

CITIZENS UTILITY BOARDS

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1 BACKGROUND

1.1 INTRODUCTION

The importance of energy issues in the political debate has kept increasing in the last decades, largely due to climate change problems and the rising price of oil. The structure of the energy sector, the choices linked to the energy mix and its evolution have a significant impact on the environment, the economy and on all the actors along the energy chain, from the suppliers to the end users.

Despite their all-encompassing domain of application, the decisions on energy policies have typically been monopolised by a small minority of decision-makers. This quasi-universal pattern has prevented citizens all over the world from expressing their preferences in the sector of energy and from tailoring the locally available energy supply to their needs.

The overwhelming presence of formerly cheap fossil fuels has distorted competition and has resulted over the last decades in the marginalization of energy efficiency improvements and of renewable forms of energy (solar, wind, etc.) which could have been instrumental in mitigating the greenhouse effect. In many European countries, market liberalisation has frequently left citizens uninformed and helpless to face increases of electricity prices which citizens are unable to question or prevent due to their absence from the decision-making processes. The unfettered supply-side bias of energy governance has been particularly detrimental to the environment locally and globally.

The dire warnings about climate change and the subsequent incentives for a switch to the use of more efficient and more sustainable forms of energy is a unique opportunity. It, however, places the responsibility on the shoulders of users who are now allowed to choose their own energy supply, but are either still kept in the dark or overwhelmed with information. Users are now called “stakeholders” and supposedly consulted for instance on future energy investments, only to realise that their viewpoints are superseded by supply-side stakeholders who claim to be better informed and are usually paid to promote private interests, not the public good. Fake consultations have to cease as they are a mockery of the democratic process. Citizens have to be legally empowered to actively participate to these discussions and their opinion must be clearly taken into account in the final decisions.

This is why we suggest incorporating new dynamics for energy decision-making which are based on experiences that have already been successful in several countries in the world, in particular in the form of Citizens Utility Boards (CUBs) in the USA.

Here is the headline for the law creating one of these CUBs:

“The Purpose of this Act is to promote the health, welfare and prosperity of all the citizens of this State by insuring effective and

democratic representation of utility consumers. (...) Such purpose shall be deemed a statewide interest and not a private or special concern.”

Citizens Utility Board (CUB) Act, 1983 Illinois Revised Statutes

Countries where energy efficiency and renewable energy policies have had long-term success, for example in Scandinavian countries, share a common characteristic: their energy decisions conform to their energy supply curve where demand-side and supply-side options are assessed according to the same criteria. This rational, least-cost approach posture is shaped by the sharing of energy governance among relevant parties, users, suppliers, workers, taxpayers, planners, all of whom are objectively informed and involved. As a result, both the energy supply and demand sides are present in the debate and considered on equal footing.

Unfortunately, in most countries this is not the case, particularly in those who have relied on vast national energy resources or have implemented economically inefficient technologies such as nuclear. In such countries, energy suppliers, utilities and governments have traditionally decided on what energy investments to make, how energy is provided and how internal costs are allocated and dealt with. Consequently, goods which are difficult to quantify – the environment, health, social and public welfare – have been neglected. Resultant problems are now manifested in worldwide pollution, desertification, global climate change, and associated social problems.

The recent liberalisation of the energy market and the increasing role of local authorities in climate issues have slowly shifted how energy decisions are being made; this convergence presents an opportunity to better align the provision of energy services with eco-development goals and promote clean energy options, e.g. energy efficiency and renewable energies. However, to date successful attempts to achieve consensus on energy strategy and policy in line with eco-development goals have been limited.

1.2 PRECEDENTS

The Illinois Legislature in the State of Illinois in the United States formed the Citizens Utility Board (CUB) in 1983 to serve as a voice for residential and small-business utility ratepayers. The CUB is a nonpartisan, nonprofit statewide organization funded by Illinois consumers and a grant from the Illinois Clean Energy Community Trust. The CUB is guided by a 20-member board of directors, with one director elected by dues-paying members in each of Illinois' Congressional Districts. Working as volunteers, board members determine CUB's policy and budget and serve as representatives for the organization. Other CUB's have been created in various U.S. states.

Exemplary actions already initiated by these CUBs on behalf of the local energy users are numerous. Usually, the distribution of valuable and reliable information remains their priority, since only well-informed citizens are able to evaluate the current situation they have to face and distinguish feasible alternatives that may not be offered beforehand by the supply-side. Typically,

this effort is sooner or later limited by the lack or unavailability of the relevant data, a situation the CUBs may tackle by the identification of specific research and of further studies on the corresponding issues.

Besides these activities more specifically addressed to the end-users, the CUBs also intend to make a constructive contribution to the energy debates, policies and decisions organized locally by the authorities. Backed by a legal acceptance such as the aforementioned law, several CUBs in the USA have already made significant progress towards a better enforcement of the demand-side concerns in the energy supply and energy efficiency policies, as well as in the climate policies as a whole. In doing so they saved of lot of funds that could be reallocated to other public interest initiatives.

The contribution of the CUBs mainly focuses on the promotion of clean, green and lean forms of energy which respect the local and global environment while relieving the citizens from the dependency on the few all-mighty energy suppliers which have dominated the energy markets in the last decades. This, furthermore, leads to a strengthening of the local governance and culture and engages the civil society in a virtuous circle which eventually benefits to all stakeholders interacting together within the local energy-chain.

The CUB's offer the blueprint for more balanced energy governance and describe how a concrete engagement of citizens could be achieved via independent councils of users developed locally in the UE or elsewhere. With a network of CUBs or CUB-like organisations, there could emerge a genuine sustainable energy policy based on citizens' needs and aspirations, respectful of natural constraints and able to sustain future generations. In the context of the liberalisation of energy markets, this has become an emergency.

Value-added of the CUB's are highlighted below:

- Distribution of valuable and reliable information
- Identification of specific research of interest
- Constructive contribution
- Energy debates, policies and decisions
- Better enforcement
- Energy supply and energy efficiency policies
- Climate policies
- Promotion of clean, green and lean forms of energy
- Respect for local and global environment
- Strengthening local governance and culture

WhichGreen is an Ecotricity initiative.

As the founders of the green energy movement in the UK, Ecotricity has been concerned by the confusion suffered by consumers when trying to choose a green tariff. This initiative has been commissioned as a result of this concern.

WhichGreen is all about measuring the green market and about looking after the interests of environmentally-aware consumers. WhichGreen is consumer focused and is designed to show you which suppliers are investing in renewable energy. Nothing more - it's up to you to draw your own conclusions.

We came up with the simple concept of how much each supplier is spending building new sources of green energy as the best and most meaningful measure of greenness. With a simple '£ per customer' calculation, you can start to see which suppliers are really putting their money where their mouth is.

And the league table seems to have caught on. A Powergen spokesperson in 2006 suggested that: "we invest more per customer in green energy than any other major supplier in the UK". They weren't according to the 2006 table, but they were in 2007. What it does demonstrate is that other suppliers are endorsing our approach.

Subsequently similar organisations were established in the States of Wisconsin and Oregon. We believe that this type of organisation might be tailored to other countries and could provide strong stakeholder input to the choice of electric generation, the quality of service, etc. This input is particularly critical in light of the liberalisation of the electricity market within the EU. These users' councils would allow development of greater expertise among users with regard to energy conversion and end use. The EUROS would be a point of diffusion of information to users, possibly through gas and electricity bills (this is how the American CUBs initially distributed information). These inserts might include details on energy efficiency measures and energy prices, information on environmental externalities, on renewable energy sources and information on the impacts of energy investments. The information provided would allow energy users to make informed choices regarding their preferences (technology, type of fuels used, etc.) and help them initiate renewable energy projects which trigger more sustainable development.

