

Watt's Happening?

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Co-operatives: *part of the solution*

There is a business model that beats the multinational globalized corporate model all to heck.

That model is almost the exact opposite of the corporate one, because it is built on local ownership, where every shareholder has an equal democratic vote.

It's a model that returns profits to local communities instead of sending them off to head offices in other provinces or countries. It's a model that puts community and people ahead of profits.

We're talking about, of course, the co-operative/credit union model, and around the world it is a thriving and growing movement.

The last financial crisis, in which massive taxpayer funded bailouts were needed to keep the sinking corporate ship afloat, proved beyond doubt that the co-operative model was more robust, and a better investment.

How big is the co-op movement? The global numbers are impressive: 2.6 million co-operatives worldwide with over one billion members, employing 250 million people, and within the G20 nations, accounting for 12 percent of all jobs, with annual revenues of US \$3 trillion.

It even works for health care. Around the world, 81 million people are served by co-operative-owned health care facilities, including medical centers, clinics and hospitals. In Spain, a co-operative runs all the



Like many renewable energy projects around the world, Bear Mountain Wind Park near Dawson Creek was started by a group of like-minded local people who got together and created an energy co-op, in this case Peace Energy Renewable Energy Co-operative.

public hospitals, and 110,000 Brazilian physicians belong to a co-operative network.

ENERGY CO-OPS

Financial co-operatives clearly demonstrated their resilience during the recent financial crisis, and they have demonstrated their usefulness in other areas of global significance as well. Like energy.

Energy coops are new to Canada, (Toronto Renewable Energy Co-op, or TREC, was Canada's first, and Dawson Creek's Peace Energy Co-operative was the first in western Canada) but elsewhere they

have been long-standing and successful energy players.

Renewable energy lends itself to distributed local ownership, because renewable energy itself tends to be distributed. The old-fashioned conventional energy sources tend to rely on massive, centralized generating facilities from which electricity is then sent to the masses, while renewables (with some exceptions like mega hydro dams) tend to be distributed over wide areas: the sun shines on my roof and the wind blows across my farmland as well as yours.

SUCCESS IN EUROPE

Germany provides a good case study on how co-operatives can provide a rapid rise in the growth of distributed renewable energy. Germany was one of the first to provide incentives for distributed clean energy through a feed-in tariff (a guarantee that utilities will buy the renewable power from anyone who wants to generate it at a premium rate over the long term). This encourages non-corporate players to become renewable energy providers, including home and small business owners, farmers, municipalities and, yes, co-ops.

Today, roughly half of Germany's renewable energy facilities are in the hands of farmers, citizen groups, and almost nine hundred co-operatives. The profits from these are distributed to local owners and their communities. There are now 1.4 million photovoltaic installations and 25,000 wind turbines owned locally in Germany, creating over 400,000 jobs.

Like Germany, so Denmark. By providing a level playing field for small renewable producers and a long-term national energy plan focused on clean energy, Denmark now provides 40 percent (aiming for 100 percent) of its electricity from renewables (mostly wind), 85 percent owned by small players like farmers and co-ops.

Once derided as the impractical fantasy of small-is-beautiful dreamers, distributed energy generation and local ownership through energy co-operatives has proven to deliver, big time. And not just on local or regional scales, but on the largest scales possible, in the most advanced and highly developed postindustrial nations in the world.

DISTRIBUTING WEALTH

Co-ops not only decentralize energy production but also political power and, of course, wealth. Finding a method of distributing wealth instead of collecting it in the hands of the top one percent is proving to be one of the most critical and difficult problems of our troubled times. Co-ops and credit unions are helping, part of that solution too.

If the corporate, non-local globalized business model is showing signs of wear and tear, if not outright collapse and failure, it's reassuring to know that there's a better model quietly growing, putting people before profits, waiting in the wings.

And it's just down the street at your local credit union or co-op.

Quick Fact:

WIND POWER BENEFITING LOCAL CANADIANS: 37 new wind energy projects were built in Canada last year, representing over \$3.5 billion in investment. More than 100 rural communities benefited through land lease income, tax payments and community benefit agreements. 15 of these projects included significant ownership stakes for First Nations, municipalities and local farmers. The average cost of wind energy from these projects was just 6.3 cents / kWh, making wind energy in Canada competitive with nuclear, hydroelectric and coal-fired power.