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RECLAIMING ENERGY

Public pathways to break the fossil fuel cycle

THE RECLAIMING ENERGY REPORT, the third in TNI's Public Power trilogy, aims to unpack key strategies to strengthen energy democracy struggles the world over.

With the climate crisis escalating, labour and environmental justice groups are searching for systemic solutions. These solutions must uproot the logic of private profit, which is keeping energy systems from phasing out fossil fuels and ramping up renewables. Public ownership of energy can be exactly this: an urgent, viable and bold alternative to the failures of profit-driven markets and multinationals.

By employing a decolonial lens, we call for deprivatising and decommodifying public power systems as a condition for shaping pathways towards democratic governance and public–community partnerships across scale and territories. This means approaching the right to clean energy as inseparable from the right to land and resource justice.

Far from a silver bullet, defending and expanding energy as a global public good requires ongoing social struggles towards a sustainable energy sector that is deeply democratic and decolonial by design.

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The Transnational Institute (TNI) is an international research and advocacy institute committed to building a just, democratic and sustainable planet. For 50 years, TNI has served as a unique nexus between social movements, engaged scholars and policy-makers. And for two decades, TNI has been working on public alternatives with a focus on public ownership of energy. The project towards establishing an international Public Power Observatory is embedded in this accumulated knowledge and expertise. **https://www.tni.org/en**

RECLAIMING ENERGY
PUBLIC PATHWAYS TO BREAK THE FOSSIL FUEL CYCLE

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INTRODUCTION

No matter what your income is, where you are born or what you look like, everyone deserves clean energy and a liveable future. Unfortunately, the reality today is a long way from this — but it does not have to be.

How can we change tracks and break the destructive cycle of fossil fuel dependency? By daring to centre climate action and energy transition policy around creating the public pathways that can transform our energy systems. This means building popular power through *public ownership, deepening democracy and decolonial justice* — as the many struggles throughout this report evidence.

The question of who profits, who is in charge and who takes real decision-making power will make or break the possibility of a just transition. By putting communities instead of corporations in control, we can finally follow through on phasing out fossil fuels and phasing in renewables.

Decarbonisation is far from a done deal, with fossil fuel use breaking record after record, year after year.[1] At the same time, in 2023, renewables met 30 per cent of global electricity demand for the first time.[2] How can both be true? The increase in solar and wind is real but as energy demand continues to surge, fossil fuels are also growing — albeit a bit less quickly than before.

The economic logic behind expanding energy consumption is simple: for investors and shareholders, more energy sales means more returns.[3] And the consequences are undeniable. **The more energy that is used, the longer decarbonisation takes, and the more land and resources that are needed to switch to renewables.** The profit motive is not spurring but slowing down the energy transition — meanwhile, the ideal of affordable clean energy for all is way out of sight.

To curb emissions and avoid the worst of climate change, we need to replace profiteering with participation and achieve a people's take-over of energy systems. In other words, the public must acquire the decision-making power required to put the transition on track. More specifically, with the electricity sector being the biggest emitter of greenhouse gases and having the most potential to switch society to low-carbon alternatives, this report focuses on how to build electricity sectors that are truly public. This means that we, as part of social movements, need to move with, against and beyond the state — simultaneously.

1 Ambrose, J. (2024) 'Fossil fuel use reaches global record despite clean energy growth', *The Guardian,* 20 June. Available at: `https://www.theguardian.com/environment/article/2024/jun/20/fossil-fuel-use-reaches-global-record-despite-clean-energy-growth` (Accessed: 28 October 2024).

2 Mathis, W. (2024) 'Renewable sources provided record 30% of electricity last year', Bloomberg, 7 May. Available at: `https://www.bloomberg.com/news/articles/2024-05-07/renewable-sources-provided-record-30-of-electricity-last-year` (Accessed: 28 October 2024).

3 This is not to deny that the climate crisis itself is also resulting in growing demand for energy. But that policies that impel profiteering are unnecessarily pushing up production and consumption of energy.

Many public officials may have forgotten that instead of expecting private firms to usher in a transition, the public sector is much better positioned to shape the pathway towards zero-carbon futures. **The proof is in the pudding with nine out of the top ten countries leading the transition to renewables having a publicly owned renewable energy company that drives the process.**[4] **We need to remind governments on every level that public ownership of energy is likely the most powerful tool at their disposal to fight off climate chaos and design a just energy transition.**

Moving 'with' the state, by supporting governments to develop a publicly owned transition, must go hand in hand with acting 'against' the state wherever a public policy or enterprise discards social and environmental concerns. This is crucial, especially as renewable energy is increasingly associated with land grabs, human rights violations and the destruction of communities.[5]

Then, to go 'beyond' the state, we have to hold public authorities accountable by increasing the avenues for more direct democracy. This way, the public can constantly scrutinise and improve energy transition policy. This involves pressuring elected officials, policy-makers and civil servants to stop giving in and selling out to for-profit firms. **Instead, to turn public ownership into energy democracy, public bodies must start sharing power and resources with communities.**

Energy users, workers and communities that are affected by the closure of fossil fuels plants or the roll-out of renewable infrastructure will need to inform the governance of energy transition policy.

This report takes you on a journey to demonstrate why we need a people's energy take-over and what that might look like.

Part 1 dissects how a myriad of policy developments for the benefit of private investors and multinationals have led to global and colonial energy expansion, keeping the energy system of many countries from transitioning. State-owned utilities, which have been the brains and backbone for providing affordable electricity, have been hollowed out. Governments tie their own hands by acting through for-profit markets, using public funds to generate profits for private investors rather than developing renewable energy themselves to prioritise the public good. The result: decarbonisation is left to the whims of the market.

Nationalisation can reduce market volatility and take on the fossil fuel lobby, which continues to fight pro-climate regulation. Drawing from just transition struggles in Tunisia and South Africa, we go on to explore how **the transformation of fossil fuel companies, together with the restoration of accountable**

4 We Own It (2022) 'Guess which of the top 10 green energy countries DOESN'T use public ownership?', Available at: https://weownit.org.uk/blog/guess-which-top-10-green-energy-countries-doesnt-use-public-ownership (Accessed: 28 October 2024).

5 Chatterjee, P. et al. (2023) *'Green' Multinationals Exposed.* TNI. Available at: https://www.tni.org/en/publication/green-multinationals-exposed (Accessed: 28 October 2024).

public utilities, are key to planning, funding and delivering a managed decline of fossil fuels — in conjunction with a ramping up of renewables.[6]

Part 2 raises the question of what kind of public ownership we are fighting for. Here, we look into resetting the public mandate and mission of state-owned utilities to build the case for better public ownership. This hinges on democratic control as the most important condition for decarbonisation — an argument informed by a case study of the UK. This part of the report also discusses how **progressive energy tariffs may help cut unnecessary consumption, protect social use and factor in people's needs and ability to pay — to move from treating energy as a commodity towards ensuring it as a human right and common good.**

We will also look at how, in a variety of countries, municipalities have been reversing privatisations in the energy sector and building partnerships with communities in order to supply their residents with affordable clean energy. Following the examination of Costa Rica's publicly owned power sector, we unpack how public-community collaborations can help co-produce the energy transition.

Part 3 outlines the contours of a decolonial energy agenda by first spelling out how **fossil fuels have been premised on colonialism, with the struggle for a free Palestine as the most urgent case in point.** We will discuss organising strategies by trade unions, frontline communities and civil society coalitions converging around a just transition and energy democracy.

After this, we hone in on the transition efforts by Indigenous, peasant and other rural communities — and the need for a radical practice of Free, Prior and Informed Consent, a specific UN right fought for by Indigenous peoples. **A public transition must stand up against colonial power structures, which are currently being cemented in the name of a 'green' transition.** But as the transition struggle in Mexico shows, there are no shortcuts to building a country-wide public energy system in defence of Indigenous people's rights. With renewables taking up massive amounts of land and natural resources, it is crucial that a people's take-over supports equitable and fair land solutions led by and with those affected.

Finally, Part 4 will reckon with extractive private finance policies, as articulated in the growing number of so-called 'Just Energy Transition Partnerships' (JETPs). To reverse the private sector dependency that is eroding an effective and well-resourced public energy model, public–public partnerships (PuPs) can help. **Through solidarity-based collaboration, public energy institutions can acquire, expand and jointly build urgent transition capacities — technical and otherwise.**

6 We emphasise combining the phase-out of fossil fuels with the phase-in of renewables as many discussions tend to focus on one or the other instead of recognising that both need to happen and be coordinated in parallel.

Building on case studies from Tunisia, South Africa, UK, Costa Rica and Mexico, we conclude with a tour of other prominent struggles for publicly owned energy — showing this is nothing less than a global movement for clean energy and a just transition as *global public goods.*

In sum, **the report illuminates the need for decolonial and democratic public power systems that can cut back emissions globally, while meeting people's energy needs locally.**

PART 1

THE PROFIT TRAP: SUBSIDIES, FOSSIL FUELS AND ENERGY EXPANSION

1.0 SUMMARY

Part 1 demonstrates the failures of the dominant market-based energy model. Privatisation, liberalisation and the profit motive are standing in the way of the rapid and equitable energy transition we need. While the renewable energy sector is growing, fossil fuel consumption continues to rise to meet ever-growing energy demand — **we are witnessing an energy expansion, rather than an energy transition.**[7] Meanwhile, millions of people across the world lack access to sufficient energy to meet their basic needs. And fossil fuel companies continue to evade regulation and rake in bumper profits.

Part of the answer is nationalising the fossil fuel industry — this provides the best hope for effective and rapid phase-out of fossil fuels to be achieved. More generally, the role of government must change. At present, governments prop up private firms in the fossil fuels and renewable energy sectors with generous subsidies. Profits are privatised, while risks are socialised.

Instead of acting as market facilitator, governments should instead lead the way through proactive public energy policy. They can do this by establishing democratically accountable and socially controlled public utility firms capable of delivering planned, coordinated and equitable transitions.

1.1 BUSINESS AS USUAL IS FAILING

Our energy system needs a complete overhaul. Today's mainstream policy tools are falling far short of meeting agreed energy transition targets.[8] **A just transition — achieved in the urgent timescales the climate crisis dictates — is currently little more than a pipedream.**

Policy instruments such as carbon pricing, in the form of taxes and emissions trading schemes, are not delivering anything close to a phase-out of fossil fuels. Meanwhile, efforts to ban oil and gas production tend to be focused on future rather than current operations.[9] **Exposing the energy sector to market logic, commonplace among many governments' efforts, has benefited fossil fuel interests, as shown by the steady increase in fossil fuel consumption and production worldwide.**[10] Meanwhile, consumers face

7 Sweeney, S., Treat, J. and Chavez, D. (2021) *Energy Transition or Energy Expansion?* TNI and TUED. Available at: `https://www.tni.org/en/publication/energy-transition-or-energy-expansion` (Accessed: 28 October 2024).

8 Steinfort, L. and Angel, J. (2023) *Energy Transition Mythbusters,* TNI. Available at: `https://www.tni.org/en/publication/energy-transition-mythbusters` (Accessed: 28 October 2024); Chatterjee et al., *'Green' Multinationals Exposed.*

9 This is slowing down the transition as a heavy reliance on gas and coal makes moving to renewables less urgent — despite wind and solar now being the cheapest forms of electricity. This is especially true in high-income countries across the global North which have contributed the most greenhouse gas emissions and benefitted from the resulting high levels of development. They therefore have a historically greater responsibility not only to stop future fossil fuel extraction but also to urgently decommission current fossil fuel production and generation.

10 Ritchie, H. and Rosado, P. (2024) 'Fossil fuels', *Our World in Data.* Available at: `https://ourworldindata.org/fossil-fuels` (Accessed: 13 June 2024).

ever-rising prices. In the European Union, for example, the price consumers pay for electricity generated from renewables is still set by the price of gas, despite it being cheaper per kWh.[11]

For years, the World Bank, International Monetary Fund (IMF) and European Union have been pressuring governments to break up state-owned power utilities, while liberalising and privatising the electricity sector. Across the world, these pro-market policies have met with fierce resistance. Yet, in many cases, they have still been implemented, enabling private energy firms to rake in bumper profits.[12] This comes at the expense of a well-resourced and coordinated power sector with the capacity to cut back on fossil fuels while rolling out clean energy for all. As we showed in *Energy Transition Mythbusters* and *Green Multinationals Exposed,* the first and second reports in TNI's Public Power trilogy, dominant energy policies have enabled big business and private investors to socialise costs and privatise profits, across both renewables and fossil fuel sectors.[13]

These reports demonstrated that, in general, the private sector only invests in solar and wind with the support of public funds, as necessary to secure their profits. What's worse, the results of this private investment are variable.[14] In high-income countries like the United States and countries across Western Europe, governments have been throwing significant amounts of public funds at the private sector, assuming those investments will deliver decarbonisation. Yet major energy companies are working hard to ensure that more profitable fossil fuels remain dominant.[15]

These **wealthy countries are also increasingly trying to outsource the most harmful aspects of the transition to poorer nations, in order to avoid local opposition and cut costs.**[16] This happens across all parts of the supply chain: manufacturing, for instance, is shifted to countries with cheaper labour costs, while assets such as land and minerals are extracted at the cost of devastating ecological consequences and human rights abuses.[17] Middle-income countries, such as China and India, are combining renewables growth with increased fossil fuel consumption to meet increasing energy demand and to power manufacturing of products for global markets.

11 Zakeri, B. et al. (2023) 'The role of natural gas in setting electricity prices in Europe', *Energy Reports,* 10, pp. 2778–2792. Available at: https://doi.org/10.1016/j.egyr.2023.09.069.

12 Hall, D. et al. (2013) *Energy Liberalisation, Privatisation and Public Ownership.* PSIRU. Available at: https://www.world-psi.org/sites/default/files/en_psiru_ppp_final_lux.pdf.

13 Steinfort, Angel, *Energy Transition Mythbusters;* Chatterjee et al., *'Green' Multinationals Exposed.* . Available at: https://www.tni.org/en/publication/green-multinationals-exposed

14 Christophers, B. (2024) *The Price is Wrong: Why capitalism won't save the planet.* London; New York: Verso.

15 Chatterjee et al., *'Green' Multinationals Exposed.*

16 Hamouchene, H. et al. (2023) *Dismantling Green Colonialism: Energy and climate justice in the Arab region.* TNI. Available at: https://www.tni.org/en/publication/dismantling-green-colonialism (Accessed: 29 October 2024).

17 Chatterjee et al., *'Green' Multinationals Exposed*.

Meanwhile, many lower-income countries have been left indebted following pressure from international finance institutions to liberalise their energy systems in return for financial aid and private investment. These countries have been left with little choice but to continue or even escalate fossil fuel production to boost electricity access. Moreover, the poorest countries, who are the least responsible for as well as the most affected by climate change, have typically been unable to attract investors for renewable energy projects, lacking the funds required to secure their profits.[18] While there are, of course, important differences across national contexts, **all over the world, a dominant policy focus on private profit is keeping the world from decarbonising.**

In 2023, renewable energy capacity increased 50 per cent worldwide, making many headlines. This jump is desperately needed. However, this figure hides the fact that CO_2 emissions from burning fossil fuels also increased last year — reaching record levels.[19] **The growth in renewables is unable to keep pace with growing energy demand, meaning that fossil fuels and energy consumption more broadly are still growing in absolute terms.** We are experiencing an energy expansion, rather than an energy transition. [20]

U.N. Secretary-General António Guterres leaves little doubt about the current trajectory, saying that 'present trends are racing our planet down a dead-end 3°C temperature rise'.[21] Moreover, today there are two billion people in energy poverty, with close to 600 million people on the African continent having no electricity access whatsoever.[22] These figures could easily rise, alongside global temperatures and extreme weather events that, in turn, increase demand for household heating and cooling.

