# IEA Support to Accelerating Renewable Energy Permitting (ARPE)

# Ensuring Public Engagement and Acceptance

Virtual workshop 6 November 2024

**Main findings** 

International Energy Agency



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### Introduction

#### Workshop background

The workshop on **Ensuring Public Engagement and Acceptance** was the final of a series of four virtual events scheduled within the IEA Support to Accelerating Renewable Energy Permitting (ARPE) action. This is a project funded by the European Union (EU) via the Technical Support Instrument, which is managed by the Reform and Investment Task Force (SG REFORM) from the European Commission. The project is implemented by the International Energy Agency (IEA), in cooperation with the European Commission.

The overarching objective of the action is to assist five focus countries – Finland, Ireland, Lithuania, the Netherlands and Slovakia – in developing and implementing policy and regulatory measures aimed at **reaching their renewable energy targets**, notably through **accelerating permitting**.

In support of this objective, the IEA organised and facilitated three relevant workshops and a dedicated event on offshore wind. The objective of these workshops is **to understand the challenges and priorities of the focus countries**, share international best practices, and offer a platform for discussion.

On 6 November 2024, the IEA Secretariat brought together experts from across government, regulators, industry, civil society and academia to discuss international best practices and lessons learned to **ensure public engagement and acceptance** as an enabler for faster renewable energy deployment. Topics included sharing the most effective solutions for **enhancing public participation** in the development of renewable energy projects, as well as identifying **strategies and tools for effective benefits sharing** with local communities.

This document is a summary of the main outcomes of the workshop. It provides examples of solutions and can inform policy-making.

# The European Union's regulatory framework on enhancing public acceptance of renewable energy projects

Public acceptance through engagement is crucial for reducing resistance to renewable energy projects and thus accelerate permitting procedures. Consequently, the European Commission's <u>amending Renewable Energy Directive (EU) 2023/2413</u> recognises the important role of public acceptance, calling on Member states to foster public acceptance by enhancing direct and indirect participation of local communities. Moreover, the <u>Commission</u> recommendation 2024/1343 on speeding up permit-granting procedures for renewable energy





and related infrastructure projects calls for Member states to take into consideration citizens, local authorities and societal stakeholders. These stakeholders should be consulted in renewable energy project development to increase public acceptance and remove barriers to permitting. Moreover, the recommendation proposes benefit sharing and participation to be encouraged by simplifying permitting procedures for small-scale renewables and renewables self-consumers, as well as energy communities.

Citizen and renewable energy communities, as a form of benefit sharing and participation in the energy transition, have been defined and promoted in several pieces of EU legislation. Citizen energy communities were for instance defined in the <u>Directive on common rules for</u> the internal electricity market (EU/2019/944) and further expanded in the <u>amending Directive</u> <u>EU/2024/1711</u> of the electricity market design. On the other hand, renewable energy communities were established by the <u>recast of the Renewable Energy Directive (EU)</u> <u>2018/2001</u>.



## Main findings

#### **Building trust with the local community**

Involving local communities in the early stages of renewable energy project development is crucial for building trust. Several speakers at the workshop highlighted that project developers might overlook the interests and needs of local communities during the planning and decision-making processes of renewable energy projects. Involving local communities from the early stages of project development can mitigate risks and prevent delays in obtaining the necessary permits for building the projects. For example, in **Gran Canaria**, local TV and radio stations were used as tools for early communication, allowing residents to stay up to date and be able to voice concerns early in the process. Such transparency not only informs the public but also demonstrates a genuine commitment to inclusivity. Project developers should nonetheless differentiate their communication strategy based on the stakeholders' typology and background.

