SUSTAINABLE GOVERNANCE MODELS

A comparative analysis

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Sustainable Governance Models

Energy initiatives are being developed in different political contexts across European regions and, thus, require specifically-tailored governance schemes in order to ensure their sustainability and meeting the needs of the stakeholders involved.

Below can be found a list of the **governance models** applicable to energy initiatives. Each model offers distinct value propositions for energy efficiency and poverty reduction.

SUSTAINABLE GOVERNANCE MODELS

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- ❖ **Renewable Energy Coomunity**
- ❖ **Energy Cooperatives**
- ❖ **ESCOs**
- ❖ **One-stop-shop**
- ❖ **Technology leasing**

❖ **Energy Communities**: defined by the EU, they are legal entities focused on local, renewable energy production, aiming to provide environmental, economic, and social benefits. The objective is to enable widespread renewable energy production and local consumption, creating "prosumers".

❖ **Energy Cooperatives**: organizations providing green energy to members, reinvesting profits in renewable projects. Members pay an annual subscription fee, and the profits are reinvested in additional renewable energy plants or energy efficiency measures.

❖ **ESCo Model**: Energy Service Companies offer financing solutions for energy efficiency investments. They advance the costs of energy efficiency renovations and manage the work in exchange for a fixed service fee over a defined contract period.

❖ **One-Stop-Shop**: platforms that support energy renovations, ranging from providing advice to full responsibility for the renovation. One-Stop-Shop model is further divided into the facilitation model, coordination model, all-inclusive model. The main difference between these models lie in the level of support the OSS provider offers through the customer journey and the degree of responsibility the OSS assumes regarding the results of the renovation work

❖ **Technology Leasing**: allows households to lease energy-efficient appliances, making them affordable without upfront costs

Sustainable Governance Models: Pros and Cons

PROS

Renewable Energy community: an ability to share energy produced by a local renewable energy plant among multiple participants

Energy Cooperatives: ownership of the renewable energy plants is shared among members

ESCOs: Limited or no up-front investment costs for building owners, useful in the context of energy poverty

One-stop-shop: direct support for users to identify suitable and affordable solutions for energy poverty

Technology leasing: making energy-efficient appliances affordable for vulnerable households and helping reduce energy consumption and bills

CONS

Renewable Energy community: country-specific regulations might pose stumbling blocks for further development

Energy Cooperatives: longer setup times and higher operating costs, limited ability to serve vulnerable households if energy production is insufficient to meet members' needs

ESCOs: potential in the private sector, particularly in multi-storey buildings, remains underexplored

One-stop-shop: the type of services provided depends on available resources, which can be a limiting factor

Technology leasing: it must be economically viable in the long term to avoid households paying more than they would for the appliance outright