Consumer Focus

Campaigning for a fair deal for energy customers

Consumer Focus is the name for the new organisation created to champion the UK consumer in the Energy markets in England, Scotland, Ireland and Wales.

Consumer Focus has taken over this role from Energywatch who have been responsible for this task for a number of years in the UK.

Consumer Focus was created through the merger of three consumer organisations - energywatch, Postwatch and the National Consumer Council (including the Welsh and Scottish Consumer Councils). The new approach allows for more joined-up consumer advocacy, with a single organisation speaking with a powerful voice and able to more readily bring cross-sector expertise to issues of concern.

Consumer Focus has strong new legislative powers. These include the right to investigate any consumer complaint if they are of wider interest, the right to open up information from providers, the power to conduct research and the ability to make an official super-complaint about failing services.

SaveOnYourBills.co.uk is accredited under the Consumer Focus confidence code. This code means that our web site energy comparison services has to meet

the requirements as set out in the Consumer Focus code and is audited annually to ensure full compliance and tariff accuracy.

In Denmark, in May 2000 a new Energy Conservation Act (Act 450) was approved by Parliament, as part of a political agreement for the reform of the electricity sector. This Act provides a framework for co-ordination and the priority to be given to both centralised and decentralised initiatives in the future and introduces some new elements. Act 450 also created local energy conservation committees, which are designed to co-ordinate energy efficiency activities of various local players. To date, 32 local committees have been established (Energy Charter Review of 2003).

Service Energie, Municipalité de Genève

Situation actuelle

La politique énergétique de la Ville de Genève est développée en coordination avec les objectifs législatifs et qualitatifs énoncés aux niveaux fédéral et cantonal par la loi sur l'énergie, la conception générale de l'énergie et son plan directeur. En outre, elle est liée au Programme SuisseEnergie de la Confédération. La Ville de Genève est engagée depuis trois décennies dans une politique énergétique volontariste qui porte ses fruits en terme de diminution des consommations d'énergie. Elle répond de manière dynamique et proactive aux exigences légales en matière d'énergie, en particulier aux récentes exigences relatives au concept énergétique.

En 2002, la Ville de Genève souscrivait à la « Charte européenne pour le décollage des énergies renouvelables », programme de coopération entre les villes européennes pour favoriser le développement des énergies renouvelables. Cette souscription soulignait l'engagement, depuis près de 20 ans en matière de construction de centrales solaires thermiques et venait appuyer le développement, depuis 2003, du programme solaire photovoltaïque.

En janvier 2006, le Conseil administratif a adhéré aux objectifs de l'Union européenne, visant une réduction de 20% de la consommation d'énergie de ses bâtiments d'ici 2020, ainsi qu'un accroissement significatif du recours aux énergies renouvelables. La politique énergétique municipale s'articule déjà selon ces deux pôles principaux que sont la maîtrise des consommations d'agents énergétiques et le développement et la valorisation des énergies renouvelables.

L'essentiel de la politique énergétique concerne avant tout la gestion énergétique des quelques 700 bâtiments constituant le parc immobilier de la Ville de Genève. Des programmes spécifiques pour chaque agent énergétique sont en place : électricité, énergies de chauffage, ainsi que l'eau. Ces programmes prennent en compte les différents besoins énergétiques des bâtiments tout au long de leur cycle de vie. Des solutions sont systématiquement recherchées pour limiter leur consommation.

Conjointement à ces programmes, des actions de développement des énergies renouvelables sont également et systématiquement menées pour les intégrer à la démarche constructive. Inscrite dans la politique de constructions et de rénovations des bâtiments de la Ville de Genève, la politique énergétique est un facteur central et intégré dans la conception d'un bâtiment, sa gestion et l'exécution de travaux, notamment depuis l'entrée en vigueur de la nouvelle loi cantonale sur l'énergie en janvier 2003.

Résultats de la politique énergétique

- La politique de maîtrise de l'énergie engagée depuis trente ans a permis, sur cette période, de réduire la consommation d'énergie de chauffage de nos bâtiments de 40 %.
- L'approvisionnement électrique de la Ville de Genève est à 100% respectueux de l'environnement et produit localement (SIG Vitale Jaune).
- Les actions sur les consommations d'eau, engagées depuis 1996, ont permis une diminution de 30% du volume d'eau consommé par la Ville de Genève.
- Quatre centrales solaires photovoltaïques ont été construites entre 2003 et 2005, pour une production annuelle d'électricité de 78'000 kWh.
- La Ville de Genève est le plus important propriétaire d'installations solaires thermiques du canton, avec 35 installations qui produisent annuellement 1'500'000 kWh, évitant ainsi la consommation de 150'000 litres de mazout et environ 350 tonnes de CO₂.
- Sans la politique de maîtrise de l'énergie engagée, nous aurions dû aujourd'hui prévoir des dépenses supplémentaires de l'ordre de 7 millions de francs (+ 2,7 MF pour les énergies de chauffage et +3,5 MF pour l'eau)

Some lessons may be taken from water governance, which has been quite well-developed in France since 1964, when the Water Agencies that manage the six principal river basins in France were established. The French system provided part of the basis for the EU Water Framework Directive. Water governance refers to the range of political, organizational and administrative processes through which communities articulate their interests, their input is absorbed, decisions are made and implemented, and decision makers are held accountable in the development and management of water resources and delivery of water services.¹

1.3 CURRENT PROPOSAL

The proposal regarding improving energy governance in France, primarily through the French Council of Energy Users (*Conseil d'Usagers des Biens Energétiques*, or CUBE) was included by the French National Committee for Sustainable Development (the Comité national de développement durable, or CNDD), in its recommendations to the government, because the CUBE is viewed as a critical instrument for sustainable economic, environmental and social development in the French energy sector. The members of the CNDD, including EDF, ADEME, and their partners in civil society have expressed hope that the recommendation for establishing a CUBE in France will be implemented as rapidly as possible, particularly due to the relative absence of independent information on energy in France, the opening of energy markets

(1) ¹ . Adapted from Rogers and Hall (2003).

and the importance of the energy sector in guaranteeing sustainable development.

CUBEs could represent energy users and ensure that their rights are respected. It would be the conduit through which users (civil society) can participate in an informed and independent way in the transition to a new energy policy that is sustainable and environmentally sound. The creation of such CUBEs seems necessary, especially in countries where energy markets are already or are being liberalised.

2.1 *CRITERIA FOR PARTICIPATORY ENERGY GOVERNANCE*

“Without local institutions, a nation has not got the “spirit of liberty” and might easily fall victim to despotic tendencies”

Because of energy’s central role in national activities, sharing energy governance is analogous to sharing political power. This is – in part – why participatory energy governance is so difficult to achieve. It takes well-informed people animated by a will to promote an agenda for the public good. Such people are not traditionally supported in energy regulatory commissions or on energy companies’ boards of administration, unless the commission or company is committed to respecting the tenets of transparency and environmental justice.¹

It is important to have people who understand that their responsibility is not to solve immediate problems or answer to a political agenda but to address a mutual problem whose solution will impact society and future generations. Overtime this sentiment becomes a conviction and results in a cultural change. This process evolves naturally when the decision-making process includes all concerned citizens (not simply energy suppliers) because then all participants are equally informed on the issues. The result is increased emphasis on the collective interest rather than on personal agenda. It is this “collective” ownership in the process, as well as of the energy resources, which has been prevented from developing in most countries.

How best then to create this legitimate sentiment? First, people need to develop and share a common perspective – this needs to occur at the community level. The self-governance habit is what some sociologists call “local inclusive democracy” and deals with broader community issues and which in turn percolates up to the higher levels of decision-making. Below are some key criteria to encourage and support the development of a common perspective: ^{2,3}

- the empowerment of citizens, associations and communities;
- a mutual problem-solving approach in the public interest;
- the inclusion of all concerned citizens on an equal footing in the decision-making process; and,
- transparency, visibility and monitoring of the process.

