presented at the UNRISD Conference on the Potential and Limits of the Social and Solidarity Economy, Geneva.
- De Moor, T. (2013). *Homo cooperans: instituties voor collectieve actie en de solidaire samenleving*. Oratie Augustus 2013, 1–42, Universiteit Utrecht.
- O’Hara, S., & Stagl, S. (2002). Endogenous preferences and sustainable development, *Journal of Socio-Economics*, 31, 511–527.
- Ruggiero S., Onkila T., Kuittinen V. (2014). Realizing the social acceptance of community renewable energy: A process-outcome analysis of stakeholder influence, *Energy Research & Social Science*, Volume 4: 53-63, ISSN 2214-6296, <http://dx.doi.org/10.1016/j.erss.2014.09.001>.
- Walker & Devine-Wright (2008).
- Walker, G. and Cass, N. (2007). Carbon reduction, ‘the public’ and renewable energy: engaging with socio-technical configurations. *Area*, 39: 458–469. doi: 10.1111/j.1475-4762.2007.00772.x.
- Yunus (2008). *Vers un nouveau capitalisme*, Fiche de lecture, Novembre 2010.