

SNAPSHOT FRANCE

CO-OPERATIVE FUNDING FOR CITIZEN ENERGY

Energie Partagée Investissement (EPI) is a French co-operative investment fund specifically targeting citizen-led renewable energy projects. EPI operates under the umbrella of Energie Partagée, an organisation that brings together projects and stakeholders of the community energy movement in France.

Energie Partagée was founded in 2010 with the mission of empowering local communities to play a central role in the transition to renewables (through both renewable energy generation and energy efficiency projects) and raising awareness about energy consumption reduction. Over time, the organisation has evolved into a national network and several regional networks supporting community-led renewable energy initiatives across France. Sharing resources and tools, and organising workshops and events for knowledge exchange, the network builds local capacity and provides support on the regulatory, technical and financial aspects of initiating and piloting renewable energy projects.

Through the label “citizen project”, Energie Partagée awards renewable energy projects that belong to local communities and create benefits for the community. The label is awarded to projects that fulfil specific criteria, organised along five axes: strong

presence of local public and private players; use of local skills and mobilisation of the local community; shared governance and transparent decision-making processes; environmental protection; and the mobilisation of ethical and socially responsible finance.

More broadly, citizens’ projects as envisioned by Energie Partagée strive to raise environmental awareness, help citizens to reduce energy consumption, contribute to fighting energy poverty and engage citizens to discuss and drive the energy transition. As of 2024, the network counted 372 projects, involving more than 32,000 citizen-shareholders and producing around 1.5 terawatt-hours per year of wind power, solar PV, geothermal energy, biomass and biogas.

The co-operative investment fund EPI raises funds from individuals who purchase shares in the fund (at a price of USD 135 or EUR 123) and invests in renewable energy projects labelled as citizen projects. While the fund has historically focused on investing at the construction phase to minimise risks, it is increasingly also investing at earlier stages, providing project developers with the necessary funding to cover upfront costs such as feasibility studies and permitting processes.

The governance of the fund includes the shareholders as well as a directory board composed of the cooperative energy producer and provider Enercoop, the co-operative bank La Nef, and a consulting company working on sustainable development.

As of June 2024, EPI had financed more than 135 citizen-led projects, for a total of USD 44 million (EUR 40 million), of which around USD 11 (EUR 10 million) was invested in 2023. Projects are financed in the form of equity. Until 2017, as the first projects financed were slowly starting their operations, no dividends were yet distributed to EPI shareholders. From 2017, the price of the share started increasing every year (from an initial EUR 100), and since 2023 investors started to receive dividends as well.

While the fund aims to provide benefits of around 4% yearly, citizens who invest their savings in EPI are usually committed to the purpose of the fund, which extends beyond the immediate return on investment (for instance, with shares being offered to children by their grandparents). Data from the organisation suggest that local economic benefits are 2.5 times higher when renewable energy projects are owned by energy communities as compared to traditional

economic actors, and that people engaged in the community energy movement reduce their energy consumption around 20% in average.

Challenges remain to unlock the full potential of citizen projects. Energy communities are typically small local initiatives, while funding needs for energy projects are huge, and administrative and technical requirements for access to finance and permitting processes are tailored for bigger industry players. Supporting structures such as Energie Partagée can help greatly in developing citizen-led energy initiatives, but they also require funding and political support to build local capacities.

Source: See endnote 282 for this module.