(1) ¹ Example of such tenets can be found in the Aarhus Convention: www.unece.org/env/pp/documents/cep43e.pdf

² These were identified by the Phoenix Wisdom Council: www.wakingthephoenix.org/2008/01/rev-phoenix-gathering.html

³ For more information see Annex 1.

By presenting the current energy context in France,¹ the effect of user involvement in how energy services are managed and what can be done to improve the process are illustrated below.

2.2 *EVOLUTION OF THE FRENCH ENERGY SECTOR*

From the interwar period until the early 1980s, France was heavily dependent on European and then Middle-Eastern imports. By the first oil crisis in 1973, three quarters of its energy was imported². In order to avoid suffering from energy dependence, as it did with the 1973 and 1979 oil crises, France developed its nuclear energy program. At the time, the feeling was that French dirigisme in energy policy – relying on monopolistic state-owned companies like Electricité de France (EDF) and Gaz de France (GDF) – was needed to protect French economy and society.

However, things are different today. Under EU legislation, energy markets are becoming deregulated, competitive and liberalized. Since July 1st 2007, the French energy market is completely open to competition. Thus, French users can choose to no longer rely solely on French firms for their energy needs. Indeed, leading French energy provider EDF³ now faces cross-border competition from, for instance, Electobel of Belgium or HEW of Germany, as well as domestic competition from private French companies.

As a result of this, it is imperative for users to be informed of their options so they can decide intelligently how best to fulfill their energy needs. Moreover, French energy providers should also apply the sound principle of informed decision-making: their decisions must also be informed by the users' demands in order for their companies to cater to user needs and to be truly efficient and successful in the face of competition. The voice of French citizens therefore needs to be heard, via institutionalized representation within the French energy sector, so as to insure the transparency of the system.

2.3 *THE FRENCH ENERGY SECTOR & THE NEED FOR CITIZEN INVOLVEMENT*

From the interwar period until the early 1980s, France was heavily dependent on European and then Middle East imports. By the first oil crisis in 1973, three quarters of its energy was imported.⁴ In order to reduce its energy dependence, France developed its nuclear energy programme. At the time, the feeling was that interventionism in energy policy—relying on monopolistic state-owned

(1) ¹ Based on the authors' collective experience.

(1) ² http://www.anales.org/ri/1998/ri08-98/006-010%20Beltran_006-010%20Beltran.pdf

(2) ³ Since October 2005, EDF has been partially privatized, but it is still mainly state-owned. According to the company's 2007 annual report (http://www.edf.com/html/RA2007/pdf/ra2007Corp_05_vf.pdf), 84.85% of its shares belong to the state, 13.25% to investors and 1.90% to employees.

⁴www.anales.org/ri/1998/ri08-98/006-010%20Beltran_006-010%20Beltran.pdf

companies like Electricité de France (EDF) and Gaz de France (GDF)—was needed to protect French economy and society.

However, today the context is different. Under EU legislation, energy markets have been deregulated and privatised and are now open to competition. By July 1st 2007, the French energy market was completely liberalised. French users can now choose any energy company and thus are no longer solely dependent on French firms for their energy needs. Indeed, leading French energy provider EDF¹ now faces cross-border competition from Electrabel of Belgium, RWE of Germany, as well as from domestic competition from private French companies.

As a result of this legislation, it is imperative that users be informed of their options so they can decide intelligently how best to meet their energy needs. Moreover, for French energy providers to survive financially, they need to apply the sound principle of informed decision-making: their decisions must be informed by the users' demands in order for their companies to cater to user needs and to be truly efficient and successful in the face of competition. In order to correctly inform would-be suppliers of their needs and to insure transparency and responsiveness of the system, the voice of French citizens needs to be heard and have institutionalised representation within the French energy sector.

2.3.1 *Decision-making process*

At present, French legislators do not implicate citizens in decision making. The hierarchical system is rigidly defined and communication mainly circulates from top to bottom, from superior to lower entities. The French Ministry of Ecology, Energy, Sustainable Development and Regional Development (*Ministère de l'Ecologie, de l'Energie, du Développement durable et de l'Aménagement du territoire*)², and more specifically its General Directorate for Energy and Climate (*Direction Général de l'Energie et du Climat* or *DGEC*), is in charge of the energy matters.

Although, since the Aarhus Convention³, efforts have been made to inform citizens about new initiatives and to make decisions more transparent, the actual role of citizens remains minimal, if not nonexistent. One of the few cases exemplifying such efforts is that of the EU-created Citizens' Energy Forum in 2008⁴. The role of the Forum it is, on the one hand, to inform citizens

¹ Since October 2005, EDF has been partially privatised, but it is still mainly state-owned. According to the company's 2007 annual report 84.85% of its shares belong to the state, 13.25% to investors and 1.90% to employees. See http://www.edf.com/html/RA2007/pdf/ra2007Corp_05_vf.pdf

(3) ² <http://www.developpement-durable.gouv.fr/>

(4) ³ <http://www.unece.org/env/pp/>

(5) ⁴ <http://energy.ihs.com/News/markets/2008/eu-en-energy-forum-10-08.htm>

about their rights and, on the other, to bring together all relevant stakeholders to discuss the implementation of consumer rights and the dissemination of the best industry-specific practices related to these rights. It is an interesting initiative which could develop into an organism giving energy users a real voice and allowing them to be more than just passive receivers of information.

The numbers speak for themselves: French citizens do not have the impression that they are being heard. According to the TNS Sofres survey from 2008 called “Elites et Peuples: qui a le pouvoir?”¹, only 10% of the people interrogated believe that consumer or citizen groups had any influence on politics, while 40% think that such groups should have more power. In addition, only 21% estimate that citizens have an increasing influence thanks to the Internet whereas 71% think that, on the contrary, citizens have less and less influence because of power concentration.

When it comes to important matters such as energy, this lack of consultation is crucial. The example of the Brennilis French nuclear plant, among others, shows the importance of taking into account the opinion of these groups: complete disregard for the point of view of environmental NGOs and of local users led to inadequate investments and risky handling of the deactivated plant.

2.3.2 *Main actors in the energy sector*

Along with liberalization of the electricity market, the number of actors involved in the French energy sector has been multiplied.

One of the actors to have arisen from the liberalisation of the electricity sector is Réseau de Transport d'Électricité (RTE), the transmission system operator of France. It is responsible for the operation, maintenance and development of the French high-voltage transmission system. RTE is a wholly-owned subsidiary of the partially public-owned French generator Électricité de France (EDF), headquartered in Paris. It is a limited liability corporation, known in France as a “société anonyme”.

RTE was formed as a result of European Directive No. 96/92/EC of December 1996, which directed that at least 26% of member countries' electricity sales be open to competition, and became a law in France in February 2000. The directive required France to liberalise its electricity market by unbundling its generation and transmission activities, which had both, until then, been entirely controlled by EDF. RTE was established in July 2000 as a division of EDF, with a public charter to guarantee equitable access to its electricity market, and to secure the continuity and quality of electricity supply. RTE employed 8,279 people and had revenue of € 4,126M in 2007.

(6) ¹ http://www.tns-sofres.com/etudes/pol/020408_elites_r.htm

In the gas market, the equivalent actor is *Gaz Réseau Distribution France (GrDF)* which was created on January 1, 2008. It employs 12,500 people and is a limited liability corporation entirely owned by GDF.

