

XPRESS CASE STUDIES ON BARRIERS TO INVESTMENTS IN RENEWABLE ENERGY SOURCES

– SPAIN –

This case is based on an interview with a SME. This SME, Spa-SME-3 is identified through the TED database as the SME awarded with contract on providing electric power supply in both low voltage and high voltage. The SME is a social cooperative on renewable energy generation and consumption. It is a non-profit cooperative that promotes through green marketing (100% renewable energy), a responsible and sustainable consumption of energy among its members.

Spa-SME-3 is operating since 2012, and they are working in the currently liberalized parts of the electricity sector, marketing (energy purchase) and generation (power generation). Transport parts (high voltage in the hands of REE) and distribution (medium and low voltage in the hands of large companies) are regulated.

Being a non-profit cooperative, all the benefits that are achieved by the commercialization of electricity (green) among its members, revert back into the cooperative, and the members themselves decide in an assembly to allocate those benefits. In turn, members will be able to invest in renewable generation projects, and the production will be consumed by the cooperative itself. The ultimate goal will be for the amount of energy generated by the cooperative to be equal to the amount of energy consumed by its members. All this through renewables and with the most rational and efficient consumption possible.

SPA-SME-3 supports local development, so although it can be commercialized at the peninsular level, it mainly focuses on the local area.

Analysis of the current situation:

a. Sustainability strategies, energy related strategies

As a Non-profit, all the benefits obtained through the supply of energy are invested in renewable generation projects. The ultimate objective of Spa-SME-3 is to achieve that the amount of energy generated by the cooperative is equivalent to the amount of energy consumed by its members. All this through renewables and with the most rational and efficient consumption possible.

Spa-SME-3 understands cooperatives as local leaders to drive an economy close to their environment. That is why although it can market at the peninsular level, it is mainly focused on the local region, although it can help to promote local cooperatives throughout the state. Like the overall objective of XPRESS, Spa-SME-3 aims to encourage the introduction of innovative RES technologies and to increase the share of renewable energy in final energy consumption among citizens and local public administrations.



The Spa-SME-3 model combines the generation and commercialization of energy with social activism, maintaining as horizontal and democratic a structure as possible for decision-making, can be considered a real experiment in social innovation.

Spa-SME-3 aims to build an environmentally friendly and fair energy model by marketing 100% renewable electricity, promoting generation projects, advising, participating in campaigns and collaborating with organizations that share its objectives, being close, transparent and building trust.

b. Regulations and support systems

At the geographical level, its scope of action is mainly confined to the autonomous communities of the local region with which they have a very good relationship, although there could be more support in the development of projects at the energy level.

Spa-SME-3 offers specific advice to small municipalities that decide to independently handle the management and energy efficiency of their locality. They have detected a change in the perception of renewable energies vis-à-vis conventional models, although the allocations for this purpose are still insufficient.

For example, through REAS, Network of Alternative and Solidarity Economy Networks (Red de Redes de ECONOMIA ALTERNATIVA Y SOLIDARIA), an alternative public procurement manual has been published with a firm commitment to introduce into public procurement these low-carbon energy needs of cities and municipalities with RES technologies developed by innovative SMEs.

Barriers and drivers

Identification of barriers

Continuing in the institutional field since the beginning, Spa-SME-3 has contact with more than 100 municipalities. 40-50 of them are already consumers and/or collaborators, but there is still a long way to go. The local institution, usually of small-medium size, is the most sensitive to the local model of Spa-SME-3. In this sense, there are flourishing certain initiatives to reactivate or activate municipal marketers although most in the administrations contract via auctions of the central purchasing offices. Given this, Spa-SME-3 cannot compete, as a matter of volume, but it does submit to ad hoc tenders. The problem for many small municipalities is to draw up coherent, reliable and efficient technical specifications. The phenomenon of municipal marketing companies is not a real competition since only large municipalities can assume it.

Another problem is often the digitization of the documentation to present the public tenders with many problems of the computer system.

Barriers to PP for SMEs:



- The technical and economic solvency requirements in public tenders are too demanding or too high for small enterprises to access.
- Many municipalities in the area manage their energy resources through a Central Shopping Center, and they think they will not be able to find other more advantageous options.
- Small municipalities that decide to manage their own energy resources do not have qualified staff to develop such specific technical specifications.
- The submission of electronic documentation in public tenders often gives rise to many computer problems; the most complex part of a tender is usually the submission of documentation.
- There are also public entities that request the submission of paper documents.

Controller to GPP:

- The Government is increasingly aware of energy efficiency and good practice guides for sustainable and ethical public procurement have been published.
- The administration itself seeks assistance and advice from the cooperative to manage energy resources locally.

PP driver for SMEs:

- The cooperative is 100% self-financing through the marketer.
- SMEs can offer better customer service through their proximity to the customer.
- Spa-SME-3 has a good team of professionals that controls the ICT and do not have problems of digitalization.

Possible solutions

Different options are therefore being considered, especially for small municipalities. It is in the field of generation that the greatest qualitative change must take place, since prestige-confidence depends on it, as well as responding to the initial purpose of the cooperative project. Although the activation of certain European projects has been a relief and satisfaction, they need to equip themselves with new projects and with more ambitious horizons. In this sense, it is observed that certain activities need a previous endowment of resources (people, means) to be able to properly deploy these services. That is why all marketing is oriented to have resources to support these intra-entrepreneurship initiatives within Spa-SME-3.

Summary and discussions

In the short term, Spa-SME-3 needs to promote information processes so that domestic users perceive the quality of service and facilities to contract 100% renewable energy.

For public administrations, Spa-SME-3 can have a great journey if it can make them see that their service-price offer can be much better than that of conventional ones.

The areas of self-consumption or linking own generation are strategic and will have a strong development in the coming years.



For relatively strong companies, they need to offer comprehensive services that directly link production and consumption.

