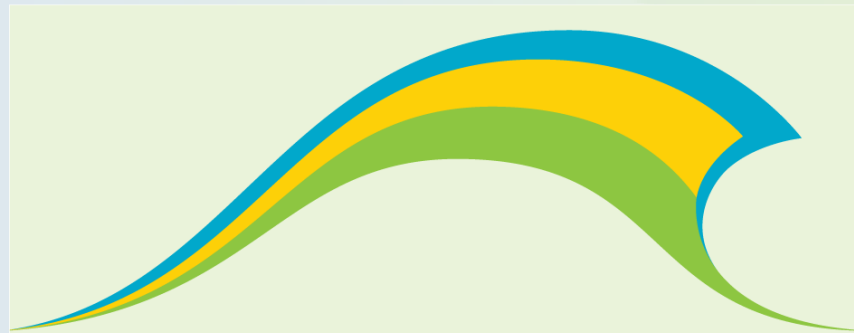


# So What is the Co-op Difference In Alternative Energy?

Réseau de recherche pour mesurer la  
**DIFFÉRENCE COOPÉRATIVE**



Measuring the Co-operative Difference  
**RESEARCH NETWORK**

**Some Critical Reflections**

# Co-ops and the "Value" Difference

- Historically we can think of the difference as comprising three central features
- (1) Member ownership and control - Democracy
- (2) Limits on the power of Capital – People First
- (3) Positive Relationship with Community – “Stakeholder Value”
- Many different articulations of these values (e.g. Rochdale Principles, ICA Seven Principles of Co-operation), but these three remain the core

# Alternative Energy and Co-ops

- Alternative Energy presents challenges to the Co-operative values
- Not much for members to "do"
- Capital intensive - requires members who can "invest" capital
- Has an impact on community which can be "seen", especially if done at scale
- Accommodations have been made to address these

# The Role of the State

- For most of the twentieth century the "State" (Provincial or Federal) has been the monopolistic provider of energy
- The Tennessee Valley Authority in the USA is a notable large scale exception - co-operative power provision but, interestingly emerged from the state out of the Depression
- In Canada, this is not a realm of co-operative activity
- The privatization of the sector is the contemporary context which cannot be ignored

# Neo-Liberalism and the Co-operative Sector

- For most of its history, the co-operative movement has worked as an alternative to strict capitalism - it is by its very structure mutualist and collective
- A new trend in the last number of years – privatization through co-operatives
- Social Co-operatives in Italy
- Cameron-Clegg Coalition
- GEA

# Co-operation by Legislation

- We know that the long-term success of co-operatives is dependent on member "buy-in"
- Alternative is demutualization or failure
- Odd reality of GEA is it is a result of community (as opposed to member) activism for environmental action
- Co-op model is not clearly distinguished from community model or from the private profit model in most peoples minds
- GEA legislation has not created a co-operative advantage, but has been built on the discourse of community

# The European Example

- There is a co-operative difference possible in alternative energy – Germany and Denmark
- They are not perfect
- They are the result of community activism and progressive legislation, but they are in scale and organization the result of state logistics
- Tax benefits facilitate purchases
- Has been a revival of community spirit
- Has fostered export of technology, but local control remains

# The Co-operative Difference Redux

- The difference therefore lies in the fact that co-operatives offer a different set of values for economic activity
- But like Rochdale, innovation in co-operation can't come from the top
- TREC is unique in the Ontario landscape because it was created by members to serve a need
- However the legislation restricted the form it could take



# Co-operative Innovation

- There are examples of innovation, like TREC or the Danish and German models, which exist and, more importantly, can be created anew
- Innovation requires regulatory support, but, like the FIT community premiums, also requires activism for a co-operative agenda in legislation and education
- A return to the three features of co-operative difference

# Democracy

- There needs to be innovation around member involvement and buy-in for co-operative forms in alternative energy
- Simple structures for "member investor" profit does not serve the co-op model if it does not also include a meaningful democratic component even if it serves an environmental goal
- Perhaps a community fund distributed by members is an answer

# People First

- Innovation is required to think through how the capital requirements of alternative energy can be met without prioritizing that capital
- In Ontario, those with capital are "winning" because they are getting to production and capacity first
- Hard to do with a state controlled grid
- Innovation in collective sales (like Bullfrog) and co-operation amongst co-operatives are possible answers in Canada

# Positive Relationship with Community

- There has been community fear over alternative energy from health concerns to costs
- The co-operative movement is ideally placed to resolve or at least mitigate these
- Even Wind Concerns Ontario has in the past supported small scale co-operative power
- Cost concerns can be alleviated through collective ownership
- Innovation around the seventh principle has been lacking so far

# Conclusions

- There is a co-operative difference in the alternative energy but it requires
  - (1) regulatory support
  - (2) a co-operative movement to influence regulation
  - (3) organizational innovation to forefront co-operative values
  - (4) meaningful member financing and control
- Opportunity for leadership in the sector

# Thank You!

- Questions?
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