The main electricity and gas producers and distributors are EDF, GDF Suez, Poweo, la Compagnie Nationale du Rhône, Électricité de Strasbourg, Electrabel, Usine d'électricité de Metz and Société Nationale d'Electricité et de Thermique. These actors cannot easily be neglected by legislators: given their size, they have the means to impose a political weight.

Apart from the interaction with these industrial actors, the energy section of the Ministry of Ecology, Energy, Sustainable Development and Regional Development rely on public institutions like the Agency of Environment and Energy Control (*Agence de l'Environnement et de la Maîtrise de l'Energie* or *ADEME*), the Office of Geological Research (*Bureau des Recherches Géologiques et Minières* or *BRGM*) or the French Atomic Energy Commission (*Commissariat à l'Energie Atomique* or *CEA*) to get scientific information and to communicate with the citizens.

In accordance with the law of Democracy and Proximity of February 27, 2002, public consultation is organized in the case of important projects, but citizens as energy users do not have a particular structure to represent their interests.

2.3.3 *Energy mix*

Currently, French energy consumption stands at 41% electricity, 34% oil, 15% gas, 5% coal and 5% renewable energy (not including those that serve to produce electricity)¹. According to the statistics of the Ministry of Ecology, Energy, Sustainable development and Regional Development, France's electricity production relies today for almost 80% on nuclear energy production. In 2007, nuclear plants generated 439.7 terawatt hours (TWh), renewable energy sources (especially hydrogen energy) produced 68.3 TWh, and classic thermal production yielded 61.9 TWh. As for primary energy in general, nuclear production in 2007 represented 114.6 million tons of oil equivalent (MToe)².

These numbers show a clear political favouritism towards nuclear power, and this does not necessarily correspond to what the citizens would choose were they given a say. Nuclear power is appreciated for its cheap electricity, but one should not forget that this is due to heavy state investment in the 70's and 80's allowing big nuclear centrals to be installed so that the high production level would lead to economies of scale (heavy fixed costs and low marginal cost making it more profitable to expand production). Moreover, the price of nuclear electricity today does not take into account the price of the ecological

(7) ¹ <http://www.science-decision.fr/cgi-bin/topic.php?topic=ENP&chapter=5>

(8) ² <http://www.industrie.gouv.fr/energie/statisti/pdf/depliant.pdf>

risk that is linked to it, which in fact would lead to much higher prices than those of renewable sources, such as wind power¹. On a final note, France's energy independence is at about 50%² so nuclear energy is not the guarantee of total energy security: increased diversification of the French energy mix to include more renewable energy sources could still better the situation.

2.4 ENERGY GOVERNANCE IN OTHER COUNTRIES³

Structures promoting citizen participation exist in several countries and have proven to be very useful. Some are imposed by law such as the Citizen Utility Boards (CUBs) in certain states in the USA, like in Oregon or Illinois. In the UK, Energywatch officially represents citizens before energy regulatory bodies, while Energy Trust is an independent foundation that helps consumers to be well-informed and exercise their rights. In Denmark, consumer councils actively participate in evolving the energy sector, for instance, by buying shares in local wind farms and promoting strict energy saving. In Scandinavian countries, in which there is a strong democratic and altruistic culture, citizen participation is pervasive through voluntary forums that discuss and deliberate on social matters.

All these groups share the common objectives of upholding and defending transparency and participatory governance in energy matters, as well as contributing to ecodevelopment in their country. It is essential that such citizen organisms be created and protected by law in France. So far, France only has consumer associations that worry about prices, or neighborhood councils whose activity does not generally touch upon energy matters (except when the community is in close proximity with a nuclear power plant).

The European Union has (as mentioned in section 2.2.i) recently created a Citizens' Energy Forum. It is an interesting and positive initiative, but the Forum is only dedicated to informing and helping users with their choices. It should be reinforced so as to give users a say in the energy matters. The time has come to shift away from an "elective" democracy – which is no longer able to keep up with, let alone anticipate, changes in the energy sector – and move towards a truly participative democracy. France, in particular, must catch up with the examples set by other countries in terms of energy governance to insure dialogue and coordination between energy providers and users. Decision-making in the French energy sector will gain in both efficiency and legitimacy when it begins to take into account user demands and concerns.

(9)¹ "The Nuclear Illusion" by Amory B. Lovins and Imran Sheikh

(10)² <http://www.industrie.gouv.fr/energie/anglais/politique-energetique.htm>

³ This section is based on the paragraph 'Comment se décline la gouvernance énergétique dans les autres pays' in the paper "Les impensés de la gouvernance: La pertinence politique de la participation de la société civile." by Hélène Connor and Christelle Braun, available at: <http://www.helio-international.org/resources/CurrentWorkings.cfm>

The Phoenix Meeting – Richard K. Moore¹

The group discussed the overriding notion of “emergent shared perspective” based on self-governance that begins at the lowest possible community level (“local inclusive democracy”). In turn this creates a culture of mutual problem solving that expands to larger levels of decision making, for example, delegations from several communities meeting to achieve emergent shared perspective. The process continues through as many levels as needed with the key principle being including all who have a stake in the eventual decision. The principles identified were:

- inclusivity of all
- mutual problem solving
- empowering individuals and communities through identifying and acting on emergent shared perspectives
- transparency of process
- feedback at all levels

Local communities can learn from examples being practiced, such as:

- Puerto Alegre’s “participatory budgeting” process that begins at the family/block level, working upwards to the level of the city itself.
- Wisdom Councils being implemented in Victoria, BC; Austria; and Oakland, CA.
- “Panchayat” - the system of decision making in Indian villages.
- Consensus decision-making in the anti-globalisation movement, amongst others.

Group members recognised that there was no distinct formula to achieve emergent shared perspectives, rather different communities, operating within their own traditions and existing conditions would choose different paths to the same end state.

¹ www.wakingthephoenix.org/2008/01/rev-phoenix-gathering.html
(1)

3 CURRENT LEGAL & INSTITUTIONAL FRAMEWORK

3.1 LEGISLATIVE FRAMEWORK

The concept of truly participatory democracy and its attributes of broad public awareness, information dissemination, and participation in decision-making have been part of the rhetoric of environmental policy for some time. In 1998 the *Aarhus Convention* established clear legislative terms for the implementation of this sentiment, framing it in three clear principles; access to information, participation in decision-making and access to justice for all citizens in environmental matters. This multilateral international treaty conveys obligations on its parties, of which France is one along with the European Commission, to integrate these principles into national legislative and policy frameworks.

The first evidence of France's attempt to bring such concerns into national legislation can be seen in 1983 with the establishment of the National Commission for Public Debate, and such preliminary steps have necessarily, albeit gradually, been augmented, taking the lead from the European Commission Directives of 2003. Legislative mandate therefore exists for Aarhus principles to be pursued by practical measures for implementation are still lacking.

3.1.1 *International agreements providing support for improved energy governance*

Following are among the major international legal documents that support improved energy governance:

Declaration of Stockholm (1972)

Otherwise known as the 'International Environmental Consitution', the root of most ideological concepts which inform environmental policy today can be found in the Declaration of Stockholm:

Principle 19: Education in environmental matters... is essential in order to broaden the basis for an enlightened opinion and responsible conduct by individuals, enterprises and communities in protecting and improving the environment in its full human dimension...

Rio Declaration (1992)

The concept of citizen participation was developed and more clearly stated in Rio Declaration:

Principal 10: Environmental issues are best handled with participation of all concerned citizens, at the relevant level. At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities... and the opportunity to

participate in decision-making processes. States shall facilitate and encourage public awareness and participation by making information widely available...