17 Chatterjee et al., *'Green' Multinationals Exposed*.

18 Sweeney, S. (2023) *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.* TUED. Available at: https://www.tuedglobal.org/working-papers/second-draft-towards-a-public-pathway-approach-to-a-just-energy-transition-for-the-global-south (Accessed: 29 October 2024)

19 NASA (2024) 'Emissions from fossil fuels continue to rise'. Available at: https://earthobservatory.nasa.gov/images/152519/emissions-from-fossil-fuels-continue-to-rise (Accessed: 10 January 2024). & University of Exeter and Stanford Doerr School of Sustainability (2023) *Global carbon emissions from fossil fuels reached record high in 2023.* Available at: https://sustainability.stanford.edu/news/global-carbon-emissions-fossil-fuels-reached-record-high-2023 (Accessed: 19 July 2024).

20 Lovegrove, P. (2023) 'Energy Transition Outlook: Renewables still not replacing fossil fuels in the global energy mix'. Available at: https://www.dnv.com/news/energy-transition-outlook-renewables-still-not-replacing-fossil-fuels-in-the-global-energy-mix-247880/ (Accessed: 19 July 2024).

21 Carrington, D. (2023) 'World facing "hellish" 3C of climate heating, UN warns before Cop28', *The Guardian,* 20 November. Available at: https://www.theguardian.com/environment/2023/nov/20/world-facing-hellish-3c-of-climate-heating-un-warns-before-cop28 (Accessed: 28 October 2024).

22 ENPOR (no date) 'Energy poverty'. Available at: https://enpor.eu/energy-poverty (Accessed: 19 July 2024); & Galal, S. (2024) *Population without access to electricity in sub-Saharan Africa from 2000 to 2021, Statista.* Statista. Available at: https://www.statista.com/statistics/1221698/population-without-access-to-electricity-in-africa/ (Accessed: 19 July 2024).

COUNTRY CASE

UNDER THE GUISE OF PRIVATISATION, TUNISIA EXPERIENCES GREEN COLONIALISM

After 60 years of public ownership through STEG (Société tunisienne de l'électricité et du gaz), Tunisia's energy sector is now being slowly privatised. **Since the nationalisation of energy in 1962, six years after independence, STEG increased the country's rate of electrification from 21 per cent in 1962 to 99.8 per cent in 2016.**[23, 24] However, seeking to foster the transition to renewable energy, the Tunisian government has embarked on a liberalisation programme, offering market share to private investors through independent power purchase schemes.

The government's plan has been ardently criticised by Tunisian trade unions and their international partners, who are raising awareness of the dangers of privatisation, refusing to connect private power plants to the national grid, and organising nationwide strikes and protests. Trade unionists from the energy sector have created the Working Group for Energy Democracy, an initiative oriented around supporting workers' struggles. The goal is to link workers with civil society and communities to build a coalition capable of stopping the wave of liberalisation and winning a public and democratic energy model.

THE ENERGY SECTOR IN TUNISIA

The energy sector in Tunisia is still largely under the control of the national energy company, STEG, which controls 92.1 per cent of installed power production capacity and produces 83.5 per cent of the country's electricity.[25] STEG was created in 1962 to harmonise Tunisia's electricity and gas sectors. Before its creation, the sector was fragmented and dominated by seven companies. With nationalisation, the government wanted to entrust the production, transmission and distribution of electricity and gas to a single public body to increase efficiency, coordination and energy access.

However, despite this considerable progress, the country's energy sector is largely dependent on natural gas and other fossil fuels for power generation. In 2021, 97 per cent of the country's energy was produced from fossil fuels and only 3 per cent from renewable sources.[26] **Tunisia is very dependent on other countries and their natural resources. In 2021, it imported 45 per cent of the natural gas used for energy production from Algeria.**

23 STEG (2023) 'History'. Available at: https://www.steg.com.tn/en/institutionnel/historique.html (Accessed: 29 October 2024).

24 Ben Rouine, C. and Roche, R. (2022) *'Renewable' energy in Tunisia: an unfair transition,* TNI, 31 March. Available at: https://longreads.tni.org/renewable-energy-in-tunisia. (Accessed: 30 October 2024).

25 United States Department of Commerce (2022) 'Tunisia – Country Trade Guide', 30 July. Available at: https://www.trade.gov/country-commercial-guides/tunisia-electrical-power-systems-and-renewable-energy. (Accessed: 29 October 2024).

26 United States Department of Commerce, 'Tunisia — Country Trade Guide'.

In order to move towards renewable energy, the government's 2015 'Solar Plan' committed to increasing the share of renewable energy sources to 30 per cent by 2030. This target was raised to 35 per cent in June 2022.[27] Since 2010, energy consumption has grown by 1.4 per cent per year faster than energy capacity. But instead of building a just transition, Tunisia's renewable energy policies are based on serving investors' desire for profit rather than meeting social and environmental needs.[28]

CREEPING PRIVATISATION, INCREASING FOREIGN DEPENDENCY

To initiate a transition to renewable energy, in 2013, the Tunisian government began to turn to the private sector, arguing that STEG did not have sufficient financial means to promote the transition.The 2013 Law on the production of electricity from renewable energy sources by the private sector was heavily influenced by lobbying by foreign organisations and international financial institutions.[29] **A core player was the German Development Agency GIZ, which has become a major decision-maker in Tunisian energy transition policy.** GIZ's various activities are centred around conducting research and preparing recommendations for the development of legislation with the goal of enhancing the development of privatised renewable energy, under the pretence of supporting the country's green energy transition.[30]

However, as the Tunisian Observatory of the Economy highlights, GIZ's involvement will primarily benefit the global North. Several private renewable energy generation projects focus on the export of energy through underwater cables, rather than producing energy for local use.[31] This benefits governments in Europe, who can continue to extract natural resources, including solar energy, from Tunisia and its neighbours. **Ultimately, the renewables initiatives that international institutions and actors such as GIZ have promoted do not serve to enhance energy sovereignty in Tunisia but, rather, reinforce green energy colonialism.**

The government's 2013 plans for fostering renewable energy development through privatisation were met with heavy opposition from the Tunisian General Labour Union (UGTT).[32] The union requested that the legislation should be blocked, due to a lack of consultation with social partners, including unions, in the drafting process. The government's National Constituent Assembly

27 Barghouth, A., Bernard, V. and McClenny, I. (2021) *Beyond Poles and Wires: Emerging trends in Tunisia's energy sector.* RTI international. Available at: https://www.rti.org/insights/tunisia-energy-sector. (Accessed: 30 October 2024).

28 Ben Rouine and Roche, *'Renewable' energy in Tunisia: an unfair transition.*

29 Ben Ammar, I. (2022) *Towards a Just Energy Transition in Tunisia.* TNI, 6 December. Available at: https://www.tni.org/en/publication/towards-a-just-energy-transition-in-tunisia (Accessed: 30 October 2024).

30 German-Tunisian Energy Partnership (2023) Home Page. Available at: https://www.energy-partnership-tunisia.org/. (Accessed: 30 October 2024).

31 Ben Ammar, *Towards a Just Energy Transition in Tunisia.*

32 Cherni, M. (2014) 'Tunisian unions block privatisation of renewable energy'. PSI. Available at: https://www.world-psi.org/en/tunisian-unions-block-privatisation-renewable-energy. (Accessed: 30 October 2024).

followed the union's recommendation, creating a space for the Energy Commission and UGTT to meet and discuss the union's arguments against privatisation. Following the presentation of UGTT's arguments, the project was shelved, and STEG remained the main body for energy development — at least, for a little while longer.

In 2015, however, two new pieces of legislation (the 2015 Solar Plan and Law 12-2015) were introduced to promote private sector involvement in the energy sector. This time, these laws were successful. The Solar Plan sought to mobilise around €8 billion of investment between 2015 and 2030, two-thirds of which the government hoped to procure from private sources, predominantly foreign.[33] **While promoting a neoliberal, undemocratic and private ownership structure for renewable energy, this plan reinforces and recreates dependencies on foreign investment and technology, diminishing the role of Tunisian civil society and local businesses in the country's energy transition.** This import-based strategy relies on drawing in knowledge in the form of technologies, equipment and patents from Northern countries to facilitate the transition to renewable energy. This exacerbates the country's dependency by increasing external debt and reinforcing the North–South extractive power dynamic. The plan facilitates an economic model driven by foreign investment, which leads to higher costs as loans, interest charges and private profits are eventually paid for by public money and the Tunisian population.

In addition, Law 12-2015 allows the use of agricultural land for renewable energy projects, an infringement of the Tunisian people's land rights and food sovereignty.[34] Tunisia already suffers from severe dependence on imported food, which the privatisation and reallocation of agricultural land only exacerbates.

The 2015 laws also reduced public subsidies for STEG. The updated subsidy policy decoupled STEG's operations from the government budget, making the state-owned company solely financially responsible for the purchase of gas. This decision led to the financial ruin of the company, as STEG relied on state subsidies to cover the difference between the cost of energy production and distribution and the electricity prices set by the state.[35] **This disastrous policy remained in place for five years, until massive mobilisations by the country's trade unions forced the government to reimburse STEG for losses incurred in 2018.**

The government endeavoured to continue its privatisation programme by publishing a model power purchase agreement in early 2017, and then announcing the establishment of the country's first renewable energy independent power producers (IPPs) in the second half of this year. A total of 29 solar projects (24 10MW solar projects, two 50MW solar projects, two 100MW solar projects

33 Ben Rouin and Roche, *'Renewable' energy in Tunisia: an unfair transition.*

34 Ben Ammar, *Towards a Just Energy Transition in Tunisia.*

35 Benammar, I. (2022) 'Tunisia's struggle for energy democracy', *Red Pepper,* 21 November `https://www.redpepper.org.uk/tunisia-renewable-energy-imf-trade-union-strike.` (Accessed: 30 October 2024).

and one 200MW project) and four wind projects (30MW) have been awarded to private companies. Of the projects launched between 2017 and 2019, half include joint ventures with foreign and Tunisian companies, while only four are exclusively led by Tunisian companies. Five projects are owned by French companies and three by German companies, reinforcing colonial power structures and excluding local companies and expertise.

In addition to increasing dependency, the reforms of the Tunisian energy sector do not provide the state with the necessary tools to remedy the negative effects of privatisation and to ensure the protection of citizens' interests.[36] **These reforms give the government limited control and oversight mechanisms to prevent 'green grabbing'.** Local communities and civil society are given little information on public–private partnership proposals and are excluded from policy discussions. What's more, there are no provisions for the right to compensation for communities affected by private energy projects.

FIGHTING AGAINST PRIVATISATION

In 2019 and 2020, UGTT launched public awareness campaigns to highlight the dangers of privatisation, including opposing the renewal of the 20-year power purchase agreement between STEG and the private Carthage Power Company.[37, 38] In March 2020, the unions decided not to connect private renewable energy plants to the national grid.[39] This received international attention and support from other trade union organisations such as the global confederation TUED (Trade Unions for Energy Democracy) and the French confederation CGT (Confédération Générale du Travail).

After a successful campaign, the contract extension scheduled for May 2022 failed to materialise and the 471 MW combined cycle power plant became the property of STEG. **The public take-over was an important victory in the struggle for a democratically controlled and state-owned energy sector in Tunisia.**

WORKING GROUP FOR ENERGY DEMOCRACY TUNISIA

In December 2022, the Working Group for Energy Democracy published a report analysing Tunisia's current energy trajectory and presenting an alternative public and democratic model for a just transition.[40] The report highlights several changes needed to break with Tunisia's extractive energy model and to move to a new model based on cooperation and energy as a shared public good rather than a privatised commodity.

The main features of this proposed new energy model are: the politicisation of access to energy, the re-establishment of collective energy production systems,

36 Ben Rouine and Roche, *Renewable' energy in Tunisia: an unfair transition.*
37 United States Department of Commerce, 'Tunisia — Country Commercial Guide'.
38 An interview with a trade unionist on 1 October 2023 revealed that UGTT's opposition to the renewal of the agreement was expressed in a study it conducted for the public authorities.
39 Benammar, *Tunisia's struggle for energy democracy.*
40 Ben Ammar, *Towards a just energy transition in Tunisia.*

the reduction of dependency on fossil fuels, and a focus on Tunisian companies to reduce imports and foreign dependencies. The model defined by the Working Group is based on the participation of citizens, trade unions and workers, as well as the inclusion of local groups and cooperatives in energy production. Finally, to achieve a just energy transition, **the report stresses the importance of building alliances within civil society and public–public partnerships that strengthen energy sovereignty and reduce foreign influence — all to achieve a transition that benefits the Tunisian people.**

1.2 PRIVATISATION AND MARKETISATION MEAN PROFIT OVER PEOPLE

Privatisation and liberalisation policies are at the heart of the current energy system's dangerous shortcomings. In this section, we will explain how electricity privatisation and marketisation have resulted in higher tariffs for consumers alongside growing levels of inequality and energy poverty, job cuts and worsening labour conditions, and a downfall in public investments. These consequences have, in turn, chipped away at the human, financial and technological resources of public utilities and governments — resources that are urgently needed for the transition.

The dismantling of public electricity utilities has been happening worldwide to varying degrees. The consequences have been particularly severe for the poor populations of low-income and former colonised countries. Moreover, across the board, market pressures and policies have also reduced the capacities of many power utilities to effectively execute a transition to renewables.

BOX 1.1

OUTRIGHT PRIVATISATION, PUBLIC–PRIVATE PARTNERSHIPS, MARKETISATION AND UNBUNDLING

We speak of outright privatisation when a government entity, operation or property is sold off to the private sector. Public–private partnerships can also be understood as a type of privatisation, although these often take the form of time-bound concessions.

Marketisation is a process where public companies, such as electricity utilities, remain state-owned but are required to behave like for-profit entities by prioritising cost recovery, attracting private investment, and cutting labour costs.[41] It is not uncommon for marketisation to open the

41 Sweeney, S. (2023) *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.* TUED. p. 26. Available at: https://www.tuedglobal.org/working-papers/second-draft-towards-a-public-pathway-approach-to-a-just-energy-transition-for-the-global-south (Accessed: 29 October 2024).

door to privatisation. However, although marketisation may precede privatisation, these pro-private sector policies can also happen in parallel.

In the energy sector, this process is often accompanied by 'unbundling' electricity. This means separating the generation, transmission, distribution and supply operations that were previously all part of the same vertically integrated utility. The concept of a 'vertically integrated utility' simply means that electricity planning, governance and implementation all happen under one roof, with the benefit that operations can be cross-subsidised. By breaking up the electricity value chain, each operation is forced to break even or even become a profitable operation in its own right, regardless of whether either is actually viable, considering the need for universal coverage at affordable rates.

