

COOPERATIVES IN ENERGY ENTREPRENEURSHIP

Cooperatives

- Business organizations operated by individuals for their mutual benefit
- Based on voluntary; members pay for a contribution and each member have to own at least one contribution (profit is shared in the relation to contributions)
- The purpose is to satisfy the members economical, social and cultural needs and goals
- Members are using facilities that cooperative offers
- Cooperative needs at least three members

Energy cooperatives in Finland

- Based on wood industry and other biomasses, like manure and bio waste
- Mostly small or medium size companies, focused on certain area
- Owned mostly by forest owners and farmers
- Cooperative brings additional incomes for its members (rarely full time jobs)
- Members can use their professional skills and knowledge in cooperative actions and get benefits from it: e.g. forest machine contractor can work for cooperative to make more profit or get discounts for cooperative contributions
- Municipalities are the principal customers for energy cooperatives
- Locality is one of the main issues; objective is to keep the cooperative benefits in the home region – it is a good way to improve local economy

Targets and benefits of cooperatives in energy entrepreneurship

- Support and increase the use of renewable energy
- Keep energy prices reasonable
- Local energy self-sufficiency

In Finland there are a lot of potential in forests thinking about renewable energy possibilities. Forestry land covers 86 % of the total land area and private forest owners possess more than 70 % of the growing stock and 52 % of the forestry land. Altogether there are over 440 000 forest holdings in Finland. An average forest holding possesses 24 hectares of forestry land.

Farms are one important target group thinking about cooperation activities in Finland. Average farm size is getting bigger all the time and the energy costs are increasing as well. One of the main problems in forming a cooperative is that farms are used to work individually and they are situated too far away from each other to find partners. On the other hand, agriculture in Finland is tending to focus mostly on certain limited areas, so there are possibilities for effective energy cooperation.

Cooperatives are relatively more common in Finland than in the rest of the world, but there are still many possibilities to increase cooperation activities in energy entrepreneurship also in Finland. The Finnish Centre for Economic Development, Transport and Environment allocates grants for investment and development projects that promote energy savings, energy efficiency and renewable energy sources. The potential to transfer this business model to other countries in the Northern Europe is huge.

There are several good examples about energy cooperatives in Finland:

- <http://www.enonenergia.fi/node/6>
- <http://www.afbnet.vtt.fi/perho-engl-2.pdf>
- <http://www.jns.fi/energiaosuuskunnat/index.html> (Energy cooperatives in North Karelia, Finland)