Aarhus Convention on Access to Information, Public Participation in Decision-Making & Access to Justice in Environmental Matters (1998)

It was from these precursors that the Aarhus Convention evolved, and since its entry into force in 2001, it is the main international legislative reference point for participatory environmental democracy. It hinges on three main principals (as evidenced by its long title) of access to information, public participation in decision-making and access to justice. The concept of public participation has been integrated into French Legislation, via European Union Directive 2003/4/EC, most notably in Article L. 110-1 II.4 of the Environment Code. Some key sections include:

Articles 4 & 5: call for public access to environmental information and for collection and dissemination of environmental information.

Article 6: public participation in Special Activities such as the energy sector

Article 7: public participation in Plans, Programmes & Policies relating to the environment

Article 8: public participation in Executive Regulation or Legally Binding Instruments

At the latest meeting of the parties to the Aarhus Convention, held in Riga in August 2008, a strategic plan of action 2009 – 2012 was proposed. This identifies detailed objectives on implementation, expansion and development of action which should be pursued by the parties. Many of these could be directly addressed by the CUBE initiative, such as:

Objective I.1: Development and review of national framework in consultation with public authorities and concerned stakeholders to ensure necessary legislative and regulatory provisions, but also the operational procedures and mechanisms for their practical application.

Objective I.7: Establishment of systems to collate environmental information that is routinely provided and proactively disseminated to the public in a user-friendly manner.

Objective I.9: Information and organisational measures to facilitate public participation procedures so that it is seen by all actors concerned as an integral part of the preparation of policies.

Objective I.12: establishment of a legislative and fiscal framework and consideration of alternative tools to achieve appropriate recognition and support of civil society organisations advancing democratic debate on environmental policies, raising public awareness and mobilizing and assisting citizens in exercising their rights under the Convention.

Objective I.13: engagement of civil society organisations for public awareness campaigns and financial and other support for public interest environmental non-governmental organisations to make the general public aware of their rights under the convention and to assert them to effectively engage in addressing issues and to advance both environmental protection and good governance, thus contributing to sustainable development.

Objective III.5: engaging civil society organisations to enhance the effectiveness of public participation, the development and application of innovative forms and tools of public participation beyond traditional consultation procedures, to develop the capacity of non-governmental organizations and strengthen civil society.

The commitments made by parties under the Aarhus Convention are non-binding but nevertheless identify areas where, in order to strengthen the interface between environmental decision-making and human rights, France, a signatory state, must take action.

Energy Charter Treaty (ECT) (1994)

Legally binding obligations exist also in the form of the Energy Charter Treaty, a multilateral instrument designed to strengthen the rule of law on energy issues. It includes support for clearer channels of communication with the public:

Art 19(f): Promote public awareness of the environmental impacts of energy systems, of the scope for the prevention or abatement of their adverse environmental impacts, and of the costs associated with various prevention or abatement measures.

The *Protocol on Energy Efficiency & Related Aspects' (PEEREA)*, annexed to ECT to focus on energy efficiency and environmental impact issues, directly states parties SHALL implement domestic programmes to educate the public and involve them in decision-making:

Art 3: Contracting Parties shall establish energy efficiency policies and appropriate legal and regulatory frameworks which promote, inter alia: (d) education and awareness; (f) transparency of legal and regulatory frameworks.

Art 8(h): Promotion of the creation of advisory and consultancy services which maybe operated by public or private industry or utilities and which provide information about energy efficiency programmes and technologies, and assist consumers and enterprises.

3.1.2 *European legislative support for improved energy governance*

As a signatory of the Aarhus Convention the European Commission issued several Directives in relation to the implementation of its principles in member states (MS), in advance of full harmonisation of the Convention into EU legislation in 2005.

Directive 01/42/EC: incorporates principles of Article 7 of the Convention

Directive 03/04/EC: (repealed 90/313/CEE) - requires that all natural and legal persons have access to environmental info without having to state a reason pursuant to the Convention. Obliges MS to make available *and disseminate* environmental info as a matter of course to general public, to widest extent possible.

Directive 03/35/EC: deals specifically with public participation in context of implementation of the Convention (particularly Art 7). Art 2: MS shall ensure public are given early and effective opportunities to participate and are informed about projects and right to participate, at early stage when all options still open, due account must be taken of results, reporting & explaining of decisions. (Compliance was required by 25/6/2005, up for review in 2009)

Directive 05/370/EC: requires MS to give effect to the Convention in recognition that greater public awareness & involvement will improve environmental protection. Signatory states must: take leg, regulatory & other measures, enable officials to help & advise public, promote environmental education & awareness, provide resources & support to associations promoting environmental concerns.

Other EU initiatives are summarised below.

Energy Policy for Europe [COM (2006) 1]

This is a public energy service creating the Energy Customers' Charter. The charter principally encourages the implementation of aid schemes for the most vulnerable citizens in the face of increasing energy prices and also the improvement of the level of information consumers receive concerning the different suppliers and supply options.

EU Implementation Report for 2004 SEC(2005) 1055

The Commission sent a Reasoned Opinion to France for incomplete execution of a Court of Justice ruling against it for failure to comply with Directive 90/313/EEC on access to information.

3.1.3 French legislative support for improved energy governance

Environment Charter/La Charte de l'Environnement (2005)

The sentiments of international environmental agreements find their most fundamental expression in France in the Charte de l'Environnement . It prioritises the principles of prevention, polluter pays, precaution and, particularly, participation, a direct reference to which also appears in the preamble. The article which CUBE seeks to mobilise is:

Article 7: Everyone has the right, within the limits and conditions of the law, to access E info held by public authorities and to participate in development of public decisions in relation to the environment.

Environment Code/Code de l'Environnement

Specific legislative mandate for increased public information and participation of the public exists in the following locations:

Book I, Title I: Public Participation in the drawing up of development or infrastructure projects having a major impact on the E:

L. 110-1-4: deals with general principles, the 4th of which is participation , "according to which everyone has access to info related to the environment...the public is associated in the process of elaboration of projects having a significant impact on the E or management of territory." Such legislative statements were first significantly introduced to French law by L. 1978-753 (17/7/78).

Book I, Title II, L. 121 - L. 124-8-1: provisions relating to information and participation of citizens in environmental matters, originating from L. 2002-276 (25/6/02) which harmonized French law with the Convention.

L. 121-1: Setting up of the CNDP as an independent administrative authority facilitating public debate covering suitability, objectives, principles & characteristics of a project, (see below)

L121-3-L121-15: outline powers and processes of CNDPL

LI 22-1 - LI22-8: Environmental evaluation to be carried out for certain town & country planning works including energy related activities, lead by the relevant competent state administration authority, final report & all docs will be made public before adoption of forecast plan

LI23-1 - LI23-16: Public Enquiry concerning developments, structures or works (public & private) effects. Purpose is to inform, collect opinions, suggestions, counter-proposals and ensure the authority has all relevant info.

LI23-7: Must inform public by all appropriate means, notably in the place concerned and according to scale and nature of project via written press and audio-visual means.

LI24-7: Right to Access to E Info: Public authorities must take measures to enable the public to know about their right to access info about E, and ensure that public do have such access.

L. 1999-533 (25/6/99): Management of territorial sustainable development - encourages adoption of a 'Chartes des Pays' for establishment of collective services to be developed with local partners, particularly in relation to the environment (amends previous L.95-115)

Book I, Title IV: L.141 - 1: certain associations may be awarded approval by the administrative authority to become and "approved environmental protection association". Such associations may be called upon to participate in environmental action or public bodies and may receive grants and may sign agreements with state institutions specifying multi-year objectives and providing for financial assistance over a period of 3 years.

NB. *This is the mechanism by which funding could be allocated to HELIO's CUBE project.*

France has clearly made some progress in implementing the requirements of the Aarhus Convention and all key aspects are present in French legislation. There remains however, a lack of practical implementation of this mandate, and the CUBE construct may be an all-encompassing remedy.

