



ENERGY COOPERATIVES

Cooperatives are sustainable enterprises that work for the sustainable development of their local communities through policies approved by their members.¹ Cooperatives and the cooperative movement have been addressing these issues for over 150 years - since the first formal cooperative was established.

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise².

Cooperatives have a number of competitive advantages in producing, providing and distributing energy. They are often community-based enterprises, therefore they provide democratic local control over energy issues; they also offer a successful model for rural electrification and can effectively harness locally available decentralized renewable energy.

Types of energy cooperatives

- **Type of cooperative model** - e.g. energy consumer cooperatives, energy producer cooperatives, energy producer and consumer cooperatives and energy service cooperatives.
 - Energy source - e.g. solar cooperatives, wind cooperatives, wood-fired power stations, cooperative bioenergy villages, renewable energy cooperatives.
 - Activities and position in the value chain - e.g. workers' cooperatives, innovation cooperatives, purchasing cooperatives, preproduction cooperatives, power station cooperatives, virtual networks.
 - Actors or owners and services provided - e.g. electricity cooperatives, rural electric cooperatives, community-led investment, consumer-owned utilities, farmer cooperatives, new ventures, trade associations.

- **Energy cooperatives according to the types of services or products offered**
 - Energy cooperatives can produce energy and supply energy to their consumer-members and non-member clients or feed it into the national grid. For this purpose, they can either use fossil fuels or renewable energy sources. In some countries, whole villages (so-called bioenergy villages) are organized using the cooperative model.
 - Consumers may group together into energy cooperatives to purchase energy, as means to obtain better prices.
 - Cooperatives may organize the distribution of energy, for example by operating electricity distribution lines.
 - Cooperatives may also provide services related to the provision of energy, such as advisory or training services.



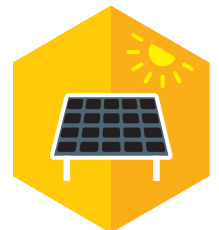
¹ ILO: Promotion of Cooperatives Recommendation, 2002. Available at: <http://www.ilo.org>.

² The International Labour Organization (ILO) Recommendation No. 193 on the Promotion of Cooperatives 2002/11.



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Cooperatives bring together an estimated one billion people worldwide. Ranging from micro- scale community organizations to multi-billion dollar global enterprises, cooperatives are estimated to employ more than 100 million people. They therefore have enormous potential to mobilize their members and the general public through advocacy, information sharing, and education and training.



1.3 billion people still have no access to electricity and 2.7 billion are without modern cooking energy - a number that is projected to rise by 200 million by 2030, with increases in South Asia and Africa.

