

Schleswig-Holstein

Germany's True North

Citizens' Energy Fund

Background information

Citizen energy means that citizens themselves become actors in the energy transition by investing their own money in renewable energy projects in rural areas

- Citizen energy has a long tradition in Schleswig-Holstein and makes a significant contribution to the energy transition in Schleswig-Holstein
- There are numerous successful projects in the areas of electricity, heat and mobility, such as open-space photovoltaic systems or community wind farms
- This civil society contribution to the energy transition is in Schleswig-Holstein supported by the **Citizens' Energy Fund**

History

- In 2016 the federal government started to change the EEG (Erneuerbare-Energien-Gesetz – renewable energy law)
 - In this context, the previous established financial support was changed
 - With the new EEG tender system Schleswig-Holstein had a strong interest to support citizens energy projects
- Furthermore, the coalition agreement 2022-2027 stipulated that the citizens energy should be further strengthened and existing instruments should be expanded
- The Citizens' Energy Fund itself was launched in 2018 with a financial support of 5 million euros
 - It is a revolving fund which offers the citizens the opportunity to receive up to 200.000 euros from Land Schleswig Holstein in the planning and start-up phase, in which there is no funding commitment for their projects
 - After receiving the final funding commitment, the recipients pay the money back – only in those cases, in which the projects are canceled, the recipients don't have to pay the money back

Facts and figures

- Since the Citizens' Energy fund was launched, 55 applications have been submitted:

48 of these were approved,

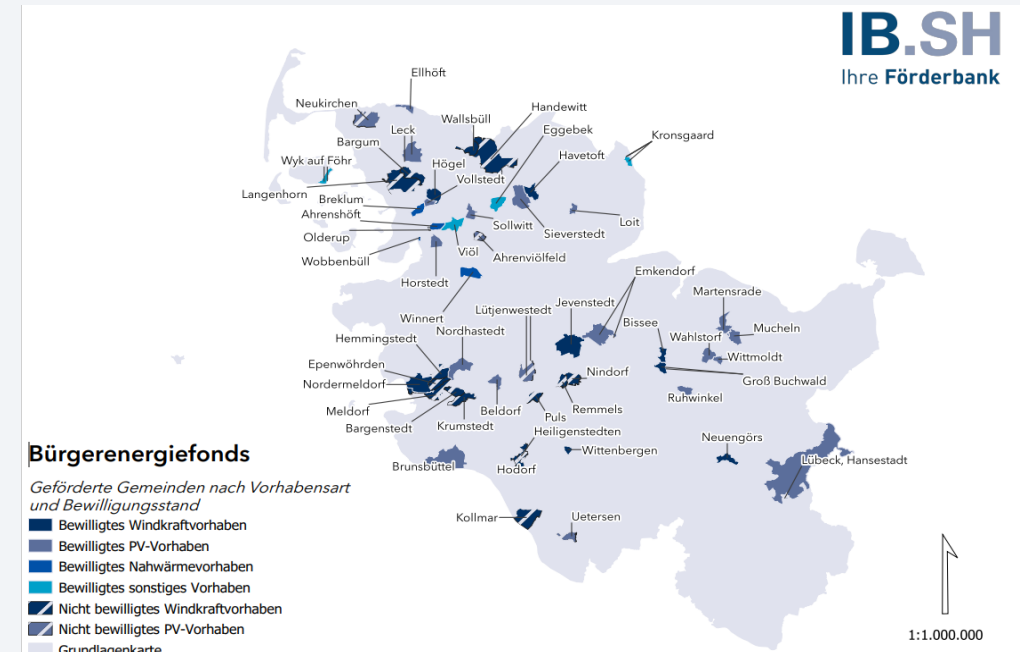
3 were withdrawn,

2 projects were canceled and

2 are currently still being examined

- A total of 9,4 million euros was approved

- This underlines the great interest in the Citizens' Energy fund, but currently less than 10 projects have paid back the funding so far



Facts and figures

- Possible reasons why so little funding has been paid back so far:
 - The planning and implementation processes for renewable energy projects sometimes take a very long time
 - The recipients do not have to pay interest for a period of two years after it has been paid out in full granted. Due to positive interest rate developments in recent years, it can be assumed, that it has become attractive to wait a long time for the full payment. The longer they wait, the longer they can hold the money without paying interest on it and maybe invest the money themselves at a good interest rate
- Therefore, an additional 5 million euros were made available in the budget 2024 of the state of Schleswig-Holstein
- This is important in order to take greater account of the idea of a revolving fund in the future

Lessons learned

- Because the repayment currently takes a lot of time and many applications therefore have to wait longer for their approval, the repayment modalities are being tightened for the future by shortening the interest-free period
- In the future, alternative funding options will be examined more closely. Practice shows that many applicants for example have land that could be lend
- The aim is to prevent only land owners from joining forces who, without exception, have an economic interest in the project themselves, without participating in an appropriate share of the citizens' energy fund