Until the early 1990s, the power production systems in many countries of the global South were publicly funded and owned. As part of post-colonial nation building, low-interest concessionary loans from development finance institutions were one of the main forms of finance available to build national electricity utilities and for electrification. At the time, power was regarded as a public good that was crucial to enable economic development and improve people's living standards. In order to expand and connect people to the grid, utilities had to plan ahead to increase generation, transmission and distribution capacities to match rising demand. However, market advocates framed this as over-production, as it called for generating more than 'the market' required.[42]

Instead of increasing the capacities of a national utility to allow more communities to be connected to the grid, the neoliberal mantra was that electricity utilities had to slim down, reducing their costs and capacities in order for a more efficient private sector to take over some of its functions. The focus became 'full cost recovery' in order for utilities to be competitive with the private sector. This meant that user bills increased and jobs were cut with the aim of covering all operational costs and becoming a profitable enterprise, sooner or later making it a target for full-fledged privatisation. But **with often only a limited proportion of the population having access to electricity, connecting people to the grid was a core development need requiring investment that could not be 'recovered'.** Indeed, grid expansion towards universal coverage had already taken place in many global North countries.[43]

As cost recovery was not feasible, many electricity utilities were declared financially unviable and perceived (if not framed) as corrupt, bloated, and inefficient. From the 1990s, the International Monetary Fund and the World Bank

42 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*
43 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*

started to prescribe 'market reforms' — basically a roadmap for privatisation. Post-colonial and other impoverished countries that were in financial distress had to commit to these reforms to receive financial support. The pressure was immense. **Governments would only receive international assistance when they agreed to break up energy utilities into separate generation, transmission, distribution and retail entities and create an electricity market.**[44] These conditions increasingly enabled private power producers to enter the market and start profiting.

Market reforms generally resulted in marketisation: a process where utilities lose their status as a publicly owned and mandated monopoly. In name, energy utilities remain state-owned but in practice, they are repurposed as for-profit companies that have to attract and prop up private investment as well as maximise cost recovery by increasing bills and reducing labour costs. **Although the alleged purpose was increasing efficiency, a researcher at the University of Cambridge who assessed electricity network losses in more than 90 countries worldwide between 1982 and 2008, concludes that the opposite has materialised: with the introduction of private actors in the form of independent power producers (IPPs), network losses increased.**[45] Private sector participation, in sum, reduces the productive efficiency of a country's energy sector.

Marketisation contributed to the 'death spiral' of many state-owned utilities. From South Africa to Tunisia to Mexico, as detailed in case studies discussed in this report, utilities were explicitly discouraged from investing in renewable energy capacity. Instead, private investors, often in the shape of IPPs, were expected to step in. In general, these private investments failed to materialise without significant public support. Ample government subsidies have been required to attract and de-risk private finance. For example, utilities have to buy the power produced by these IPPs, at a price that guarantees a profit for the company, regardless of whether this electricity is actually consumed. This dynamic is not only severely undermining the economic viability of energy utilities, it also poses an obstacle to planning investments to expand generation and grid capacity, slowing down national electrification programmes.

India's experience shows the impact of privatisation and marketisation on the energy transition and society more broadly. Following two decades of market reform, IPPs currently generate over half of India's electricity.[46] But as State Electricity Boards and the public transmission and distribution enterprises had to take on the debt required to secure the profits of the private generators, many became seriously indebted. Some proponents of 'reform' argued these distribution companies should be privatised and stop providing free electricity

44 Sweeney, Towards a Public Pathway Approach to a Just Energy Transition for the Global South.

45 Erdogdu, E. (2011) *What Happened to Efficiency in Electricity Industries After Reforms?* Available at: `https://mpra.ub.uni-muenchen.de/32483/1/MPRA_paper_32483.pdf` (Accessed: 30 October 2024).

46 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*

to poorer, often rural, residents.[47] According to research from Stanford University, power privatisation has slowed down the national plan to electrify the rural parts of the country, originally set to be achieved in 2007.[48] But instead of questioning how private profits are undermining public provision, public utilities' debts are being used to push for more privatisation, putting a comprehensive and pro-public energy transition even further at risk.

By now, even the World Bank has acknowledged that universal electrification cannot be achieved on the basis of purely commercial incentives.[49] **International financial institutions must allow vertically integrated utilities to be restored and provide struggling public power utilities, especially in the global South, with concessionary, low-interest loans.** This is imperative in the struggle to throw out private profiteers, reverse marketisation and rebuild the public capacity required to provide universal and clean electrification.

1.3 FOSSIL FUEL PROFITS AND PUBLIC FUNDS

The common narrative is that privatisation will create competition, which will in turn ensure cheaper prices for consumers. In the context of the energy transition, the argument is that competition will encourage companies to be the first to decarbonise. The reality is very different.

Fossil fuel companies are known for their heavy reliance on government subsidies. The IMF reported that in 2022, fossil fuel subsidies surged to a record $7 trillion.[50] While some of these subsidies are meant to keep consumer bills affordable, this is still tax money going to polluters. These subsidies prove that energy giants need to be propped up by public funds to render profits. This locks taxpayers' funds into climate-wrecking business models instead of using public resources to develop vital renewable energy infrastructure and reduce energy bills.

Subsidies have undermined competition and fostered corporate concentration. Between 2015 and 2020, over 500 oil and gas companies filed for bankruptcy in North America.[51] In response, fossil fuel companies are joining forces and buying each other up, as evidenced by the unprecedented US mergers and

46 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*

47 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*

48 Lamb, P. (2006) *Indian Electricity Market: Country Study and Investment Context,* Program on Energy and Sustainable Development Working Paper #48. Available at: `http://pesd.fsi.stanford.edu/publications/india_ipps` (Accessed: 25 July 2024).

49 Foster, V and Rana, A. 2020. *Rethinking Power Sector Reform in the Developing World.* Washington, DC: World Bank. Available at `https://doi.org/10.1596/978-1-4648-1442-6` (Accessed: 30 October 2024).

50 Black, S., Parry, I. and Vernon-Lin, N. (2023) 'Fossil fuel subsidies surged to record $7 trillion', IMF, 24 August. Available at: `https://www.imf.org/en/Blogs/Articles/2023/08/24/fossil-fuel-subsidies-surged-to-record-7-trillion.` (Accessed: 30 October 2024).

51 Dooley, K. (2021) 'Over 100 oil and gas companies went bankrupt in 2020', OGV. Available at: `https://www.ogv.energy/news-item/over-100-oil-and-gas-companies-went-bankrupt-in-2020` (Accessed: 22 July 2024).

acquisitions market in 2021, with a record $2.9 trillion in transactions.[52] As fewer and bigger fossil fuel giants dominate the industry, it's more accurate to speak of an oligopoly. The European Union provides an apt example. Electricity generation and supply were separated to create European electricity markets. Yet, after decades of increased liberalisation, European electricity companies are selling the energy they generate back to themselves, basically bypassing the market price.[53] European energy firms, meanwhile, are manipulating prices by delaying energy sales, increasing wholesale prices, and raking in higher profits.[54]

Even a pro-market scholar like Michael G. Pollitt has acknowledged that the establishment and design of energy markets are 'first and foremost a result of what market participants have wanted'.[55] **In other words, energy markets are not working — except for enabling private and corporatised companies to maximise return on investment.**

Fundamentally, it does not make sense to build a market around a natural monopoly, such as energy. Energy utilities are best understood as 'natural monopolies' because their physical infrastructure — from generating assets to cables, pipelines and wires — requires lots of upfront costs that make competition challenging.[56] **Several companies competing against each other on the same grid undermines possibilities for coordination, making decarbonisation more difficult.** Besides, competing firms are ill-equipped to incorporate social and environmental 'externalities' and make the kinds of changes needed to address the climate crisis.

A growing number of academics and policy advisers acknowledge that an integrated, accountable and fully public utility is much better positioned to plan, maintain and operate the grid and meet the challenges of the worsening energy crisis and faltering transition. In many instances, the state has a leading role to play to ensure that such infrastructure is developed with proper accountability. **Democratic public ownership can be understood as a way of redistributing the costs of decarbonisation more equally in society, as any revenue made can be invested back into advancing universal access to clean public energy — instead of going towards shareholder profit.**

52 Sekhon, V. (2022) '2022 Emerging trends in U.S. mergers and acquisitions', Wolters Kluwer. Available at: https://www.wolterskluwer.com/en/expert-insights/2022-trends-in-us-mergers-and-acquisitions (Accessed: 22 July 2024). & Stevens, N. (2021) '2021 was a blowout year for M&A – 2022 could be even bigger', KPMG. Available at: https://kpmg.com/dp/en/home/insights/2021/12/blowout-year-global-ma.html (Accessed: 22 July 2024).

53 Thomas, S. (2022) *European Commission response to the energy crisis of 2022.* PSIRU, University of Greenwich. Available at: *https://gala.gre.ac.uk/id/eprint/37893/7/37893_THOMAS_European_Commission_response_to_the_ebergy_crisis_of_2022.pdf*.

54 Chatterjee et al., *'Green' Multinationals Exposed.*

55 Pollitt, M. (2022) *The Energy Market in Time of War.* Centre of Regulation in Europe, Brussels and Energy Policy Research Group, University of Cambridge. Available at: https://cerre.eu/wp-content/uploads/2022/09/The-War-Economy-and-Energy-CERRE_edited-TC_2AM-PDF.pdf.

56 'Mandate Versus Movement: State Public Service Commissions and Their Evolving Power Over Our Energy Sources, Chapter Four' (2022) *Harvard Law Review,* 135(6). Available at: https://harvard-lawreview.org/print/vol-135/mandate-versus-movement/.

COUNTRY CASE

DEMOCRATISING ESKOM IN SOUTH AFRICA

Plagued by blackouts and high energy prices, South Africa's energy sector is on the verge of being privatised by President Cyril Ramaphosa.[57] Once a global leader in the supply of affordable energy, the state-owned public utility company Eskom has been severely weakened by decades of commercialisation, culminating in the adoption of the full cost recovery model, which forced it to operate on the same basis as any other private company.[58] Corruption has exacerbated the financial and operational challenges facing the energy utility. Operating at only 55 per cent of its 46,000 MW production capacity, Eskom falls short of supplying South African citizens with reliable energy and frequently has to resort to load shedding i.e. planned rolling blackouts.[59] The utility's dependence on coal for over 80 per cent of its energy production and its limited investments in renewables have halted South Africa's energy transition for decades.[60] **Eskom has become a corporatised energy provider that prioritises maximising energy sales over ensuring that South African residents have access to this essential service.** The utility is now being unbundled to allow for greater private sector involvement in energy generation, and to expand the liberalisation of the energy sector.

The resulting structure nurtures corruption and mismanagement — particularly through the outsourcing of key aspects of operations and maintenance. A lack of transparency and public participation prevents effective monitoring and public accountability. President Ramaphosa is now turning again to private investors in search of a solution to Eskom's reduced operating capacity and its inability to pay over 480 billion rand of debt (€27.1 billion).[61, 62] In 2022, the president announced that the country is increasing the pace of energy privatisation. Hence, by 2024, it was decided that National Transmission Company of South Africa will be the new private entity and will buy electricity from independent power producers[63] — the assumption being that this will lead to a private sector roll-out of new renewable energy infrastructure as well as an increase in energy security.

57 South African Federation of Trade Unions (2022) 'Privatisation of energy provision accelerated', 26 July. Available at: https://saftu.org.za/archives/6394 (Accessed: 22 July 2024).

58 Robbins, P. et al. (2024) *Who Owns Power in the Energy Transition.* TNI. Available at: https://www.tni.org/en/publication/who-owns-power-in-the-energy-transition (Accessed: 13 September 2024).

59 Mukherjee, P. (2022) 'Focus: Pandemic, war and "crazy" prices threaten South African pivot from coal', *Reuters,* 21 July. Available at: https://www.reuters.com/business/energy/pandemic-war-crazy-prices-menace-south-african-pivot-coal-2022-07-21/ (Accessed: 22 July 2024).

60 Reuters (2022) 'South Africa's Eskom makes progress on renewable energy transition', 15 October. Available at: https://www.reuters.com/world/africa/safricas-eskom-makes-progress-renewable-energy-transition-2022-10-15/ (Accessed: 22 July 2024).

61 Mid-market rate conversion, 1 ZAR = 0.0566 EUR, 17 October 2022.

62 Baigrie, B. (2020) 'Only a public pathway for electricity supply can meet the climate crisis challenge (Part 3)', *Daily Maverick.* Available at: https://www.dailymaverick.co.za/article/2020-07-30-only-a-public-pathway-for-electricity-supply-can-meet-the-climate-crisis-challenge-part-3/ (Accessed: 22 July 2024).

63 Banda, M. (2024) 'Unbundling of Eskom one stage closer with transfer of control over IPPs', *Daily Maverick,* 4 April. Available at: https://www.dailymaverick.co.za/article/2024-04-04-unbundling-of-eskom-one-stage-closer-with-transfer-of-control-over-independent-power-producers (Accessed: 22 July 2024).

THE COMMERCIALISATION OF ESKOM

Formed in 1923 as a public service and not-for-profit utility, Eskom was legally mandated to provide electricity at cost price and to ensure all projects including new generation were in the public benefit. It became known for providing the world's cheapest electricity to South Africa's white minority.[64] The low prices were in part due to the racist policies underpinning service delivery.[65] **Indeed, racism permeated through the whole organisation, with the majority of jobs and coal contracts going to white workers and white-owned firms.[66] Under apartheid, the company refused to provide electricity to townships or rural areas where the majority of the black population was forced to live.**

In 1989, amid the national process that would abolish apartheid, Eskom launched their 'Electricity for All' slogan, with the stated intent to improve access to electricity for black South Africans.[67] Yet this did very little to alleviate energy inequality across the country, with sub-par overhead energy installations being used instead of the higher-end infrastructure used to provide electricity to the white minority.[68] **Racist discrimination in service delivery has continued to the present day, with mass disconnections in black small towns and neighbourhoods carried out during the COVID-19 pandemic, in areas where many people were struggling to pay their energy bills.**[69]

That said, post-Apartheid, the ANC government directed Eskom to spearhead impressive progress in advancing electrification across the country, and electrification increased from 31 per cent of the population in 1994 to 66 per cent in 1999[70] and 85 per cent in 2021.[71] However, this advance came alongside an explicit commercialisation agenda. In 1987, Eskom's not-for-profit status was removed, and the state-owned utility was required to raise capital commercially. The Eskom Amendment Act of 1998 started by transforming the utility into a limited liability company with share capital and largely repealing its tax-exempt

64 Rudin, J., Sweeney, S. and Ashley, B. (2022) 'What to do with Eskom? Going beyond and behind the seemingly obvious solutions', *Daily Maverick,* 17 July `https://www.dailymaverick.co.za/article/2022-07-17-what-to-do-with-eskom-going-beyond-and-behind-the-seemingly-obvious-solutions.` (Accessed: 30 October 2024).

65 Selincourt, K. (1991) 'South Africa takes the apartheid out of power: Although more than half the electricity generated in all Africa is produced in South Africa, most of the country's black people have no power supply. But things are changing', *New Scientist,* 7 September. Available at: `https://archive.ph/ZyBAs#selection-719.0-719.220.` (Accessed: 30 October 2024).

66 Robbins et al., *Who Owns Power in the Energy Transition.*

67 Eskom (2021) 'The years of expansion and change — "Electricity for all"'. Available at: `https://www.eskom.co.za/heritage/history-in-decades/eskom-1983-1992/` (Accessed: 22 July 2024).