A model legislative basis for the CUBE concept exists in force already where CUBE is already functioning. A model legislative instrument derived from that instrument is attached as Annex 1 to this proposal, as a basis for new French legislation to support a genuinely participatory CUBE structure.

Admitted Shortcomings in French Implementation of Aarhus

France has clearly made some progress in implementing the requirements of the Aarhus Convention but there are still several areas where further action is required. It is generally claimed that a 'cultural resistance' to transparency exists in French Administration and its 2006 report, the Commission on Access to Administrative documents stated that its refusals were generally a result of administrative inertia or under-staffing.

In the 2008 Implementation Report submitted by France numerous areas where Aarhus obligations are not being fully met are outlined. Some of those which could be remedied by the CUBE project are:

- Public consultation is 'minimalist' in nature
- Public meetings are not held often enough
- Information files on public inquiries are excessively technical
- Information is often only made available to recognized associations and not the public at large
- The results of consultation are not given sufficient weight in the decision-making process

- Indeed the report states that the French Government has decided to improve the procedure by simplifying and harmonising public enquires – perhaps CUBE could play a role in this.

Various Other References in Support of Greater Public Participation Projects

La Charte de la Concertation du Ministère de l'Agriculture de l'Aménagement du Territoire et de l'Environnement (MATE) (1996) : Its objective was to promote citizens' participation in projects which concern them by way of full information, listening to their expectations and concerns, facilitating exchange and debate. It supports processes which facilitate realisation of projects by way of dialogue with greatest number of concerned parties from the outset.

First National Plan on the Environment (1990): called for recourse to partnerships & decentralisation of responsibilities as indispensable for the best integration of environmental concerns into society. It promoted experimentation with new forms of democracy for public choices at national and local level with the phrase 'democratisation of public choices'.

National Sustainable Development Strategy (NSDS): adopted by the government in 2003. It is the result of work done jointly by civil society and supported by the National Council for Sustainable Development (NCSD: 90 representatives of civil society and local authorities) and government ministries. This strategy provides a framework for intervention in the field of sustainable development and serves as a guideline for government action with respect to all of its policies over a five-year period. Reviewed by *Comité Interministériel pour le Développement Durable (CIDD)*
http://www.ecologie.gouv.fr/rubrique.php3?id_rubrique=1370

Agenda 21 Implementation: France committed to preparing 500 Agendas 21 Locaux by 2008, there are now around 327 in place. 2006 legislation set up a frame of reference for Agenda Locaux.

Current MEDAD Research: Current research being funded on 'dialogue, decision & environment' investigating the function of dialogue in politics of environment and sustainable development, analysing evolution on various themes: emerging practices, devices in dialogue & decisions, evolution of roles & relationship of actors, consideration of concerns & reactions of concerned public, rhetoric & principles used.

4 OBJECTIVES OF IMPROVED ENERGY GOVERNANCE IN FRANCE

A French organisation with ties across Europe dedicated to improving energy governance would facilitate emergence of a genuine European energy policy based on citizens' needs and aspirations. It would be respectful of natural constraints and able to sustain future generations. Following are the main objectives of improved energy governance, particularly with reference to establishing CUBEs.

4.1 INFORM USERS & RAISE AWARENESS

One of the key goals of this organisation, following Aarhus requirements, would be to pass timely and useful information to energy users. This would include information on sources of energy, tariff development and structure, demand forecasts, plans for meeting demand (in terms of timing and expected technology anticipated for increasing supply to meet anticipated increases in demand), and demand-side management (DSM) programmes. Users would also be made aware of their various rights and choices.

4.2 INFLUENCE DECISION MAKERS

Users must play a larger role in energy governance. This necessarily means participating in decision making at energy utilities or within government agencies (at the national, regional and local levels), concerning all aspects of energy decisions. The influence that users can exert must be carefully considered and well-informed, and so relies on the quality and comprehensive nature of information provided, thus the critical importance of the issues raised in Section 4.1. This influence will benefit users in terms of ensuring sustainable energy production and consumption, as well as the government authorities and electric utilities, who will be able to count on stakeholders that are invested in and feel ownership of decisions taken.

5.1 CUBE BOARD

- Unique small panel, mainly consisting of the initiators of the project, with the role of a BA.
- Periodic meetings to orient the strategy and discuss organizational and financial issues
- The first goal of the CUBE Board is to create a network of CUBEs (see above) that can act in an autonomous manner
- Responsible for actions on a national / european level (e.g. write a directive amendment proposal to the EU)

5.2 EXPECTED PARTNERS

Even if no organization currently addresses the whole scope of the CUBE goals and activities, several initiatives and groups promoting more energy governance and information do already exist and should be in any case taken into account and contacted for possible partnership while developing the CUBE Project, in order to facilitate the acceptance over the citizens and to avoid losing time and effort by "reinventing the wheel".

The cooperation with two types of organizations, Consumer Associations and NGOs, may especially facilitate the development of the CUBE Project. In France, the two main national consumer associations are UFC-Que Choisir (www.ufc-quechoisir.org) and CLCV (Confédération de la consommation, du logement et du cadre de vie, www.clcv.org). Additionally, regional organizations such as CCA (Chambre de Consommation d'Alsace, <http://www.cca.asso.fr>) may participate to projects with a strong focus on the promotion of citizens' interests such as the CUBE.

Some networks of NGOs specialized in the field of energy and climate change may be a good reference point for partners finding. Such networks have been developed at the international (INFORSE, www.inforse.dk), european (EUGENE, www.eugenestandard.org) and national (CLER, <http://www.cler.org>) scales.

5.3 ROLE OF THE CUBE

The role of the CUBE will be to provide independent information to energy users with the objective of giving users a legal voice that would validate their point of view on key energy questions. The CUBE can initiate research pertinent to the public interest. It permits each user to assess their energy footprint, and allow them to take better decisions that could better take into account all costs, including externalities, that are not reflected in the current price of energy.

5.4 *CREATION OF THE CUBE*

The CUBE should be officially created by a directive, a law or an amendment to an existing law, which would define the CUBE's constitution, to be applicable within the region in which the CUBE will operate. The local authority would take measures to ensure that concerned citizens are aware of the existence and role of the CUBE. The CUBE could be legally authorised by the relevant authority to attach to energy bills information, including information on election of CUBE members.

6.1 OVERVIEW

Following are the main steps to be taken concerning financing of improved energy governance, through the CUBEs:

- Develop a list of all current financial opportunities with the work to be done and the deadlines;
- Distribute this work to the members of the CUBE Board according to their respective skills and experience;
- Periodically, every member of the CUBE Board could become responsible for updating the list and for seeking new opportunities.

A similar approach could be followed for events and other opportunities in which we could inform about the CUBE, not necessarily looking for money.

The following sections summarise current funding opportunities that would be appropriate for supporting improved energy governance.

6.2 EUROPEAN FUNDING

6.2.1 *Intelligent Energy-Europe (IIE)*

Intelligent Energy-Europe (IIE)¹ is part of the European Union's Competitiveness and Innovation Framework Programme (CIP) and focus on key energy challenges such as the promotion of market opportunities for renewable energy, smart energy uses and EU policies on energy efficiency.

The current framework IIE 2 is a continuation of IIE 1 which lasted from 2003 to 2006. From 2007 to 2013, a call for proposal will now annually be published and funds will be allocated to selected projects up to 75% of the eligible costs. In 2008, 50 million Euros have been allocated and more than 400 projects have already been supported so far in various areas such as capacity building, education, exchanges of experience, policy input or awareness-raising in the fields of energy efficiency, renewable energy and energy governance.

Obviously, the CUBE Project perfectly fits in this programme, and its application will therefore be submitted at the next call for proposal. However, as was emphasized at the European Info Day 2008, applying for IIE funding is a competitive process and several specific criteria have to be fulfilled besides a solid application proposal by the participants, such as a partnership with at least three organizations from three different eligible countries and a funding period which does not exceed three years.

