Multilevel Governance of the Energy Transition

The Challenges of Implementing Innovations from the Bottom Up

Prof.dr. Martijn Groenleer
Professor of Regional Law and Governance
Director of the Tilburg Center for Regional Law and Governance (TiREG)
www.tilburguniversity.edu/tireg
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European agreements, national implementation

• EU’s climate change and energy goals:
  • security, competitiveness and sustainability

• Sustainability goals require fundamental change in governance of energy system:
  • from centralized system to decentral coordination

• EU level action alone insufficient, national level action required

• NL is lagging behind in realizing change; will have to step up efforts

• National Energy Agreement, NEA (2013), concluded by key government, business, society actors
(Intra-country) regional and local initiatives

- In several Dutch regions, initiatives to implement and elaborate NEA, including Brabant Energy Agreement, BEA (2015)

- Region combines ‘economies of scale’, with ‘economies of place’, e.g.:
  - Practical proximity (allowing clustering)
  - Compound interdependencies (enabling networking)
  - Mutual trust (as pre-condition for collaboration)

- Region as arena in which various actors come together to do the ‘actual work’ of realizing EU’s climate change and energy goals

- ‘Energetic society’:
  - From consumer to combination of consumer and producer (prosumer)
  - Increase in local energy cooperatives
Problem and question

• Easier said than done…

• On paper: BEA takes into account interests of and offers benefits for all parties concerned; change appears to be possible

• In practice: parties hesitate, sometimes even backtrack; delays develop, impasse

• How can BEA implementation process be understood? What can be learned from governance for other cases?
Approach

• Action research BEA (*ongoing*)
  • Document analysis
  • Interviewing
  • Workshop with concerned parties

• Comparison with other regional energy initiatives (*planned*)
  • Nationally
  • Internationally (e.g. in Germany)
Energy transition in Brabant

Figuur 1. Energiegebruik naar eindgebruikers in Noord-Brabant (2011)

Figuur 3. Bijdragen van de verschillende energieconsumenten aan het percentage duurzame energie (finale energiegebruik Noord-Brabant van 312 PJ, huidige en prognose tot 2020. (Het industrie deel omvat ook de energieproductiesector)
Brabant Energy Agreement

• Bottom-up initiative, at least partly triggered by shale gas discussion

• Largely follows NEA, but with regional twist

• In particular, parties have agreed to:
  • make 40,000 houses climate neutral (by 2020)
  • increase energy produced through solar panels with 10% (by 2020)

• Importantly, energy transition connected with regional economic growth and development
  • investments in technological innovation to result in over 5000 jobs in Brabant (by 2020)
Social innovation

• What is more, implementation of BEA as ‘living lab for innovation’, technologically, but also socially

• Experimentation with, learning from local and regional solutions, to be scaled up to national and European level

• Building on ‘culture of cooperation’, but novel forms of collaboration, coordination between government, business, society actors required:
  • New roles
  • New responsibilities
  • New relationships
Impediments for implementation

• Vested (business) interests in current situation

• Uncertainty about effects of BEA implementation, also due to inconsistent, incoherent (government) regulation

• Different perceptions of gain

• Short time horizons

• Lack of commitment beyond front-runners

• Broadly shared sense of urgency beyond local energy cooperatives?

• As a result: parties adopt wait-and-see attitude
Impediments (continued)

• Even if parties willing to engage or to invest, often no incentive to do so in coordination

• Actions undertaken, but hardly any integration

• As a result, opportunities missed to connect technological and social innovation

• Limitations of bottom-up change; role for top-down interventions?
Possibilities for regional governance: actors

- Government, at regional, local level: facilitate process, if necessary, smart hierarchical interventions to maintain progress (legal, financial)

- Local energy cooperatives: professionalization, while remaining close to citizen, collaboration among small cooperatives, and with system operator

- Business (basic industry, agro, innovative companies): collaborate with local energy cooperatives, in view of complementary value proposition, create synergies, also with government as launching customer, but intermediary required

- System operator: participation in experimentation, connecting local initiatives, coordinating demand and supply
Possibilities for regional governance: system

- System perspective, process approach, actor network

- Implementation agenda, and structure to ensure implementation of agreement

- Flexible legal framework, financing schemes for early phases of experimentation

- Linking issues (e.g. asbestos removal and solar panel installation)

- Local, regional, demand-driven, based on business cases of collaborating partners
Preliminary conclusions

• Combine liberalization of energy market at EU level with greening thereof at regional, local level

• Region, in its variable sizes and shapes, could serve as space for collaborative governance, especially around certain energy functions (e.g. regional, local heating)

• Potential for experimentation, learning, innovation, in order to kick start or accelerate change, and make progress in tackling problems

• Requires monitoring, evaluation of experimentation
Questions

• What would be the appropriate structure or arrangement of governance for the energy transition?

• What role for regional governance in the liberalized, and increasingly European energy market?
Propositions

• Regions could very well be the rescue of the EU: where member states fail to deliver, and local governments lack clout, the region is particularly well suited to effectively and legitimately address energy and climate problems.

• To bring about real change in the energy market, and at the same time realize climate goals, smart hybrids of hierarchy, market and network modes of governance need to be developed.
In response to transformative challenges, novel interactions emerge across multiple levels of governance: local, regional, national, European, and global. What sorts of new and emerging interactions emerge, and what are their effects? How can these new and emerging interactions be legitimated? TiREG aims to understand and shape these transformations and innovations in regional law and governance.

Through research, education, and valorization, locally embedded, internationally oriented research is conducted. Interactive and inspiring education is also provided. Continuous and collaborative forms of knowledge utilization and dissemination are encouraged, such as teaching cases, master thesis labs, online teaching materials, and action research.

Examples of ongoing and planned research include monitoring the effects of networked governance for regional innovation, the hybrity of city-regional governance, and the decentralization in social care services and data-based governance. TiREG is a joint initiative of Tilburg University, Public administration and legal scholars, as well as economists and others, by and with whom.