68 Selincourt, K. (1991) 'South Africa takes the apartheid out of power'.

69 Rempel, A.M. (2023) *Leaving Fossil Fuels Underground in South Africa: From a climate debt to an unsettled stranded asset debt.* PhD Thesis. University of Amsterdam. Available at: `https://pure.uva.nl/ws/files/108548329/Thesis.pdf` (Accessed: 30 October 2024).

70 Department Minerals and Energy (DME), Republic of South Africa (2001) *National Electrification Programme (NEP) 1994–1999, Summary Evaluation Report.* Pretoria: DME. Available at: `https://www.gov.za/sites/default/files/gcis_document/201409/nepelectrificationprog0.pdf.` (Accessed: 30 October 2024).

71 Robbins et al., *Who Owns Power in the Energy Transition.*

status.[72] Although the state remained the sole shareholder, the Act explicitly stated a desire to privatise the utility. Privatisation plans did not materialise in the 1990s, but the corporatisation process was completed with the Eskom Conversion Act of 2001. **Eskom was converted into a public company with a profit motive and share capital, with the ultimate goal of being listed on the stock exchange.**

The Eskom Amendment Act was contained within the 1998 White Paper on Energy Policy. It laid the foundation for both the commercialisation of Eskom in line with the World Bank's policies, and the unbundling and load shedding taking place today. A five-year moratorium was placed on Eskom investing in any new generation capacity, as the private sector was expected to come on board. Yet private investment remained absent from South Africa's energy sector, as Eskom's tariffs were too low for profit-driven companies. Despite warnings from Eskom as early as 1998 that the country was not producing enough energy, the government failed to amend the moratorium.[73] In 2007, the consequences of relying on the private sector to solve the country's energy production capacity shortage were felt nationwide. The state was forced to introduce load shedding to ration energy, with drastic consequences: households were left in the dark for up to eight hours a day due to rolling blackouts, industries had to cease production and hospital care was severely affected. By early 2008, the government called the crisis a 'national emergency'.[74]

Under pressure to address this emergency, the national government created an additional crisis in 2008 by investing in the construction of two coal-fired power plants.[75] Large amounts of public money were invested in contracting private multinational companies including Alstom (a French multinational) and Hitachi (a Japanese multinational). Alstom's contract for the second power plant alone amounted to over €1.3 billion — money that could have been invested in renewable energy. At the same time, corruption and mismanagement took their toll on Eskom's operations. Deals were made under pressure from then-President Zuma, which led to the use of inferior coal, causing damage and disruptions to the plants.[76] In November 2014, load shedding was reintroduced, and regular blackouts are still the norm today.[77]

72 Van Niekerk, S. (2021) 'A brief history of Eskom — 1923–2015'. Available at: https://aidc.org.za/a-brief-history-of-eskom-1923-2015. (Accessed: 30 October 2024).

73 Robbins et al., *Who Owns Power in the Energy Transition.*

74 South African Government, cited in Power-technology.com (2008) 'South Africa's power crisis: the final score'. 30 March. Available at: https://www.power-technology.com/features/feature1682 (Accessed: 30 October 2024).

75 Crompton, R. (2019) 'Explainer: why South Africa's energy generator is in so much trouble', *The Conversation,* 10 February. Available at: https://theconversation.com/explainer-why-south-africas-energy-generator-is-in-so-much-trouble-111510 (Accessed: 30 October 2024).

76 Hemson, D. (2021) 'Eskom: Textbook electricity generation failure', *New Frame,* 2 December. Formerly available at: https://www.newframe.com/eskom-a-textbook-of-electricity-generation-failure. [The platform closed down in 2022.]

77 *Mining Weekly* (2022) 'Loadshedding escalates to Stage 4 until further notice', 18 October. Available at: https://www.miningweekly.com/article/loadshedding-escalates-to-stage-4-until-further-notice-2022-10-18 (Accessed: 30 October 2024).

The fateful decision to invest in two new coal plants was among the leading causes of the escalation of Eskom's debt and kickstarted the utility's so-called 'death spiral'. To finance the construction of the plants, Eskom took out large loans from the World Bank. By 2019, South Africa's debt to the World Bank had more than doubled, as foreign currency had been flowing out of the country and the rand began to lose value. With increasing fees and interest rates, it may take another 80 years to repay this loan.[78] A large share of Eskom's debt is owed to international private debtors, as over 50 per cent of the utility's debt was sold to the private sector in 2019.[79] Due to unfavourable exchange rates, the real value of Eskom's loans is much higher than a loan in national currency would be, hindering the utility from making progress in repaying its debt.

Eskom's mismanagement is compounded by its role in the creation of dire health and environmental consequences for many South Africans, due to the deadly levels of pollution the company produces. In 2018, Eskom was found to produce higher levels of NO_2 in South Africa than that experienced anywhere else in the world. The situation is particularly severe in the Mpumalanga region, where there are several coal energy generators[80] and where nine-tenths of the population are black.[81] Despite this one site affecting 10,000 people a day, Eskom's political power has enabled it to continue to fail to address the air quality crisis.[82] **A 2021 study by the Centre for Clean Air found Eskom to be the biggest polluter in the world, emitting more SO2 than the US and China combined.**[83]

PRIVATISING RENEWABLES

To address the power irregularities and insufficient production capacity, in 2011 the Department of Energy launched the Renewable Energy Independent Power Producer Procurement Programme (REI4P). The aim was to procure renewable energy from the private sector. Through the programme, private investors submit proposals for the development of renewable energy capacity in separate bidding windows. The first four bidding rounds, between 2011 and 2015, saw proposals for an additional 6,327 MW capacity accepted — yet most of this will only be completed after 2024, meaning no progress in easing the country's pressing energy shortage until then. **While REI4P is viewed as a tool to solve load**

78 Ashley, B., Chavez, D., Forslund, D., Sweeney, S. and Van Niekerk, S. (2020) *Eskom Transformed: Achieving a just energy transition for South Africa.* Cape Town, New York and Amsterdam: AIDC, TNI and TUED https://aidc.org.za/wp-content/uploads/2020/07/Eskom-Transformed-Full-Report.pdf (Accessed: 30 October 2024).

79 Ashley, et al., *Eskom Transformed: Achieving a just energy transition for South Africa.*

80 Mahlangu, T. (2018) 'The world's deadliest air pollution hotspot Is in South Africa', *Global Citizen,* 1 November. Available at: https://www.globalcitizen.org/en/content/deadliest-air-pollution-hotspot-south-africa (Accessed: 30 October 2024).

81 The editors of Encyclopedia Britannica. (2024) 'Mpumalanga', *Britannica,* 7 February. Available at: https://www.britannica.com/place/Mpumalanga (Accessed: 30 October 2024).

82 Rempel, *Leaving Fossil Fuels Underground in South Africa.*

83 Myllyvirta, L. (2021) 'Eskom is now the world's most polluting power company', Centre for Research on Energy and Clean Air. Available at: https://energyandcleanair.org/wp/wp-content/uploads/2021/10/Eskom-is-now-the-worlds-most-polluting-power-company.pdf (Accessed: 30 October 2024).

shedding, the country's reliance on independent power producers has led to price increases, reduced transparency and a further deterioration in Eskom's financial situation.

One of the biggest corruption scandals involving Eskom and the ruling party took place during this period of low transparency. The ANC's front company Chancellor House accepted bribes from Hitachi Power Africa to ensure that Hitachi won the tender to run two major Eksom power stations.[84] These payments were covered up through false reporting, and the arrangement gave the ANC a 25 per cent share in the company, profits of which were to go directly to Chancellor House and the ANC.[85] Eventually, the company was fined $19 million by the US Securities and Exchange Commission for violating the Foreign Corrupt Practices Act. Despite corruption around the power plant being well known, the World Bank lent South Africa $3 billion towards these projects. This left the country with illegitimate debt, and forced Eskom to raise energy prices to cover their costs.[86]

By 2019, the costs of REI4P were associated with an increase of over 14 per cent in Eskom's overall revenue requirement.[87] Eskom's Multi-Year Price Determination (2022 to 2025) requested a 32 per cent tariff increase for 2023. A leading factor behind the increase was rapidly rising IPP prices. **Currently, IPPs contribute only 8 per cent of total installed capacity, while accounting for approximately a third of primary energy costs.[88] The situation is likely to worsen further.** Outsourcing renewable energy development to the private sector will deepen Eskom's death spiral, increasing the utility's debt by requiring additional investments, while reducing its income. This is compounded by several other factors: 20-year-long power purchase agreements that cannot be renegotiated as demand changes (contracts are hidden from public scrutiny via non-disclosure agreements);[89] the need for infrastructure investments in grid and transmission maintenance and additional storage technologies; and the increased costs of integrating and running a grid with a growing share of renewables. All of this will cost more public money and weigh heavily on Eskom's budget.

84 Hogg, A. (2015) 'Hitachi bribery included Eskom; ANC must come clean or face Brazilian fate', *BizNews,* 30 September. Available at: https://www.biznews.com/leadership/2015/09/30/hitachi-bribery-included-eskom-anc-must-come-clean-or-face-brazilian-fate (Accessed: 30 October 2024).

85 Corruption Watch. (2015) 'Hitachi: a settlement payment is not enough', 2 October. Available at: https://www.corruptionwatch.org.za/hitachi-a-settlement-payment-is-not-enough (Accessed: 30 October 2024).

86 Bond, P. (2022) 'In South Africa, resistance rises to the World Bank's climate-killing mega-projects', Committee for the Abolition of Illegitimate Debt. Available at: https://www.cadtm.org/In-South-Africa-resistance-rises-to-the-World-Bank-s-climate-killing-mega (Accessed: 30 October 2024).

87 Ashley, et al., *Eskom Transformed: Achieving a Just energy transition for South Africa.*

88 Brown, D. and Oelofsen, J. (2023) 'If Eskom's tariff increase is to go, its financing model needs to bite the dust too', *Daily Maverick,* 8 February. Available at: https://www.dailymaverick.co.za/article/2023-02-08-if-eskoms-tariff-increase-is-to-go-its-financing-model-needs-to-bite-the-dust-too (Accessed: 30 October 2024).

89 Kamanzi, B. (2021) 'Working class to finance Eskom's privatisation', *New Frame,* 24 February. Formerly available at: https://www.newframe.com/working-class-to-finance-eskoms-privatisation/ [The platform closed down in 2022.]

Since 2019, President Ramaphosa has pursued plans to unbundle Eskom's operations, essentially preparing the public utility for privatisation. He has lifted the threshold for private energy generation projects to require licences from 10MW to 100MW.[90] This is benefiting large private companies, while smaller-scale community projects have not been able to take advantage, lacking the municipal and state support required to get off the ground.[91]

Opposing actors, including several trade unions, argue that privatisation will not solve South Africa's energy crisis — instead, it will see consumer bills rise, reduce access to affordable energy and put public jobs at risk. Those who cannot pay will be left behind in a privatised energy market where corporations are not looking to offer social subsidies that would reduce their profits. What are currently public jobs will be replaced by private sector employment, likely under worse conditions to minimise labour costs. And without massive state subsidies, the private sector is unlikely to be able to raise the level of investment needed to finance an energy transition at the scale and pace needed.

The government has recently announced a new round of 'green' structural adjustment. In 2021, it accepted a 13.5 billion rand loan from the World Bank in exchange for signing on to the World Bank Country Partnership Framework, which mandates neoliberal policies such as labour market reforms and measures to encourage foreign direct investment and public–private partnerships. The government argues that this loan is necessary in order to fund its 'just energy transition plan'. This is a market-led approach to decarbonisation, premised on ending restrictions on new private power generators, the unbundling of Eskom, the deregulation of energy prices and increased private investment in wind and solar.[92]

In 2023, the government again banned Eskom from generating its own electricity, further reducing its ability to sustainably maintain tariffs and leaving South Africa's renewable future to private hands. Then, in 2024, the Electricity Regulation Amendment Bill was introduced, cementing the unbundling that is dividing Eskom into separate bodies for generation, transmission and distribution.[93] One such body is the National Transmission Company of South Africa (NTCSA), an Eskom subsidiary that is now tasked to buy electricity from Eskom and the many independent power producers.[94] **Here, we see destructive**

90 Kamanzi, B. (2021) 'The new dawn of private power', *New Frame,* 13 July. Formerly available at: https://www.newframe.com/the-new-dawn-of-private-power. [The platform closed down in 2022.]

91 Cherry, J. (2023) 'Core, sore or socialism? Realising the just energy transition with new forms of ownership', *Amandla!* 87, 21 April. https://www.amandla.org.za/core-sore-or-socialism-realising-the-just-energy-transition-through-new-forms-of-ownership. (Accessed: 30 October 2024).

92 Amandla! (2023) 'Just Profit not Just Transition', 12 May. Available at: https://amandla.org.za/just-profit-not-just-transition (Accessed: 30 October 2024).

93 Robbins et al., *Who Owns Power in the Energy Transition.*

94 Banda, M. (2024) 'Unbundling of Eskom one stage closer with transfer of control over IPPs', *Daily Maverick,* 4 April. Available at: https://www.dailymaverick.co.za/article/2024-04-04-unbundling-of-eskom-one-stage-closer-with-transfer-of-control-over-independent-power-producers (Accessed: 22 July 2024).

neoliberal policies being enforced under the auspices of decarbonisation. Such policies are further enforced through the Just Energy Transition Partnership (JETP) international climate finance mechanism (see Section 4.1) . The International Partners Group, the driving force behind the JETPs, made the $8.5 billion JETP loan for South Africa contingent on policy measures such as unbundling.[95] By April 2024, Eskom's unbundling was in full swing with its transmission arm ready to be sold.[96]

ESKOM TRANSFORMED

In the meantime, South African workers and their trade unions have been mobilising to oppose President Ramaphosa's plans. COSATU (Congress of South African Trade Unions) organised a national strike in February 2019 that paused the government's efforts for several months, protesting the thousands of jobs threatened by the unbundling and privatisation.[97] According to South Africa's National Union of Metalworkers (NUMSA), unions were not consulted when decisions regarding the privatisation of the energy sector were made.[98] NUMSA even accused the ANC leadership of purposeful mismanagement of Eskom to present privatisation as the only viable option.[99]

Alongside this action, **there has been widespread community resistance towards South Africa's poor service delivery and dependence on fossil fuels more broadly.** Eskom, in particular, has been targeted around the issue of poor energy access. 2019 saw an average of 28 protests a month due to poor service delivery resulting in intermittent or no access to energy or water,[100] largely due to a lack of funding to municipalities.[101]

In 2020, the Climate Justice Coalition was formed, which involved, among others, the South African Federation of Trade Unions, Mining Affected Communities United in Action, South Durban Community Environmental Alliance and Soweto

95 Sweeney, S. (2024) '"Just energy partnerships" are failing', Jacobin, 5 May. Available at: https://jacobin.com/2024/05/just-energy-partnerships-climate-finance (Accessed: 30 October 2024).

96 Paton, C. (2024) 'Eskom unbundling reaches major milestone: Transmission Company is good to go', News24, 4 April. Available at: https://www.news24.com/fin24/economy/eskom-unbundling-reaches-major-milestone-transmission-company-is-good-to-go-20240404 (Accessed: 22 July 2024).