The process of building trust is not a one-time event. During the workshop, it was highlighted that involving the local community should not be a one-time event or in other words, a "ticking the box" exercise. In contrast, it entails a rather long-term strategy that requires ongoing effort and commitment of time and resources. Engaging with communities should extend throughout the entire lifespan of the project and should start ideally long before any construction begins. This sustained involvement helps ensure that communities feel continuously informed and heard. One example is the Kype Muir Wind Farm in Scotland (United Kingdom), where the project developer maintained good relationships with the community and conducted meetings on a regular basis even after the project completion. This approach helped secure the community's support for an extension of the wind farm.

#### **Co-ordination of community engagement**

**Co-ordinating engagement helps avoid "engagement fatigue".** Another critical factor in building trust with local communities is the co-ordination of engagement efforts of project developers, especially in areas with multiple ongoing renewable energy projects. Without proper co-ordination, local residents may experience "engagement fatigue," where they feel overwhelmed by multiple requests for involvement. To avoid this, project developers should work together to streamline their engagement activities and avoid burdening communities unnecessarily. Non-governmental organisations (NGOs) or community platforms could play a co-ordinating role, ensuring that engagement efforts are synchronised and that information is shared consistently. Policy makers could strengthen and support these efforts by providing funds or setting up co-ordination platforms and forums for project developers.





**Establishing community committees can provide access to hard-to-reach groups.** Another useful strategy is the establishment of community committees that include members from diverse backgrounds. These committees can help manage the distribution of benefits and facilitate dialogue between project developers and the community. Again, NGOs can facilitate and support communities in setting up these committees. Nevertheless, policy makers could consider providing sufficient resources in terms of budget, staff and support to enable collaboration between these stakeholders and reduce the risk of conflicts.

#### **Clear regulatory guidelines for community engagement**

**Policy makers should consider prioritising community engagement on the political agenda.** To facilitate effective community engagement, it is essential that clear and structured guidelines are established. Strong renewable energy policies, including those focused on planning and permitting, can provide clarity and set expectations for both developers and communities. In addition to these policies, the development of clear rules and guidelines for community engagement should involve collaboration with all relevant stakeholders, including local communities, NGOs and developers.

**Policy makers could consider implementing minimum standards for community engagement**, ensuring that all projects meet a basic level of transparency and inclusivity. This collaborative approach can help ensure that engagement strategies are fair and inclusive, and not dominated by those with the largest financial resources. A balanced approach will prevent financially stronger companies from having undue influence over the engagement process. This could also be further encouraged by introducing non-price criteria related to community engagement in renewable energy auctions. For instance, in <u>France</u>, project developers can receive certain points (out of 100) in the national solar photovoltaic (PV) auctions if the project includes collective financing by individuals or local authorities (2 points) or if the project includes shared governance with individuals (5 points). This ensures that projects that have a meaningful engagement with the local communities are not disadvantaged in the auctions, which are usually focused on achieving the lowest bid prices.

#### Support capacity building within the local communities

Achieving a more successful engagement requires local communities to have political support, as well as access to sufficient resources and information. For local communities to engage meaningfully with renewable energy projects, it is essential that they have access to the necessary resources. Communities need access to information, including legal advice and expertise in feasibility studies, so they can understand the implications of the projects and engage with local authorities effectively. Political support and collaboration with the local government are also crucial, as these factors help ensure that communities are not left at a disadvantage when negotiating with developers. This also includes support on legal matters





that might leave communities vulnerable. Similarly, policy makers can consider setting up public-private partnerships to access private financial resources.

**Differences in technologies need to be considered.** It is also important to recognise the diversity of technologies involved in different renewable energy projects, as the challenges and opportunities associated with each type of project may vary. Developers and policy makers should work together to ensure that communities are adequately prepared and supported in navigating these differences.

#### Enable and implement benefit-sharing mechanisms

**Project developers could implement annual grants and benefit funds for continuous interaction.** Benefit sharing with local communities is an important driver of public acceptance. Project developers can consider providing annual grants supporting local initiatives and projects that contribute to the development within the project areas. Further options for project developers include offering neighbourhood benefits or annual scholarship programmes. For instance, as part of the construction of the Beatrice Offshore Wind Farm in Scotland (United Kingdom), a <u>GBP 6 million community benefit fund</u> was established that aimed to enhance the capacity of local anchor organisations and enhance local infrastructure.

