

## Shifting governance roles to reach long-term energy transition goals

*Andreas Ligtoet, Jasper van Dijk, Chiel Scholten, Technopolis Group, the Netherlands  
(andreas.ligtoet@technopolis-group.com)*

### EXTENDED ABSTRACT

The complexity of the energy transition calls for tackling challenges of building and coordinating, innovating and experimenting, at the lowest possible organisational scale. The information needed to make relevant (investment) decisions requires detailed knowledge of local supply and demand, idiosyncrasies and specificities. Furthermore, the personal efforts to establish tailored solutions also call for local involvement and interest; as text books on innovation indicate, mental and/or physical distance significantly lowers the uptake of innovations. Therefore, it makes sense that for governmental involvement in the energy transition municipalities should be the appointed level of government at which initiatives are initiated and supported.

Based on evaluation and strategic assignments at the local and provincial level in the Netherlands, we underline the logic of looking for the lowest possible scale, but point to the fact that that lowest possible scale sometimes goes beyond municipal boundaries, e.g. where high-capacity interconnections are involved. There are factors that hinder an effective approach to transforming our energy system. Until recently, the level of awareness and personal capacity at municipal level – even fairly large ones in the Dutch context – was disappointing and pointed to a lack of sense of urgency that most energy professionals would be surprised at (we certainly were). Secondly, institutional arrangements for tackling challenges are designed to fill the gap between local insight and provincial oversight. While energy regions seem a logical solution to balance the interests of local parties while providing a link to provincial and national plans, the open-ended nature of the energy regions lacks decisive and proactive decision making.

### Methodology

This contribution draws upon observations in a range of assignments for Dutch local and regional governments. Most notable are a mid-term evaluation of the European Regional Development Fund for promoting a low-carbon economy in the south of the Netherlands (involving desk study, review of projects, interviews, provincial workshops) as well as an in-depth study into the orchestrating capacity of energy regions (involving desk study, interviews, and two case studies).

### ERDF Operational Programme South-Netherlands

The Operational Programme South Netherlands (OPZuid) is a European Regional Development Fund (ERDF) programme aimed at the southern provinces of the Netherlands (Limburg, Noord-Brabant, Zeeland). OPZuid aims to stimulate economic and social cohesion by subsidising projects that increase the competitiveness of the regions and create jobs. One of the priority programmes in the period 2014-2020 (4F) focused on the low-carbon economy and specifically targeted municipalities as organisational nexus of the projects.

However, the programme reached municipalities only to a very limited extent. This was not due to a lack of familiarity as municipalities themselves indicated their ambition to play a role in the programme before it started. Various municipalities (and not only small ones) indicated during this evaluation that they had overestimated their capacities. In practice, it turned out that they did not always have sufficient insight into the

changes required in the built environment in recent years and did not have enough expertise and capacity to draw up projects. Municipalities did have ambitions in the area of energy and energy savings, but were insufficiently equipped for the organisational task that the energy transition demands.

In addition, tensions between municipal and commercial interests were a factor of concern. Municipalities serve the public interest (within their municipality) and were less interested in the programme’s requirement of a business case (often in the form of a revenue model). A *social* business case, i.e. one in which the social costs and benefits are included, was not asked for in the programme. The fact that municipalities are not directly interested in a (commercial) roll-out outside their municipal boundaries may explain the lack of cooperation in disseminating the results of the projects.

## Dutch energy regions and their governance

Apart from the local intricacies, there seems to be an inherent tension between old, hierarchical arrangements (type I) and new, networked governance (type II). In the Netherlands, the second form is represented by task-oriented energy regions that should facilitate the energy transition. However, a number of barriers are present:

- The mandate for decision making does not lie with the energy region but with each of the participating municipalities. Consequently, reaching consensus within the energy region has proved to be difficult as municipalities have different priorities. Municipal representatives are generally bound by their municipal priorities and their coalition agreement which often does not align with the regional interests.
- A significant amount of time is needed to keep up the knowledge level of municipal council members as their knowledge about the energy transition is often limited. Lack of time and expertise can result in information asymmetry between members of the democratic governance bodies on the one hand and policymakers that participate in the regional steering group of the RES on the other hand.
- The representatives that participate in the RES are primarily accountable to their councils, while accountability among peers in the RES arena is relatively weak. Consequently, an effective mechanism of decision making is lacking and decisions on the ‘hard’ choices are postponed.
- In one of the energy regions we studied, the province found itself juggling between two roles; on the one hand taking a flexible and facilitating role, while on the other hand maintaining restrictive and controlling spatial policy. This stance reduced the flexibility of the region and hampered regional collaboration.

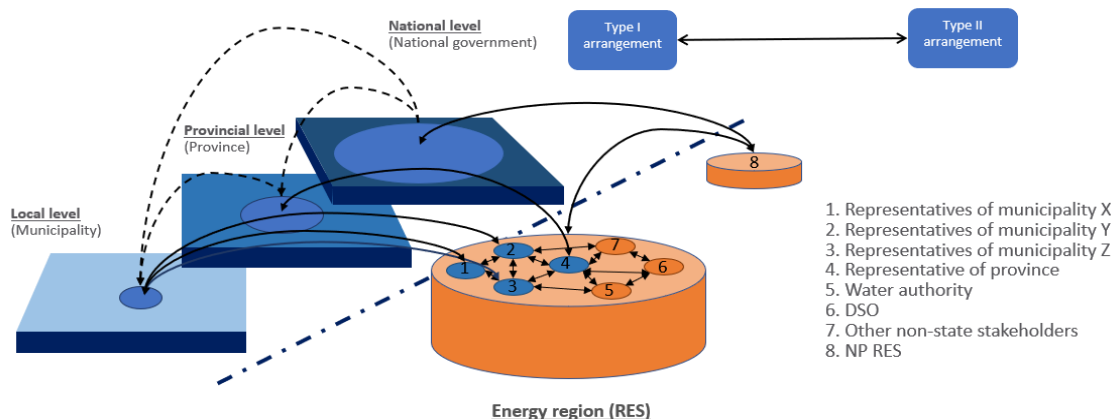


Figure 1. Energy regions are a novel, task-oriented institutional arrangement that combine stakeholders from different government levels as well as other non-state stakeholders. (Source: J.G.W. van Dijk, Governing our way towards 100% renewable energy: how governance dynamics influence a region’s capacity to bring about transformative change of the Dutch energy system, Technical University of Eindhoven, 2000)