97 Niselow, T. (2019) 'Cosatu takes to the streets over Eskom, job losses. Here's what you need to know'. News24, 13 February. Available at: https://www.news24.com/fin24/cosatu-takes-to-the-streets-over-eskom-job-losses-heres-what-you-need-to-know-20190213 (Accessed: 22 July 2024).

98 Industriall (2019) 'South African unions oppose plans to privatize power utility Eskom, 11 February. Available at: https://www.industriall-union.org/south-african-unions-oppose-plans-to-privatize-power-utility-eskom (Accessed: 30 October 2024).

99 Kamanzi, *The new dawn of private power.*

100 Gous, N. (2019) 'Service delivery protests are on the rise this year, warn experts', *Times LIVE,* 11 June. Available at: https://www.timeslive.co.za/news/south-africa/2019-06-11-service-delivery-protests-are-on-the-rise-this-year-warn-experts/ (Accessed: 22 July 2024).

101 Bond, P. (2020) *Luxemburg's Contemporary Resonances in South Africa: Capital's renewed super-exploitation of people and nature.* Available at: https://our-global-u.org/oguorg/en/download/Featured%20Authors/patrick_bond/Patrick-Bond-2020-Luxemburg-applied-in-South-Africa.pdf.

Electricity Crisis Committee. Together they campaign for Eskom to enact 'a rapid and just transition to a more socially owned, renewable energy powered economy, providing clean, safe, and affordable energy for all, with no worker and community left behind in the transition'.[102] Highlighting the 'socially owned' element is important, and demonstrates the lack of trust that the ANC and Eskom's mismanagement have created in the government's ability to equitably run services.

In 2022, the Climate Justice Charter Movement, which stems from the cooperative movement, campaigned for Western countries to stop funding Eskom, due to its reliance on and continuous exploration of fossil fuels.[103] This did not receive a meaningful response from the international community, who continue to fund Eskom.[104] **It became increasingly clear to many labour and social justice groups that the for-profit approach adopted by both the government and Eskom was the core obstacle to transitioning.**

Consequently, in July 2022, representatives from 21 unions and social movements formed the United Front to Address Loadshedding, which opposes energy privatisation, highlighting the long-term consequences of relying on REI4P projects for power generation.[105] Instead, trade unions are promoting a proposal developed by three activist research organisations in 2020 to transform Eskom into a publicly managed, transparent, and accountable utility.[106]

In their 2020 report *Eskom Transformed,* the Alternative Information and Development Centre (AIDC), Trade Unions for Energy Democracy (TUED) and the Transnational Institute (TNI) make the case for a public transformation of Eskom as the only way to combat its debt crisis and reorient the utility towards the low-carbon energy transition.[107] The report argues that instead of using public funds to generate profits for private corporations through IPPs, using public money directly to invest in renewable energy sources will allow Eskom to lead an energy transition that benefits South Africa's people by providing affordable and reliable energy.

In the face of unbundling efforts, in 2024, trade unions and civil society groups continue to argue that Eskom must be de-marketised and re-instituted as a public service with the primary objective of serving its consumers and providing energy to all, regardless of their economic and social status. **A de-marketisation and vertical integration of Eskom is crucial to move away from incentive structures that encourage corruption and mismanagement.**

102 350Africa.org. (n.d.) *'Green new Eskom'.* Available at: `https://350africa.org/greenneweskom` (Accessed: 22 July 2024).

103 Rempel, *Leaving Fossil Fuels Underground in South Africa.*

104 The World Bank (2023) *Factsheet: Eskom Just Energy Transition Project in South Africa.* Available at: `https://www.worldbank.org/en/news/factsheet/2023/06/05/factsheet-eskom-just-energy-transition-project-in-afe-south-africa` (Accessed: 22 July 2024).

105 AIDC (2022) *Towards a Public Pathway Approach to Energy Transition.* 15 August. Available at: `https://aidc.org.za/united-front-to-address-loadshedding`. (Accessed: 30 October 2024).

106 Ashley, et al., *Eskom Transformed: Achieving a just energy transition for South Africa.*

107 Ashley, et al., *Eskom Transformed: Achieving a just energy transition for South Africa.*

Power generation, transmission, distribution, retail and system operations functions would form an integrated whole to allow for planning in support of social, economic and environmental objectives. Concretely, this would enable Eskom to invest in and fix its key power plants, to reduce energy costs by renegotiating (if not, outright cancelling) its contracts with IPPs, and to strengthen its human capacity by prioritising job creation.

To further ensure transparency and democratic governance, effective participation mechanisms for citizens and employees must be incorporated into the governance structures of the state-owned enterprise, giving people a right to a say in decisions that directly affect them. However, beyond reversing the disintegration of Eskom, this would require the government, with support from international financial institutions, to write off Eskom's debt.[108]

Only a strong public sector can drive the much-needed transition in South Africa. By building a 'New Eskom' that is fully public, accountable, and committed to serving the people, South Africa's public energy sector can be revived and achieve a democratic and socially just transition.

1.4 HOW NATIONALISATION CAN STOP THE FOSSIL FUEL LOBBY EVADING REGULATION

As Part 1 of the report has shown, the market-based approach to energy transition is drastically failing. Where does the dominant policy direction leave social movements? Professor Ashley Dawson of the City University of New York has some pointers: '[T]he movement to abolish fossil capital must have two complementary and connected dimensions. One is increasingly focused on shutting down fossil fuel infrastructure. The other must be dedicated to the rapid establishment of renewables. As the climate movement fights for ending the reliance on fossil fuels and turns towards diverse tactics to achieve this goal, it is imperative for the movement to understand that these dimensions are interdependent and cannot be achieved in isolation.'[109]

Thus, we need a people's take-over of the whole energy system, from the fossil fuel industry to the emerging renewables sector. **In order to phase out fossil fuels, reduce demand and work towards a 100 per cent renewable energy mix, we must reclaim the entire energy sector by putting it under public ownership and democratic governance.** Nationalisation and public ownership are essential. However, as we will argue throughout this report, state ownership by no means guarantees genuine popular control and accountability — to work towards a people's take-over, social movements and trade unions must fight for forms of participatory public ownership that put power in the hands of communities and workers directly.

108 Institute for Economic Justice (2023) *Budget 2023: Rebuild Eskom and state capacity.* Available at: https://www.iej.org.za/wp-content/uploads/2023/02/IEJ-STATEMENT_Budget-2023-Rebuild-Eskom-and-state-capacity.pdf (Accessed: 30 October 2024).

109 Dawson, A. (2024) *Dual Power.* TNI. Available at: https://www.tni.org/en/article/dual-power (Accessed: 19 July 2024).

This calls for a radical approach to reining in the power of the fossil fuel industry. In 2022, ExxonMobil, Shell, Chevron, BP and TotalEnergies — the five leading Western oil 'supermajors' — reported a combined total of $200 billion in profits. This is an eye watering $23 million for every hour of 2022.[110] Thanks to their very powerful lobby bodies, these private fossil fuel companies will continue to find ways to circumvent climate-related regulations that undermine their sales and profits.[111] Nationalising these firms and instilling a not-for-profit mandate is a necessary step to take on these private powers and their lobbying apparatus. Indeed, as the report progresses, various frameworks for a progressive vision of state-owned enterprises will be shared.

Take the case of the European Union. An investigation by Corporate Europe Observatory, l'Observatoir des Multinationales and Recommon revealed that European fossil fuel giants have had unprecedented access to EU leaders.[112] One and a half years into Russia's invasion of Ukraine, the fossil fuel industry had met with the European Commission more than 100 times. Their heightened influence on EU decisions and policies around energy issues has delayed and watered down urgent political actions to intervene in EU energy markets, such as a price cap and a windfall profit tax.[113] At the same time, the fossil fuel lobby has been pushing for more gas assets, with 300 new gas projects tabled, and France and Italy already agreeing to new fossil fuel infrastructure.[114]

Furthermore, EU lobby groups are simultaneously pushing for a so-called Energy Union as part of forming a fully-fledged Single Market across the EU.[115] **If previous lobby and market efforts have taught us anything, this push for more intense competition will put profit ever more firmly before people and planet.** Instead, we need coordination and collaboration to rapidly reduce emissions and consumption (see Section 4.1).

In the US, fossil capital is even more powerful. Private fossil fuel companies have bought legislators to vote against environmental policies and delay climate

110 Hanieh, A. (2023) 'A transition to where?', TNI, 16 November. Available at: https://www.tni.org/en/article/a-transition-to-where-the-gulf-arab-states-and-the-new-east-east-axis-of-world-oil (Accessed: 30 October 2024).

111 Ambrose, J. (2021) 'US oil giants top list of lobby offenders holding back climate action', *The Guardian,* 4 November. Available at: https://www.theguardian.com/business/2021/nov/04/us-oil-giants-top-list-lobby-offenders-exxonmobile-chevron-toyota (Accessed: 19 July 2024).
& Carter, L., Boren, Z. and Kaufman, A. (2020) 'Revealed: BP and Shell back anti-climate lobby groups despite pledges', *Unearthed,* 28 September. Available at: https://unearthed.greenpeace.org/2020/09/28/bp-shell-climate-lobby-groups (Accessed: 19 July 2024).
& Lakhani, N. (2023) 'Record number of fossil fuel lobbyists get access to Cop28 climate talks', *The Guardian,* 5 December. Available at: https://www.theguardian.com/environment/2023/dec/05/record-number-of-fossil-fuel-lobbyists-get-access-to-cop28-climate-talks (Accessed: 19 July 2024).

112 Corporate Europe Observatory (2022) 'Fuelling the cost of living crisis', 28 October. Available at: https://corporateeurope.org/en/2022/10/fuelling-cost-living-crisis (Accessed: 19 July 2024).

113 Corporate Europe Observatory, *Fuelling the cost of living crisis.*

114 Corporate Europe Observatory, *Fuelling the cost of living crisis.*

115 Corporate Europe Observatory, *Fuelling the cost of living crisis.*

action.[116] And between 2022 and 2023, the fossil fuel industry spent at least $213 million on lobbying.[117] As Carla Skandier of The Democracy Collaborative puts it, 'nationalisation would eliminate the massive corporate political spending and remove the executives and suites of lobbyists largely responsible for the political meddling. **Ongoing social struggle is key for publicly owned fossil fuel companies to work in the public interest, and be held to higher standards of accountability and transparency.'** [118]

It is exceptionally challenging for governments to effectively regulate private fossil fuel majors. As political scientist Fergus Green and philosopher Ingrid Robeyns have argued in a recent paper: 'the larger and [more] powerful the regulated firms are, the more likely they will "capture" regulatory agencies, thus influencing executive rule-making as well as auditing and enforcement policies and practices. [...] T**he fossil fuel industry has proven itself highly adept at capturing and gaming regulatory and tax systems.'** The authors say that state ownership, if mandated by public interest objectives, would make it harder for firms to evade regulation.[119]

As state-owned enterprises are responsible for 55 per cent of global oil and gas production,[120] campaigning to nationalise fossil fuels in order to reduce lobby efforts can also risk creating more direct channels for fossil fuel interests to shape public policy. To avoid this happening, **organising for public ownership of energy must aim to break both the internal and external alliance between fossil capital and 'the state'. The goal: transform the latter into a vehicle for popular and systemic climate action.**

Take Trinidad and Tobago, one of many nations whose public services and pensions depend on fossil fuel revenue. The Oil and Gas Workers Trade Union has been developing a just transition plan for the whole economy.[121] It calls for strategic parts of the energy sector to be brought into full public control and management, with the participation of trade unions, other social movements and community groups, in order to pursue decarbonisation and green industrial development in ways that deliver more equitable redistribution of wealth.

116 Chatterjee et al., *'Green' Multinationals Exposed.*

117 Martinez, C., Kilbury, L. & Martinez, J. (2023) 'These fossil fuel industry tactics are fueling Democratic backsliding', Center for American Progress, 5 December. Available at: https://www.americanprogress.org/article/these-fossil-fuel-industry-tactics-are-fueling-democratic-backsliding/ (Accessed: 22 October 2024).

118 Paul, M., Santos Skandier, C. and Renzy, R. (2020) *Out of Time: The case for nationalizing the fossil fuel industry.* The Next System Project. Available at: https://thenextsystem.org/learn/stories/out-time-case-nationalizing-fossil-fuel-industry (Accessed: 19 July 2024).

119 Green, F., and Robeyns, I. (2022). 'On the merits and limits of nationalising the fossil fuel industry', *Royal Institute of Philosophy Supplements,* 91, 53-80. Available at: https://doi.org/10.1017/S1358246122000030

120 For more information: Natural Resource Governance Institute, 'State-owned enterprises' https://resourcegovernance.org/topics/state-owned-enterprises (Accessed: 30 October 2024).

121 A member of the Oil and Gas Workers Trade Union shared a draft of their just transition plan with TNI.

WHEN FOSSIL FUELS ARE MARKETED AS GREEN

The fossil fuel industry's 'greenwashing' tactics make the case for nationalisation even more pressing. Fossil fuel companies are increasingly marketing themselves as 'green' to boost their reputation and benefit from public subsidies. TNI's 2023 research showed that while promoting themselves as green, some of the world's biggest energy firms continue to back fossil fuels. For example, US-based NextEra Energy claims to own the world's biggest portfolio of wind and solar assets, while still operating multiple fossil fuel plants and seven oil and gas pipelines. In 2020, 98.9 percent of NextEra's $2.92 billion income was derived from two fossil fuel subsidiaries.[122]

These 'green' multinationals, just like the more notorious fossil fuel giants, are exercising huge amounts of influence over governments. In France, for instance, three giant corporations, Engie, EDF and Total, have taken over the renewable energy trade association, Syndicat des énergies renouvelables (SER), creating a paradoxical situation whereby the group responsible for promoting the transition to renewable energy is controlled by a trio of giant corporations whose business models remain tied to continued fossil fuel consumption.These firms use this influence to prioritise the type of large-scale project that is more favourable to their business models, to gain more financial support, and to argue for eliminating environmental and social safeguards for renewables projects.[123] By nationalising and democratising these firms, they could be re-oriented around the public interest, preventing profit-based vested interests from skewing energy policy and perpetuating the fossil fuel cycle.

To be clear, **the fact that EDF is a state-owned company should not be understood as evidence against nationalisation. As argued by EDF workers organised in the French trade union Confédération Générale du Travail, it signals that government ownership must never fall short of democratic control.**[124] But democracy is far from a given. Continuous social struggle within civil society and within these public firms towards democratic governance is imperative in endeavours towards meaningful just transitions. This question is addressed further in Part Two of the report.

122 Chatterjee et al., *'Green' Multinationals Exposed.*

123 Chatterjee et al., *'Green' Multinationals Exposed*, p. 25.

124 Fédération Nationale des Mines et de L'énergie CGT (no date) 'La nécessité d'une transition énergétique pour TOUS réduisant les inégalités', energie servicepublic.com. Available at: `https://www.energie-servicepublic.com/plaquette-2` (Accessed: 22 July 2024).

PART 2

BETTER PUBLIC OWNERSHIP: ACCOUNTABILITY, AFFORDABILITY AND DEMOCRACY


WE NEED
DEMOCRATIC
PUBLIC
OWNERSHIP
OF ENERGY
WE NEED
DEMOCRATIC
OWNERSHIP
WE DEMAND A
OWNED BY THE
WORKING

2.0 SUMMARY

Part 2 of the report makes the case for a revitalised and democratised form of public ownership as an essential component of the energy transition.