**Policy makers could institutionalise benefit sharing to avoid misperception.** Community benefits in form of direct payments do not automatically lead to a higher acceptance of renewable energy projects. In extreme cases, these can be interpreted as bribery, especially if initiated by commercial project developers voluntarily. Therefore, policy makers should consider institutionalising (compensation) payments within legislation, as this increases the chances of a more positive perception among community members.

Examples include the <u>Community Benefit Fund in Ireland</u> or the <u>financial participation under</u> the <u>German Renewable Energy Law</u>. Successful project developers in the Irish (Offshore) Renewable Energy Support Scheme are required to set up a Community Benefit Fund. The fund shall be used for the wider economic, environmental, social and cultural well-being of the local community. Project developers have to contribute EUR 2 for each megawatt-hour (MWh) of electricity they produce. In **Germany**, solar PV and onshore wind plant operators can offer payments of up to EUR 2 per megawatt-hour to municipalities where their projects are located. Plant operators that receive support under the German Renewable Energy Law can request refunding of the paid amounts from the grid operators.

# Set clear policy objectives and support for energy community projects

**Policy makers could consider setting clear policy objectives for energy communities**. Energy communities are a policy tool to both engage the local communities and enable benefit





sharing through (co-)ownership. Policy makers could consider setting specific, measurable targets for energy communities. Additionally, the potential of energy communities should be further studied and considered in spatial planning. This will provide a clear direction and benchmarks for progress, ensuring that efforts are aligned with broader energy and sustainability goals.

**Investments in capacity building are essential for the success of energy communities.** This includes providing training and resources to energy community members and stakeholders to enhance their understanding and capabilities in managing and participating in energy communities. Effective capacity building will empower communities to take an active role in their energy futures. For instance, the <u>energy community in the city of Magliano Alpi in</u> <u>Italy</u> collaborated with the <u>EU Joint Research Centre in Ispra</u> and other academic institutions to overcome technical challenges.

**Policy makers could consider implementing support schemes for energy communities.** These schemes could include financial incentives, such as grants and subsidies to reduce the initial costs and ongoing expenses associated with establishing and maintaining energy communities. Nevertheless, support schemes should be designed to be accessible to energy communities. For instance, financial support to energy communities could be allocated in dedicated tenders. Alternatively, governments can allow energy communities to access support without the need to participate in auctions, as for example in **Germany and Greece**. Nevertheless, providing a clear-cut (legal) definition of energy communities is crucial to avoid misuse. It should ensure actual grassroots control and decision-making.

Policy makers should aim to simplify and facilitate the process of grid connection for energy communities. This involves streamlining regulatory procedures, reducing bureaucratic hurdles and ensuring that technical support is readily available. A smoother grid connection process will enable energy communities to integrate more easily into the broader energy system.



### **Preliminary recommendations**

Based on the workshop findings, policy makers should consider focusing on the following actions to address challenges related to ensuring public engagement and acceptance:

- Involve local communities in the early stages and throughout the renewable energy project development to build trust and increase acceptance.
- Co-ordinate engagement to avoid "engagement fatigue" of the communities and establish community committees to access hard-to-reach groups.
- Consider implementing a political goal and framework for engagement to guide project developers, as well as potentially setting minimum standards for community engagement on a policy level.
- Ensure sufficient resources and access to information for local communities to engage and support local authorities. Differences in technologies need to be considered.
- Institutionalise benefit sharing to avoid misperception, and thus facilitate the implementation of annual grants and benefit funds for continuous interaction.
- Energy community projects: Set clear policy objectives and simplify the process of grid connection for energy communities. Moreover, provide capacity building and implement financial support for energy communities.



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