(1) ¹ http://ec.europa.eu/energy/intelligent/index_en.html

6.2.2 *Energy Research Programmes: Seventh Framework Programme (FP7)*

FP7¹ is the EU's main instrument for funding research in Europe and it will run from 2007-2013. FP7 is also designed to respond to Europe's employment needs, competitiveness and quality of life. Research on Energy and Transport is included in the specific programme on 'Co-operation', to which FP7 allocates 32.413 billion Euros, supporting co-operative research among universities, industry, research centres and public authorities throughout the EU and beyond.

Calls for proposals are regularly issued for a wide scope of collaborative or individual projects and a large variety of participants. Among the ten activities identified in the FP7 Cooperation for Energy Research, the three that may specifically apply to the CUBE Project are the following:

- Activity 7: Smart energy networks
- Activity 8: Energy efficiency and savings
- Activity 9: Knowledge for energy policy making

The calls for proposal currently open in this category, available on the website,² will therefore be regularly checked by the CUBE Financial Team.

6.2.3 *Other Programmes, Funds and Calls*

The CUBE project may be eligible to other specific European Funds such as the Thematic Programme on Environment and sustainable management of Natural Resources, including Energy (ENRTP),³ running from 2007 to 2013 and promoting external cooperation projects to achieve the Millennium Development Goals for energy and environment in the world and especially in developing countries. The support for civil society actors and for the governance on energy and natural resources are explicitly listed as 2009 priorities in this programme, to which it is annually possible to apply.

The aim of the *Europe For Citizens* programme, authorised for 2007-2013 and managed by the Education, Audiovisual and Culture Executive Agency (EACEA),⁴ is to bring Europe closer to its citizens and to enable them to participate fully in the European construction. While not specifically addressing energy issues, this programme proposes several actions that may fit to the CUBE goals. In particular, the CUBE Project may be eligible to Action 2 "Structural support for European public policy research organisations and for civil society organisations at European level".

(2) ¹ <http://www.managenergy.net/fp.html#fp7>

(3) ² <http://cordis.europa.eu/fp7/dc/index.cfm?fuseaction=UserSite.FP7CallsPage#Energy>

(4) ³ http://ec.europa.eu/europeaid/where/worldwide/environment/details_en.htm

(5) http://eacea.ec.europa.eu/citizenship/index_en.htm

The EU facilitates the search for funding through several websites that should be checked regularly.¹ This website presents all European funds currently available and provides a search engine which allows selective queries for projects calls and news according to specific criteria.²

ManagEnergy is an initiative of the European Commission Directorate-General for Energy and Transport, which aims to support the work of actors working on energy efficiency and renewable energies at the local and regional level. Information on training, workshops and online events, as well as case studies, good practice, European legislation and programmes is provided. A partner search system is also available with some 4000 organisations (including 380 energy agencies) to which the CUBE could eventually be added.

6.3 NATIONAL (FRENCH) FINANCING

6.3.1 Public Funding

The French Ministry for Environment, Energy, Sustainable Development and Land Use Planning (Ministère de l'Écologie, de l'Énergie, du Développement durable et de l'Aménagement du territoire, or MEEDAT)³ ...

ADEME, the French Agency for Environment and Energy Management (Agence De l'Environnement et de la Maîtrise de l'Energie),⁴ is a public agency created in 1990 and jointly supervised by the French Ministries in charge of Research, Ecology and Energy. It includes 26 Regional Delegations distributed all over France and develops partnerships and supports to actors of the private and public sectors, at the international, national or regional scales.

ADEME has two main lines of action: the development of new organisational, management and planning concepts and the participation in large-scale programmes, particularly in the fields of technology, training and communication. Its partners include major energy operators (Electricité de France, Morocco's National Electricity Office, TOTAL and various engineering and design offices), non-governmental organisations (Fondation Energies pour le Monde, the Nicolas Hulot foundation, the GERES and Migration Développement) and the United Nations Development Programme (UNDP). Its total 2006 budget reached 309 million Euros, with 117 million Euros devoted to projects for the fight against climate change and for a better energy management.

Within France, ADEME has developed since 2001 the network "InfoEnergie", composed of newly created or existing local organizations promoting the

(6) ¹ <http://www.welcomeurope.com/>

(7) ² <http://www.managenergy.net>

(8) ³ <http://www.developpement-durable.gouv.fr>

(9) ⁴ <http://www.ademe.fr>

protection of environment and energy efficiency among citizens. So far, 155 such "Espaces Info Energie" employing 350 public consultants are available to citizens, who can obtain documentation and free advice from independent experts on the energy solutions and prices.

Obviously, this network has similarities to what the CUBE Network is expected to become and represents already a significant advance towards more awareness-raising, consideration and information of citizens in the fields of energy. However, this approach remains basically top-down and does not consider the crucial need for a participatory governance which would allow citizens, not only to be aware of their energy rights and choices, but also to fully participate in their revision, improvement and implementation by being legally included in the local decision-making process.

6.3.2 *Private Funding*

Various sources of private funding may be possible, and should be evaluated. These would include private (business) partners, as well as collection of CUBE membership fees.

Following are the expected results of the proposed energy governance activities:

- Increased awareness of energy mix and energy choices & impacts by responsible parties;
- Change in consumer behaviour towards sustainable energy production and consumption;
- Awareness by stakeholders of tariff structure;
- Benchmarking; and
- Increased receptivity by utility decision makers of consumer preferences.

Details are provided in the following sections.

7.1 *ACHIEVE AWARENESS OF ENERGY MIX AND ENERGY CHOICES & IMPACTS BY RESPONSIBLE PARTIES*

As noted earlier, common sense (and the Aarhus Convention) support the need for improved awareness by energy users and other stakeholders with respect to energy production and consumption, for two primary reasons: 1) to indicate the needs and sensibilities of residential energy users in the present and in the future with respect to energy choices, as energy users are most aware than any other player of the nature of residential energy consumption as well as the impacts of energy production on their lives and environment, and 2) to ensure that the users are ‘onboard’ with decisions taken by government authorities and energy providers. The government and energy providers must send accurate messages to informed users concerning the costs and benefits of different energy mixes and generation and distribution technologies. The CUBE would play an important role in this process, as currently communication between government/energy providers and consumers is inadequate, largely due to different ‘cultures’ among these key players.

7.2 *CHANGE IN CONSUMER BEHAVIOUR TOWARDS SUSTAINABLE ENERGY PRODUCTION AND CONSUMPTION*

Informed users can make more sophisticated choices with respect to energy production and consumption. Users may choose to pay higher energy prices for more sustainable sources of energy, or insist on internalization of external costs of energy generation from fossil fuels or nuclear power, which would make more sustainable sources of energy more attractive. In general, although these actions often result in higher energy bills, informed consumers prefer the ‘green’ alternative to protect themselves and future generations from the negative impacts of unsustainable energy generation choices.

Furthermore, consumption patterns can change as well, as they have in the U.S. within the framework of DSM programmes, where some electric utility companies have played active roles in promoting energy conservation, often including the offer of free residential energy audits performed by qualified electric utility employees.

7.3

AWARENESS BY STAKEHOLDERS OF TARIFF STRUCTURE

In the U.S. most states require electric utility companies (whether public or private) to submit “rate cases” when changes in rates (tariffs) are proposed. Rate changes normally occur when 1) there are increases in operating costs for existing generating units or the transmission and distribution system, or 2) new power capacity must be added to meet demand.¹ The public therefore has access to existing tariff structure and proposed changes, although many users do not access that information, unless a CUB is operating in their utility district.