As discussed previously, we cannot rely on private actors to deliver the just, rapid and ambitious energy transition we need. However, at present, many of the world's most well known and powerful public energy firms behave like private institutions to all intents and purposes. State-owned fossil fuel companies are among the world's highest emitters of greenhouse gases. Many public utilities have become hollowed out and corporatised, driven more by revenue generation than any kind of social or environmental objectives.

Yet, simultaneously, **across the world, we also see alternative models of public ownership — models that prioritise the common good and democratic participation over private gain and authoritarian control.** This section outlines four areas across which better public energy ownership is being built:

1. A new public mission and mandate, which provides a binding legal framework to ensure that public energy firms prioritise social and ecological objectives.
2. Progressive tariffs, which can reduce overall energy demand, tackle energy inequalities and reduce energy poverty by subsidising essential energy consumption and penalising excessive consumption.
3. Re-municipalisation, which enables cities and towns to take local energy systems back into democratic public control.
4. Public–community collaborations, which offer a framework for participatory democratic involvement within public energy institutions.

Together these elements showcase the multiple levels of action that can be taken to reclaim, revitalise and create democratic public ownership.

2.1 A NEW PUBLIC MANDATE AND MISSION

So far, no combination of regulation, privatisation and liberalised markets has delivered the action necessary to mitigate the climate crisis. After decades of market ideology dominating energy policy, it is about time to recognise its failure. We need public ownership of fossil fuels together with the entire energy sector in order to enact a planned, orderly and democratic phase out of fossil fuels.

Yet, as discussed in Part 1, we must not shy away from the fact that public ownership without proper democratic processes can fall victim to corporate capture or other forms of elite co-option. And we must acknowledge that nation states have also been using 'public' as an exclusionary category in support of exploitative and unjust programmes. **To address and overturn these dynamics of domination, which are often deeply racist and classist, we insist that publicly owned energy must be decolonial, pro-working class and internationalist.** What we mean by this is explored further in Part 3 of the report.

It would be foolish to underestimate the problem of state-owned fossil fuel companies, such as Saudi Aramco, Russia's Rosneft and Norway's Equinor, which continue to extract aggressively. These corporatised and often authoritarian companies urgently need to be transformed into democratically governed entities to rapidly scale back extraction. Thus, our argument is that accountable public ownership and democratic governance have to be at the centre of our struggle for decarbonisation in order for communities to be collectively in control. When operations are privatised and profit prevails, nationalisation can be a first step towards accountability. At the same time, nationalisation is never enough and should always be accompanied by ongoing processes towards democratisation and better public governance.

BOX 2.1

TRANSFORMING NATIONAL FOSSIL FUELS COMPANIES

Private fossil fuel firms are only a part of the picture. The combined profits of the five leading private supermajors — ExxonMobil, Shell, Chevron, BP and TotalEnergies — stood in stark contrast to those of Saudi Aramco, Saudi Arabia's national oil company. In 2022 alone, Aramco earned just over $161 billion. As stated by Professor Adam Hanieh, a leading scholar of Middle East political economy, these results 'underscored a major shift that has taken place in the control of world oil over recent decades: the seemingly unstoppable rise of national oil companies run by governments in the Middle East, China, Russia and other large oil-producing states in the global South'.[125] These companies are playing a very active role stalling international climate action.[126] What's more, they have often been implicated in corruption, for example the Brazilian state-owned oil company, Petrobras, has faced allegations of bribery of political parties and businesses.[127]

In many of these states, oil production is actually increasing. However, in some contexts, the struggle to transform the oil sector is also growing. Consider the case of Colombia's national oil company, Ecopetrol, which accounts for approximately 65 per cent of the country's oil and 80 per cent of its gas production. Following years of intense debate within the oil workers' trade union, USO, in 2019 an agreement was reached to reject fracking and turn Ecopetrol into a renewables-focused company. As a result, Ecopetrol decided to suspend its fracking projects, cancelling business with ExxonMobil in 2022.[128]

125 Hanieh, *A transition to where?*

126 Hanieh, *A transition to where?*

127 BBC News (2016) 'Brazil corruption scandals: All you need to know', 8 April. Available at: `https://www.bbc.com/news/world-latin-america-35810578` (Accessed: 11 October 2024).

128 Chavez, D. and Peñaranda, L. (2024) *State-Run Oil Companies and the Energy Transition: The case of Colombia's Ecopetrol.* TNI. Available at: `https://www.tni.org/en/article/state-run-oil-companies-and-the-energy-transition` (Accessed: 22 July 2024).

Ecopetrol is a state-owned company that is largely run by private actors: representatives of private firms sit on the board and manage the firm according to their interests.[129] This is keeping the firm tied to fossil fuels, which are still a lucrative business. For this reason, an attempt has been ongoing to change the statutes of the company and include a trade unionist on Ecopetrol's board. This struggle for publicly-mandated governance and democratisation is vital to phase down Ecopetrol's fossil fuel operations. As researchers Daniel Chavez and Lala Peñaranda write, **'the commitment to transform and diversify operations to enable Ecopetrol to become an integrated [and increasingly renewable] energy company is unprecedented in the world'.**[130]

Highly corporatised national oil companies present an enormous obstacle to the transition. International climate and energy justice movements will need to support struggles to turn corporatised state-owned companies — ranging from electricity utilities like Tunisia's STEG to oil companies like Ecopetrol — into public and democratically run entities.

The profit incentive and growing energy demand are reinforcing the global carbon lock-in. As many new coal mines and oil and gas fields continue to be opened, and coal, oil and gas-fired power plants continue to be built, societies are ever more firmly locked into the use of fossil energy. The 2023 IPCC report shows that a huge amount of fossil fuel reserves will have to remain unused if we are to limit warming to 2 degrees.[131] **Relying on private actors to voluntarily relinquish the profits they stand to make from untapped fossil reserves is highly unrealistic.**[132] **Yet at the 2023 UN climate talks, agreements that governments should begin to transition away from fossil fuels neglected to recognise that states are key actors in managing such a decline.**[133]

While private actors in the fossil fuel sector stand to lose profits, the alternative is devastating economic damage to people and companies the world over, with costs of dealing with the ever increasing extreme weather events caused

129 Otero, D. (2023) 'La privatización de Ecopetrol y otras entidades', Más Colombia, 31 January. Available at: https://mascolombia.com/la-privatizacion-de-ecopetrol-y-otras-entidades (Accessed: 22 July 2024).

130 Chavez and Peñaranda, *State-Run Oil Companies and the Energy Transition: The Case of Colombia's Ecopetrol.*

131 Intergovernmental Panel on Climate Change (IPCC) (2023) 'Technical summary', in *Climate Change 2022 — Mitigation of Climate Change: Working Group III Contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.* Cambridge: Cambridge University Press, pp. 51–148. Available at: https://doi.org/10.1017/9781009157926.002.

132 IPCC, 'Technical summary'.

133 Aronoff, K. (2024) *Green Industrial Policy's Unfinished Business: A Publicly Managed Fossil Fuel Wind-Down.* Roosevelt Institute. Available at: https://rooseveltinstitute.org/publications/green-industrial-policys-unfinished-business (Accessed: 25 July 2024).

by global warming expected to be six times higher than previously thought.[134] To reverse this development, the public must claim ownership over the entire energy sector, encompassing both fossil fuel and renewable energy operations. There are many ways that this can be approached, which we explore throughout this report. Decarbonising supply will not happen without a public sector that directly ramps up renewable energy production while, at the same time, managing a rapid decline of fossil fuel activities.

This 'comprehensive reclaiming', in TUED's term, is foundational to planning a just transition, which should also involve coordinating supply chains and developing transition technologies such as long-term energy storage solutions. This requires social forces to occupy, challenge and transform public institutions so that the rationale of the energy economy is no longer profiteering but, rather, universal provisioning.

Public ownership, including community initiatives such as not-for-profit co-operatives, provides the institutional framework for such a comprehensive effort. It is also a prerequisite to democratising the management of the sector so that the working class — including rural, Indigenous, and other racialised communities — can make sure the transition proceeds in their interest. Public utilities and governments must be socially and institutionally pushed to plan and follow through on shrinking the fossil fuel fleet to zero. **Utilities require a new public mandate as well as participatory control and governance mechanisms. This mandate must be a legally binding commitment to prioritise social and environmental concerns, centred on the defence and fulfilment of universal public goods such as a livable climate and providing sufficient clean energy for all.**

Public banks may provide some guidance here. As illustrated by Thomas Marois, Professor of Political Economy at McMaster University, public banks, unlike private banks, do not need a profit mandate. They can be financially sustainable by either operating on a not-for-profit basis or even via explicit loss-making operations. This simply implies that the government or another part of the public company subsidises any losses to ensure long-term financial sustainability. Take, for example, the operating strategies of Germany's KfW (Kreditanstalt für Wiederaufbau, or Reconstruction Credit Institute) and Costa Rica's BPDC (Banco Popular y de Desarrollo Comunal, or Bank of Popular and Community Development). These institutions can prioritise social and environmental mandates over financial returns.[135] BPDC's overarching mission is to serve the social and sustainable welfare of Costa Ricans. This enables the bank, which was founded under public law and whose highest decision-making body is the Workers' Assembly, to be guided by gender equity, accessibility and environmental responsibility. Thanks to this institutional framework, BPDC can

134 Aronoff, *Green Industrial Policy's Unfinished Business.*

135 Marois, T. (2017) 'How public banks can help finance a green and just energy transformation', TNI, 15 November. Available at: `https://www.tni.org/en/publication/how-public-banks-can-help-finance-a-green-and-just-energy-transformation` (Accessed: 25 July 2024).

allocate a quarter of its returns towards meeting the needs of those typically excluded from the banking system.

Applied to the energy sector, a new public mandate and mission could enable and oblige utilities to prioritise energy reduction and social sufficiency over maximising production and sales. As energy utilities will potentially run at a loss when closing down fossil fuel plants, this should be permitted by their mandate. Due to highly unequal power relations between rich and poor countries, many governments in the global South are highly indebted and lack the public budgets to take on such losses. Since a managed decline is in the global interest, the global community and especially historically high-emitting countries have a responsibility to order international financial institutions to annul these deficits. This is in line with the demand from poorer countries to be fairly compensated for refraining from further fossil fuel extraction.[136]

BOX 2.2

ECUADOR'S CLAIM FOR COMPENSATION

Ecuador's former president, Rafael Correa, pushed for compensation payments for refraining from fossil fuel extraction in 2007. Correa called on international donors to come up with $3.6 billion to compensate Ecuador so that the government would not need to extract oil from three sites in the Yasuni national park in the Amazon rainforest to follow through on its anti-poverty plans.[137] When only $13 million was received, and with energy poverty levels at over 50 per cent in rural areas,[138] Correa declared that the lack of support left him no choice but to drill for oil.

136 Irfan, U. (2022) 'Who gets to keep burning fossil fuels as the planet heats up?', *Vox,* 30 November. Available at: https://www.vox.com/energy-and-environment/23458617/cop27-fossil-fuels-energy-developing-countries-coal-oil-gas-africa-finance (Accessed: 28 October 2024). & Orta-Martínez, M. et al. (2022) 'Unburnable fossil fuels and climate finance: compensation for rights holders', *Global Environmental Politics,* 22(4), 15–27. Available at: https://doi.org/10.1162/glep_a_00688; & Snyder, B.F. and Ruyle, L.E. (2020) 'A just compensation for leaving it in the ground: Climate easements and oil development', *Environmental Science & Policy,* 112, 181–188. Available at: https://doi.org/10.1016/j.envsci.2020.06.020.

137 Observatory on Latin America (2011) 'A lecture by President of Ecuador Rafael Correa (Spanish) the New School for Public Engagement', 23 November. Available at: https://observatorylatinamerica.org/a-lecture-by-president-of-ecuador-rafael-correa-spanish-the-new-school-for-public-engagemen (Accessed: 29 October 2024).

138 International Hydropower Association (n.d.) *South America: Regional profile and outlook: Ecuador.* Available at: https://www.hydropower.org/region-profiles/south-america (Accessed: 25 July 2024); Panchana, A. (2023) 'Ecuador set to vote on banning oil projects in Yasuní National Park', Dialogue Earth, 14 August. Available at: https://dialogue.earth/en/forests/376867-ecuador-set-to-vote-on-banning-oil-projects-in-yasuni-national-park (Accessed: 28 October 2024); & Pablo, Q.S. et al. (2019) 'Energy Poverty in Ecuador', Sustainability, 11(22). Available at: https://www.mdpi.com/2071-1050/11/22/6320 (Accessed: 5 November 2024).

In 2008, Ecuador adopted a new Constitution which states that '[t]he State reserves the right to administer, regulate, monitor and manage strategic sectors', explicitly including all forms of energy.[139] This enabled the government to agree to building new state-owned hydrocarbon plants, although at the huge expense of the Amazon rainforest and Indigenous peoples. Part of the power went to electrify new rural communities. Meanwhile, revenues from oil sales to China enabled public investment to increase by over 10 per cent.

This is not to excuse Correa, who was consequently accused of an extractivist development model that threatened the rights of Indigenous peoples. However, the principle underpinning his demand for compensation remains important: high-income countries have the means and historic responsibility to pay, with their riches largely based on the historic and continuing exploitation of labour, land and other natural resources across the global South. Particularly when international debt was one of the core factors that underpinned the decision to go ahead with the drilling.[140]

In 2023, Indigenous activists campaigned to bring the topic back on the national agenda.[141] The campaign culminated in a nationwide referendum that saw over 50 per cent of the population voting to stop three of the major oil extraction projects in Yasuni national park.[142] While the government is yet to act on this referendum, it is legally-binding, and shows how democratic processes can be a means for protecting biodiversity and Indigenous peoples' rights whilst slowing climate change.[143]

It is actually not uncommon for energy utilities and other public institutions to be governed by a mandate or mission that is explicitly in the public interest. These instruments have played an important role in approaching national development goals. Take Costa Rica's electricity utility ICE, whose original purpose was 'to oppose big business and drive private capital out of the electricity industry'. Since its establishment, ICE has expanded access to electricity services from 14 per cent of the population in 1949 to more than

139 Political Database of the Americas (2011) 'Ecuador: 2008 Constitution in English'. Available at: https://pdba.georgetown.edu/Constitutions/Ecuador/english08.html (Accessed: 19 September 2024).

140 Gordon, A. (2023) 'Ecuadorians vote to stop oil drilling in the Amazon', *TIME,* 22 August. Available at: https://time.com/6307145/ecuador-rainforest-oil-vote (Accessed: 29 October 2024).

141 Gordon, *Ecuadorians vote to stop oil drilling in the Amazon.*

142 Collyns, D. (2023) 'Ecuadorians vote to halt oil drilling in biodiverse Amazonian national park', *The Guardian,* 21 August. Available at: https://www.theguardian.com/world/2023/aug/21/ecuador-votes-to-halt-oil-drilling-in-amazonian-biodiversity-hotspot (Accessed: 29 October 2024).

143 Surma, K. (2024) 'This country voted to keep oil in the ground. Will it happen?', *Inside Climate News,* 21 August. Available at: https://insideclimatenews.org/news/21082024/ecuador-oil-operations-ban-vote (Accessed: 29 October 2024).

99 per cent today.[144] Vietnam provides another example. Under one of its National Power Development Plans, the public power utility was employed to expand the electricity grid and achieve 96 per cent coverage. In the United States, the Southwest Power Pool (SPP), a non-profit regional transmission organisation, is mandated to ensure customers in the region receive reliable power, adequate transmission infrastructure and competitively priced electricity, coordinating the high voltage power flows spanning fourteen states. Its mission: 'to responsibly and economically keep the lights on, today and in the future'.[145] In 2022, SPP was the first regional organisation to meet over 90 per cent of energy demand with renewables.[146]

A public mandate and mission are not a silver bullet for decarbonisation. However, when well applied, these instruments have real potential to enable a public utility to manage an orderly phase-out of fossil fuels and increase coverage to reach universal energy access. To use a utility's mandate and mission to assure people's right to energy, affordable tariffs need to be at the centre of the transition debate. We turn to this question in the next section.

COUNTRY CASE THE LIVING LEGACY OF PRIVATISATION IN THE UNITED KINGDOM

In March 2022, Russia's attack on Ukraine instigated a global energy crisis. In the UK, this compounded a domestic energy crisis which had been underway since winter 2021 — a disaster that was decades in the making and that can be traced back to Margaret Thatcher's fateful decision to privatise the country's energy sector in the 1980s.[147]

As a consequence of privatisation, UK consumers and workers have suffered from increasing energy prices, fuel poverty and thousands of job losses. Between the early 1990s and 2001, 60 per cent of jobs in the energy sector were lost to efficiency gains, involving outsourcing and downsizing.[148, 149]

144 Chavez, D. (2018) 'Energy democracy and public ownership: What can Britain learn from Latin America?', TNI, 4 December Available at: https://www.tni.org/en/article/energy-democracy-and-public-ownership (Accessed: 25 July 2024).

145 Southwest Power Pool (no date) 'About us'. Available at: https://www.spp.org/about-us (Accessed: 25 July 2024).

146 MacCrory, J. (2022) 'Southwest Power Pool first regional organization to serve more than 90 percent of demands with renewable energy', Innovation Tap LLC. Available at: http://www.innotap.com/2022/04/southwest-power-pool-first-regional-organization-to-serve-more-than-90-percent-of-demands-with-renewable-energy (Accessed: 25 July 2024).

147 Macfarlane, L. (2021) 'Britain's energy crisis has been decades in the making', *Open Democracy,* 23 September. Available at: https://www.opendemocracy.net/en/oureconomy/britains-energy-crisis-has-been-decades-in-the-making/. (Accessed: 25 July 2024).

148 Weghmann, V. (2019) Going Public: *A decarbonised, affordable and democratic energy system for Europe.* PSIRU, University of Greenwich. Available at: https://www.epsu.org/article/going-public-decarbonised-affordable-and-democratic-energy-system-europe-new-epsu-report (Accessed: 25 July 2024).

149 European Parliament. Directorate General for Internal Policies of the Union. (2017) *Employment in Privatised Utilities: A higher risk of precariousness?* LU: Publications Office. Available at: https://data.europa.eu/doi/10.2861/877064 (Accessed: 14 October 2024).

Meanwhile, private firms are recording ever-growing profits. The privatised transmission grid operator National Grid, for example, paid out record dividends of £1.4 billion in 2021.[150]

While the fragmented and liberalised energy market fails to meet people's basic needs, unions, activists and some within the Labour Party are putting forward proposals to restructure the country's energy sector around public ownership, democratic governance and just transition.

THATCHERISM AND ITS LEGACY

To strengthen the post-Second World War economy, fundamental industries, including electricity, railways, coal and steel, were nationalised by the Labour Government. Yet following the 1979 election of the Conservative Party, under the leadership of Margaret Thatcher, the government pursued aggressive privatisation policies. More than 40 UK state-owned businesses, employing 600,000 workers, were privatised between 1979 and 1990.[151] What's more, Thatcher's model for energy privatisation and liberalisation became a template enforced across the world for years to come.

Arguing that privatisation would make firms more efficient and increase labour productivity, Thatcher moved to privatise the country's energy market in the mid-1980s, in the aftermath of the global energy crisis of the 1970s.[152] **To transform this natural monopoly into an artificial, competitive market, the energy sector was 'unbundled' into the separate components of generation, transmission, distribution and supply.** In 1986, the gas sector was privatised. The electricity sector followed in 1990, when twelve regional electricity companies in England and Wales were sold off to private firms. In the end, virtually all components of the energy system were placed under private ownership.

The unbundling of the energy sector in the 1980s paved the way for an oligopolistic structure in which the so-called 'big five' firms (British Gas, EDF Energy, E.ON UK, ScottishPower and Ovo Energy) currently control 70 per cent of the household energy market.[153,154] **Far from the competition that privatisation advocates promised, the policy landscape surrounding these large, often foreign-owned, energy companies drives out smaller suppliers and has kept bills high**. Recent attempts to establish municipal energy companies have failed, in part due to the difficulties these small firms faced in competing

150 National Grid (2021) *2020/21 Full Year Results Statement.* London. Available at: `https://www.nationalgrid.com/document/141786/download` (Accessed: 25 July 2024).

151 Centre for Public Impact (2016) 'Privatising the UK's nationalised industries in the 1980s'. Available at: `https://www.centreforpublicimpact.org/case-study/privatisation-uk-companies-1970s` (Accessed: 25 July 2024).

152 Soaring gas and electricity prices, widespread strikes and an energy supply shortage led to the introduction of a three-day work week and mass blackouts in the early 1970s.

153 Statista (2024), 'Big Six in the UK — statistics & facts'. Available at: `https://www.statista.com/topics/4935/big-six-energy-suppliers-in-the-united-kingdom-uk.` (Accessed: 25 July 2024).

154 SSE was absorbed by Ovo Energy in 2020, thus the oligopolistic structure previously known as the 'big six' became the 'big five'. Statista, 'Big Six in the UK — statistics & facts'.

with huge transnational corporations, alongside the challenges of operating within a highly volatile market context.[155] In recognition of the monopoly being created in the supply market, in 2013 the energy market regulator Ofgem encouraged new suppliers to enter the market to 'increase competitive pressure on prices for the benefit of customers'.[156] This did little to protect customers during the recent energy crisis.

THE FAILURES OF PRIVATISATION

The results of decades of neoliberal market policies are still felt by consumers today. With gas prices soaring during the 2021 energy crisis, many households were unable to handle steep increases in energy bills. At the core of the crisis lies the UK's dependency on imported fossil fuels, reinforced by a lack of investment in renewable energy due to higher profit prospects in the gas sector and planning laws skewed against renewables. Following the privatisation of gas in the 1980s, the famous 'dash for gas' fast-tracked a transition away from coal-fired power plants, while creating a dependence on newly discovered gas supplies in the North Sea. By the mid-2000s, gas production in the North Sea fell sharply, prompting the UK to import gas from Norway, the Netherlands, Belgium, Qatar, the US, and Russia. When international gas prices rose in 2021, 86 per cent of British homes were dependent on gas for heating, while more than one-third of electricity in the country was produced using gas power plants.[157]

The 2021 crisis also showed the government's determination to prioritise private profit over the common good. **The crisis saw dozens of smaller suppliers go out of business, costing British consumers £2.7 billion, a figure paid for via energy bills that were already soaring due to 250 per cent gas price increases.**[158] **Meanwhile, large private energy firms on the brink of collapse were bailed out by the government to the tune of billions of pounds.**[159] These firms have continued to record disproportionately high profits. Due to rising oil prices, BP's profits tripled between 2021 and the second quarter of 2022, reaching nearly £7 billion.[160] The UK's big five energy suppliers made more than £1 billion in profit in 2020/2021, shortly

155 Berry, C. (2021) 'The energy crisis shows precisely why this industry should be in public hands', *The Guardian,* 3 December. Available at: https://www.theguardian.com/commentisfree/2021/dec/03/energy-crisis-industry-public-hands-bulb (Accessed: 30 October 2024).

156 Ofgem. (2013) *Making it Easier for Independent Suppliers and generators to Compete.* Available at: https://www.ofgem.gov.uk/sites/default/files/docs/2013/06/liquidity-factsheet_web_0.pdf (Accessed: 30 October 2024).

157 Macfarlane, *Britain's energy crisis has been decades in the making.*

158 UK Parliament (2023) 'Bulb Energy: Will billpayers remain on the hook for multi-billion pound bail-out?', 1 November. Available at: https://committees.parliament.uk/work/7413/bulb-energy/news/198224/bulb-energy-will-billpayers-remain-on-the-hook-for-multibillion-pound-bailout (Accessed: 4 November 2024).

159 Jolly, J. (2022) 'BP profits triple to £7bn as oil prices surge because of Ukraine war', *The Guardian,* 2 August. Available at: https://www.theguardian.com/business/2022/aug/02/bp-profits-oil-prices-ukraine-war-energy-prices-cost-of-living-crisis (Accessed: 30 October 2024).

160 Jolly, J. (2022) 'Bank of England to lend UK energy companies as much as £40bn', *The Guardian,* 8 September. Available at: https://www.theguardian.com/business/2022/sep/08/bank-of-england-to-lend-uk-energy-companies-as-much-as-40bn (Accessed: 30 October 2024).

before consumers were hit with major price increases.[161] Centrica (the parent company of British Gas), for example, operates with a profit margin of 60 per cent in its generation business.[162]

Despite skyrocketing profits, the failure of Britain's privatised energy sector could not be more obvious. In November 2021, news of yet another collapsed energy supplier surfaced. As private company Bulb went bankrupt it was purchased by Octopus energy, another private supplier, costing households an estimated £246 million.[163] As more and more energy suppliers go out of business, it is clear that the market cannot deliver the competition and lower prices that privatisation advocates promised. At the same time, domestic energy bills are constantly on the rise: energy bills increased by 50 per cent in real terms between 1996 and 2018, leaving increasing numbers struggling to heat their homes.[164]

In 2022, the government approved a new coal mine, the first since Thatcher began closing them down in the 1980s. The mine, which is ultimately owned by private equity investment firm EMR Capital, would create a maximum of 500 jobs and its coal quality is poor, discrediting any claim that this project would significantly benefit the local economy or energy security. Then, in 2023, the government approved 100 new North Sea oil and gas licences.[165] **The UK tax rate on oil and gas is currently lower than that of many equivalent economies such as Norway.** Additional changes to carbon-trading markets are now making it cheaper to pollute.[166] Despite these moves from the Conservative government, in September 2024, the UK's High Court ruled that the approval of the coal mine was unlawful and overturned the approval.[167] This followed a Supreme Court ruling a few weeks earlier that planning applications for fossil fuel projects must consider the environmental impact of burning the fossil fuels, not just of extracting them, which had not happened in the case of the mine.[168]

161 Bychawski, A. (2022) 'UK Big Six energy firms made more than £1bn in profit ahead of price hike', *openDemocracy,* 3 February. Available at: https://www.opendemocracy.net/en/opendemocracyuk/uk-big-six-energy-firms-one-billion-pounds-profit-cost-of-living-increase (Accessed: 30 October 2024).

162 Ofgem (2023) 'Energy companies' consolidated segmental statements (CSS)'. Available at: https://www.ofgem.gov.uk/publications/energy-companies-consolidated-segmental-statements-css (Accessed: 25 July 2024).

163 UK Parliament (2023) 'Bulb Energy: Will billpayers remain on the hook for multi-billion pound bail-out?'.

164 Ambrose, J. (2021) 'Zog Energy becomes 25th UK supplier to go bust in three months', *The Guardian,* 1 December. Available at: https://www.theguardian.com/business/2021/dec/01/zog-energy-becomes-25th-uk-supplier-to-go-bust-in-three-months (Accessed: 30 October 2024).

165 UK Government (2023) 'Hundreds of new North Sea oil and gas licences to boost British energy independence and grow the economy', *GOV.UK.* Available at: https://www.gov.uk/government/news/hundreds-of-new-north-sea-oil-and-gas-licences-to-boost-british-energy-independence-and-grow-the-economy-31-july-2023 (Accessed: 18 October 2024).

166 Sheppard, D. and Millard, R. (2023) 'UK government cuts cost of polluting in latest anti-green move', *The Financial Times,* 30 July. Available at: https://www.ft.com/content/dfa3b6dc-e00c-4d9a-b155-a419845a39e4 (Accessed: 18 October 2024).

167 Bedendo, F. and Lake, E. (2024) 'Whitehaven coal mine plan quashed by High Court', *BBC News,* 13 September. Available at: https://www.bbc.com/news/articles/cdrlrkz5k2ro (Accessed: 18 October 2024).

168 Friends of the Earth (2024) 'Planning permission for Whitehaven mine ruled unlawful', Friends of the Earth, 13 September. https://friendsoftheearth.uk/climate/planning-permission-whitehaven-mine-ruled-unlawful (Accessed: 28 October 2024).

In August 2024, the Offshore Petroleum Regulator, OPRED, announced a pause on processing existing and new North Sea oil and gas licences until the government issues new guidance on environmental impact assessments in 2025.[169] Thus, the future of fossil fuel production in the UK is somewhat uncertain.

Over a decade of Conservative party governments have left the public dissatisfied with a privatised energy system marked by the collapse of over 30 energy suppliers since 2021. According to 2023 government data, 3 million people are living in fuel poverty.[170] Meanwhile, systemic underinvestment in vital energy infrastructure has gone unchecked.

A RETURN TO PUBLIC OWNERSHIP?

Instead of forcing companies to deliver on their mandate, in 2022 the Conservative government announced it would bring a division of the privately owned National Grid back into public ownership to better meet net zero targets.[171] In its place, a publicly owned 'Future System Operator' is being set up to operate energy grids from 2024 onwards.[172] The new public body will be responsible for managing the planning and distribution of Britain's electricity system to prevent supply interruptions. While renationalisation is an essential step towards the public control needed for a just energy transition, the move attests to the recognition of a wider failure of the UK's privatised and fragmented energy sector. Private actors have failed to deliver a service yet have still been generously paid with no consequences. Moreover, **without a nationwide systematic reclaiming of the entire energy system, the fragmentation within Britain's energy sector will continue to allow profiteering to push up tariffs and make the energy transition harder to realise.**

Calls from trade unions and activists to take back public ownership and transition to renewable energy are getting louder, with 66 per cent of the UK population supporting nationalisation of the country's energy system.[173] The

169 OPRED (2024) 'Statement on the implications of the recent Supreme Court judgment (the Finch case)'. Available at: https://assets.publishing.service.gov.uk/media/66cf4451704a0794913a8a01/Statement_on_the_implications_of_the_Finch_Supreme_Court_judgment_for_Environmental_Impact_Assessments.pdf (Accessed: 28 October 2024).

170 UK Government (2023) 'Annual Fuel Poverty Statistics in England, 2023 (2022 data)', 23 February. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1139133/annual-fuel-poverty-statistics-lilee-report-2023-2022-data.pdf (Accessed: 30 October 2024).

171 Davies, R. (2022) 'National Grid to be partly nationalised to help reach net zero targets', *The Guardian,* 6 April. Available at: https://www.theguardian.com/business/2022/apr/06/national-grid-to-be-partially-nationalised-to-help-reach-net-zero-targets (Accessed: 18 October 2024).