Public participation is not normally a part of tariff decisions in Europe, nor are tariff structures generally released to the public, or not in a way that promotes understanding by the public of how the structure works. Sound energy governance requires the public to be generally aware of tariffs, especially if equity issues are involved, or the need to send signals to users encouraging sustainable energy choices is in question.

7.4

BENCHMARKING

According to the Canadian Industry Program for Energy Conservation (CIPEC), which has developed a benchmarking and best practices program for Canada's industrial sectors, “Energy benchmarking involves the development of quantitative and qualitative indicators through the collection and analysis of energy-related data and energy management practices.” In Europe, efforts have also started to do some types of emissions benchmarking and implement voluntary agreements between governments and large corporations or industry groups to reduce air emissions (often by increasing energy efficiency).² In the Czech Republic test labels of energy performance are being applied to apartment buildings. There are many tools used to estimate expected energy performance of buildings based on engineering models, some with correction against actual measured usage.³ However, it is beyond the scope of this paper to attempt to describe the variety of such available tools. Residential buildings account for over half of all buildings energy use in the United States.

(10) ¹ Electric utility companies would rather have users pay for increased capacity than place this burden on stockholders.

² *Benchmarking Residential Energy Use*, Michael MacDonald and Sherry Livengood, Oak Ridge National Laboratory.

³ For example *DOE-2, Home Energy Rating Software*.

Energy utility decision makers have only recently begun to understand the value of having users 'invested' in the process of energy production, transmission and distribution. Pressure is being brought to increasing degrees on all companies, whether in manufacturing or energy production, to conduct more sustainable operations, by civil society, bankers, the insurance industry, etc. Improved energy governance through establishment of CUBEs will provide critical help to decision makers at energy utilities in navigating through this process.

8 *ACTIVITIES*

8.1 *IN-DEPTH ANALYSIS*

The legal/institutional framework for energy production, transmission and distribution (comprising both technical, financial issues and energy governance issues) and energy market in the EU and in France will be assessed in detail. Conclusions will be reached regarding the points of intervention of the CUBE in decisions related to energy mix and energy choices.

8.2 *IDENTIFY STAKEHOLDERS*

We will identify all stakeholders relevant to energy production, transmission, distribution and residential consumption in France. Any public interest groups involved in this or related areas will be identified. Energy providers and concerned government agencies (at the national, regional and local levels) would be identified.

8.3 *HOLD DISCUSSIONS WITH STAKEHOLDERS AT THE NATIONAL LEVEL*

We propose a workshop at the national level with key stakeholders discuss the issue of improved energy governance, and draw conclusions concerning the most urgent needs. A plan for the CUBE will be developed.

8.4 *DEVELOP CUBE ORGANISATION PLAN*

We expect that ideally, one national CUBE office with three or four regional offices would be ideal. Subsequent to the national-level workshop, a detailed plan will be developed.

8.5 *IMPLEMENT ORGANISATION PLAN*

After approval by involved parties of the CUBE organisation plan, the CUBE organisation will be implemented.

8.6 *ESTABLISH TECHNICAL ADVISORY COMMITTEE*

From the start of this project, a Technical Advisory Committee will be established. This committee will oversee project activities, and provide advice to the project team (and eventually to the CUBE) concerning:

- Sustainable energy production and consumption
- Tariff structures
- Communication with users
- Negotiating with government agencies and energy utilities

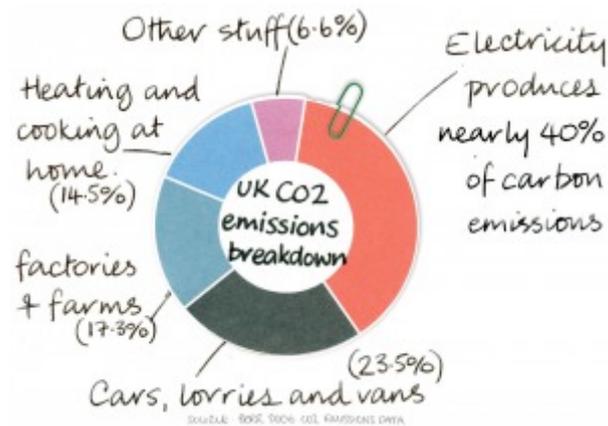
ANNEX

ABOUT GOOD ENERGY

Who we are, what we do, and why we do it ...

We are an independent renewable energy company based in Wiltshire.

We have strong ethical values and are fighting hard in a dirty market full of big dinosaurs.



We were started by a

group of people who are committed to addressing climate change.

Which is largely driven by CO2 emissions.

Burning fossil fuels to generate ELECTRICITY is the biggest contributor to CO2 emissions (see the chart...)

Electricity supply seemed a good place to start.

So we started a renewable electricity supply business and took it from there. That was nine years ago.

Renewable energy

OUR MISSION is to fight climate change by **EMPOWERING INDIVIDUALS** to make a difference, easily and instantly, by giving them practical ways to make positive changes in their attitude towards energy, and the way they use it:

1. switching to pure 100% renewable electricity
2. improving their energy efficiency
3. generating their own **renewable energy**, and
4. playing a part in the campaign for renewable energy in the UK

Ethical values

Good Energy's commitment to its ethical values as well as to promoting and developing renewable energy in the UK has been independently accredited by the Ethical Company Organisation over the past three years. We have once again

been awarded Ethical Company Status for 2009, scoring the maximum 100 points.

"Good Energy performs exceptionally well within the research ... It is companies like yours that are setting a positive example to the rest of your sector." –

Ethical Company Organisation

The table below shows how different energy companies scored.

RENEWABLE ENERGY SUPPLIERS – ethical comparison table

RENEWABLE ENERGY SUPPLIERS BRAND NAME	ENVIRONMENT										ANIMALS										PEOPLE										OTHER										Company group		
	ENVIRONMENTAL REPORT	ENERGY MIX	NUCLEAR POWER	POLLUTION	ANIMAL WELFARE	ARMAMENTS	POLITICAL DONATIONS	BOYCOTT	OTHER CRITICISMS	ETHICAL ACCREDITATION	ETHICAL COMPANY INDEX	ENVIRONMENTAL REPORT	ENERGY MIX	NUCLEAR POWER	POLLUTION	ANIMAL WELFARE	ARMAMENTS	POLITICAL DONATIONS	BOYCOTT	OTHER CRITICISMS	ETHICAL ACCREDITATION	ETHICAL COMPANY INDEX	ENVIRONMENTAL REPORT	ENERGY MIX	NUCLEAR POWER	POLLUTION	ANIMAL WELFARE	ARMAMENTS	POLITICAL DONATIONS	BOYCOTT	OTHER CRITICISMS	ETHICAL ACCREDITATION	ETHICAL COMPANY INDEX	ENVIRONMENTAL REPORT	ENERGY MIX	NUCLEAR POWER	POLLUTION	ANIMAL WELFARE	ARMAMENTS	POLITICAL DONATIONS		BOYCOTT	OTHER CRITICISMS
100% RENEWABLE ELECTRICITY	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	100	Good Energy Group		
DEEP GREEN ENERGY	●	○	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	95	Green Energy UK			
ECO ENERGY	○	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	79	NIE (Viridian Group /Arcapita)			
GO GREEN	●	○	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	47	E.ON			
GREEN ENERGY H2O	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	47	ScottishPower			
GREEN TARIFF	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	47	EDF			
JUICE	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	53	Npower (RWE)			
NEW ENERGY PLUS	●	○	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	89	Ecotricity Group			
RSPB ENERGY	●	○	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	68	Southern Electric (Scottish and Southern Energy)			

Key
 ● Top rating
 ○ Middle rating
 ● Bottom rating

Source: www.ethical-company-organisation.org – 2009