172 Ofgem (n.d.) 'Future system operation (FSO)'. Available at: https://www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/future-system-operation-fso (Accessed: 18 October 2024).

173 Shoben, C. (2022) *New poll: Public strongly backing public ownership of energy and key utilities.* Survation. Available at: https://www.survation.com/new-poll-public-strongly-backing-public-ownership-of-energy-and-key-utilities (Accessed: 25 July 2024) & UNISON (2019) 'Nationalise the big six and create a "green army" to help the UK hit net zero, says UNISON', 17 June. Available at: https://www.unison.org.uk/news/2019/06/nationalise-big-six-create-green-army-help-uk-hit-net-zero-says-unison (Accessed: 25 July 2024).

trade union UNISON is advocating for the nationalisation of the big five energy retail companies. This would mean transferring over 34,000 energy workers from private companies into public service employment, allowing the state to leverage this workforce to promote a transition to renewable energies.[174] In 2019, UNISON, GMB, Unite and Prospect, the UK's four main energy trade unions, published a list of demands to protect energy workers' jobs in a just transition to renewable energy. These include, most importantly, greater influence for unions and workers affected by the transition, granting them a voice in policy-making and the opportunity to contribute to solutions.[175]

A further proposal for public ownership has been brought forward by the We Own It campaign organisation, which advocates for public services to be run for people not profit. Instead of a government bailout when supply companies collapse, they advocate for bringing supply companies into one public supplier.[176] The campaign's petition to nationalise energy outlines four further actions to reclaim public ownership:

1. Nationalising the 'big five' energy suppliers, which would cost the state approximately £2.85 billion.
2. Taxing giants BP and Shell at the same rate as Norway taxes fossil fuel companies: a permanent tax rate of 56 per cent (on top of corporation tax).
3. Setting up a new state-owned renewable energy company to invest in wind- and waterpower while creating public jobs.
4. Nationalising the energy grid, which would bring expected annual savings of £3.7 billion, and would pay for itself in under eight years.[177]

Democratic and public ownership of the energy market was a central proposal of the 2017 Labour Party programme, when the party was under the leadership of Jeremy Corbyn. The Party's 2019 proposal 'Bringing Energy Home' introduced plans to fundamentally transform the energy sector, bringing gas and electricity networks back into public ownership and incorporating participation of energy sector workers and consumers.[178] The plan proposed setting up a National Energy Agency that would own and maintain transmission

174 Church, D. and Mill, J. (2019) 'People power the case for public ownership', *UNISON Energy* 8. Available at: https://www.unison.org.uk/content/uploads/2020/02/25902.pdf (Accessed: 30 October 2024); & Hall, D. (2019) *Benefits and Costs of Bringing Water, Energy Grid and Royal Mail into Public Ownership.* PSIRU, University of Greenwich. Available at: https://gala.gre.ac.uk/id/eprint/25938/7/25938%20HALL_Benefits_Costs_Water_Energy_Royal_Mail_Public_Ownership_(AAM)_2019.pdf (Accessed: 30 October 2024).

175 Braisby, T. (2019) 'Energy unions call for talks on just transition', *UNISON National,* 3 January. Available at: https://www.unison.org.uk/news/article/2019/01/just-transition/ (Accessed: 18 October 2024).

176 We Own It (n.d.) 'Bring energy into public ownership'. Available at: https://weownit.org.uk/public-ownership/energy (Accessed: 25 July 2024).

177 Brown, D., Hayes, C., Lawrence, M. and Buller, A. (2023) *A Wholesale Transformation: Evaluating Proposals for Electricity Market Reform,* Common Wealth. Available at: https://www.commonwealth.co.uk/publications/wholesale-transformation-evaluating-electricity-market-reform (Accessed: 30 October 2024).

178 The Labour Party (2019) *Bringing Energy Home.* Available at: https://www.labour.org.uk/wp-content/uploads/2019/03/Bringing-Energy-Home-2019.pdf (Accessed: 30 October 2024).

infrastructure, alongside establishing regional and municipal energy agencies. In the proposed two-step transition process, Parliament would transfer assets into public ownership and former owners would be compensated with bonds issued by the Treasury. In line with We Own It's calls for returning grid ownership into public hands, this switch would save the government £3.7 billion a year, meaning the investment would pay for itself within seven and a half years. Profits would be reinvested into renewable energies, expanding the UK's renewable energy sector and reducing its dependency on imported gas.[179] Moreover the plan incorporated community and municipally owned energy projects into a wide reaching publicly owned and managed system.

Under the leadership of Keir Starmer, the Labour Party — now in government — has adopted a more moderate programme, in which much of this plan was scrapped. Instead, in 2023, Starmer's Labour announced plans to establish a new publicly owned energy company named Great British Energy (GBE).[180] Research by think-tank Common Wealth estimated that this could reduce electricity costs by £20.8 billion, or £252 per household per year.[181] However, in the run up to the 2024 election Labour stated that this was not a generation company, but an investment mechanism. As outlined by the academics Vera Weghman and David Hall, without public ownership GBE is unlikely to reduce tariffs or efficiently decarbonise the electricity sector.[182] **Social pressure that pushes GBE to actually own and operate renewable assets is essential, otherwise it risks continuing to encourage private ownership of vital energy infrastructure and the use of public funds for private profits — compromising the public benefit of such a policy.** Following a landslide win for Labour in the 2024 elections, the country waits to see if a more radical, fair and equitable vision for energy system ownership is on the horizon.[183]

In some parts of the UK, public ownership of energy is already more ambitious. In Wales, the government announced in 2022 that it would establish a

179 We Own It, *Bring Energy Into Public Ownership.*

180 Labour (2024) 'Make Britain a clean energy superpower'. Available at: https://labour.org.uk/change/make-britain-a-clean-energy-superpower/ (Accessed: 25 July 2024); & Walker, P. (2023) 'New North Sea oil and gas licences will send 'wrecking ball' through climate commitments', *The Guardian,* 31 July. Available at: https://www.theguardian.com/environment/2023/jul/31/rishi-sunak-approval-100-new-north-sea-oil-and-gas-licences-fossil-fuel-climate-crisis (Accessed: 30 October 2024).

181 Lawrence, M. (2022) 'Power to the people: the case for a publicly owned generation company', Common Wealth, 26 September. Available at: https://www.common-wealth.org/publications/power-to-the-people-the-case-for-a-publicly-owned-generation-company (Accessed: 26 July 2024).

182 Green, M. (2024) 'Labour's Great British Energy: 'Investment vehicle, not an energy company', *Current News,* 31 May. Available at: https://www.current-news.co.uk/labours-great-british-energy-investment-vehicle-not-an-energy-company/ (Accessed: 26 July 2024); & Hall, D. and Weghmann, V. (2024)' Will Labour's Great British Energy company lower household bills?', *The Conversation,* 24 June. Available at: http://theconversation.com/will-labours-great-british-energy-company-lower-household-bills-230794 (Accessed: 28 October 2024).

183 Leach, A. et al. (2024) 'UK general election results in full: Labour wins in landslide', *The Guardian,* 26 July. Available at: https://www.theguardian.com/politics/ng-interactive/2024/jul/04/uk-general-election-results-2024-live-in-full (Accessed: 26 July 2024).

publicly-owned renewable energy developer, with any profits reinvested into energy efficiency and job creation.[184] Their focus is on community-owned energy generation, building on the success of the Anafon Hydro Project that was funded by community shares alongside grants and a charity bank loan.[185] The Scottish National Party has promised to keep nationalisation on the table,[186] with organisation Common Weal making a blueprint for a publicly-owned Scottish National Energy Company and Energy Development Agency, based on the Welsh model mentioned above.[187] **Alongside consistent public support for public ownership across the political spectrum,[188] there are clear indications that the public mood around public ownership is optimistic — the challenge is waiting for political leadership to catch up.**

2.2 ENERGY FOR WHAT? PROGRESSIVE TARIFFS TO DEGROW THE ENERGY SYSTEM

For some time, the consensus has been that energy bills must at a minimum reflect the full costs of energy production.[189,190] Some see soaring energy prices as (at least in part) a good thing, because higher bills entice consumers to reduce their usage and switch to renewables,[191] albeit at huge societal cost. This thinking disregards the fact that households on lower incomes, who are at a much higher risk of energy poverty, are already more likely to use less energy than they might need to lead a comfortable life.

The New Economics Foundation has shown that the impact of higher energy bills is highly regressive, with lower-income families being disproportionately

184 Gov.wales (2022) 'Wales announces publicly-owned renewable energy developer', 25 October. Available at: https://www.gov.wales/wales-announces-publicly-owned-renewable-energy-developer (Accessed: 30 July 2024).

185 Gov.wales (2023)' Ynni Cymru will unlock Wales' green energy potential', 7 August. Available at: https://www.gov.wales/ynni-cymru-will-unlock-wales-green-energy-potential (Accessed: 26 July 2024).

186 Mawhood, B., Hutton, G., Sutherland, N. (2022) *Public Ownership of Energy Companies.* London: House of Commons Library. Available at: https://commonslibrary.parliament.uk/research-briefings/cdp-2022-0184

187 Baker, K. et al. (2019) P*owering our ambitions: the role of Scotland's National Energy Company and the case for a Scottish Energy Development Agency.* Common Weal. Available at: https://commonweal.scot/policies/powering-our-ambitions/ (Accessed: 26 July 2024).

188 YouGov. 'Support for bringing energy companies back into public ownership'. Available at: https://yougov.co.uk/topics/consumer/trackers/support-for-bringing-energy-companies-back-into-public-ownership (Accessed: 30 October 2024).

189 Huenteler, J. et al. (2020) *Cost Recovery and Financial Viability of the Power Sector in Developing Countries.* Washington DC: World Bank Group. Available at: https://documents1.worldbank.org/curated/en/970281580414567801/pdf/Cost-Recovery-and-Financial-Viability-of-the-Power-Sector-in-Developing-Countries-Insights-from-15-Case-Studies.pdf (Accessed: 30 October 2024).

190 While state-owned utilities were encouraged to achieve full recovery, by raising their tariffs, the rates at which private producers have been selling energy through power purchase agreements to these utilities have been far beyond cost-recovery by generally ensuring their return of investment.

191 Koprčina, F. (2022) 'Why might high energy prices provide a long-term benefit for the EU? - European Commission', 9 August. Available at: https://sustainable-energy-week.ec.europa.eu/news/why-might-high-energy-prices-provide-long-term-benefit-eu-2022-08-09_en (Accessed: 26 July 2024).

affected.[192] **Pro-market policies have led to a situation where high-usage and wealthy consumers spend proportionally less on energy than low-income users.** In some countries, poorer households and families are even paying more in absolute terms. A UK survey suggests that those who use small amounts of energy are paying up to 30 per cent more for their energy than those who use more units.[193] According to the Netherlands' Bureau of Statistics, in 2019, Dutch households paid on average twice as much for the same amount of gas as industrial users — and up to three times as much for the same amount of electricity.[194]

Moreover, research shows that direct and indirect energy use[195] actually increases when incomes go up.[196] **Oxfam International found that the richest 1 per cent are responsible for more than double the emissions of the poorest half of humanity.**[197] Not-for-profit public ownership, in combination with democratic participation, has the potential to correct this, as governance decisions could be made to ensure equitable energy access and tariffs that curb excessive use.

Public ownership already allows for lower energy prices. **Research shows that prices are 20–30 per cent lower in systems with public ownership.**[198] Publicly owned energy is also better equipped to shield a population from international price volatility. Take Électricité de France (EDF), as a State-owned electricity utility they were able to cap electricity and gas prices for households at 4 per cent in 2022 and 15 per cent in 2023,[199] ensuring rates remained affordable for French households. In contrast, electricity and gas market prices increased by 69 per cent and 111 per cent respectively.[200]

192 Kumar, C., Caddick, D. and Stirling, A. (2022) 'The unequal impact of the energy bill crisis', New Economics Foundation, 24 January. Available at: https://neweconomics.org/2022/01/the-unequal-impact-of-the-energy-bill-crisis (Accessed: 26 July 2024).

193 Insley, J. (2012) 'Low users paying more for energy', *The Guardian,* 18 September. Available at: https://www.theguardian.com/money/2012/sep/19/low-users-pay-more-energy (Accessed: 29 July 2024).

194 Mast, J. and Steinfort, L. (2021) *De vervuiler is koning: Het falen van de vrije energiemarkt in Nederland.* TNI. Available at: https://longreads.tni.org/de-vervuiler-is-koning (Accessed: 29 August 2024).

195 Direct energy is the energy someone uses themselves, such as energy usage for cooking. Indirect energy is the energy that it takes to produce the goods and services you purchase.

196 Climate Just (n.d.) 'Which households emit the most carbon from energy use?' Available at: https://www.climatejust.org.uk/messages/which-households-emit-most-carbon-energy-use (Accessed: 29 July 2024).

197 Oxfam (2020) *Carbon emissions of richest 1 percent more than double the emissions of the poorest half of humanity,* Oxfam International, 21 September. Available at: https://www.oxfam.org/en/press-releases/carbon-emissions-richest-1-percent-more-double-emissions-poorest-half-humanity (Accessed: 29 July 2024).

198 Hansard (2022) 'Public ownership of energy companies', vol. 721, col. 254WH. Available at: https://hansard.parliament.uk/commons/2022-10-31/debates/D2E93BD7-1A0E-40FA-8829-0B3D9412F589/PublicOwnershipOfEnergyCompanies (Accessed: 29 July 2024).

199 News Wire (2022) 'France to cap rise in energy prices at 15% in 2023, prime minister says', *France* 24, 14 September. Available at: https://www.france24.com/en/france/20220914-france-to-cap-rise-in-energy-prices-at-15-in-2023-says-pm (Accessed: 30 October 2024).

200 Ashkew, J. (2022) 'Gas and electricity bills "nearly double in all EU capitals", new data reveals', *euronews*, 7 November. Available at: https://www.euronews.com/my-europe/2022/11/07/gas-and-electricity-bills-nearly-double-in-all-eu-capitals-new-data-reveals (Accessed: 30 October 2024).

Costa Rica is another example of a country which keeps energy prices low for domestic customers. Costa Rica has a state-owned utility and a Public Services Regulatory Authority — a body responsible for rate-setting based on operating costs and investment needs in the sector.[201] This set-up has been key to avoiding utility bill hikes in times of global price volatility. Between 2016 and 2023, while Costa Rica's general cost of living increased by 17 per cent, energy rates actually went down. Read the longer case study on Costa Rica's energy transition struggle on page 58.[202]

Capping energy prices in ways that actually reduce private profits — instead of using public subsidies for their protection — is crucial. What's more, public utilities can employ tariffs to reduce energy use and related greenhouse gas emissions in just ways. To do this, they need to engage the wider population. **To move away from today's growing energy mix and start reducing demand, especially in the global North, we need to have informed, ongoing country-wide debates and democratic decision-making processes to determine which energy uses are socially essential and which are not, ranging from less necessary to excessive.** A participatory process could determine that low-income households or perhaps even all residents would get a sufficient energy budget (see the Honduras example below). Then, beyond essential use, tariffs could increase in proportion to wealth, asset ownership and income — as well as being indexed to whether energy use contributes to personal and social wellbeing.

Once policy-makers start to take the purpose of energy use into account, in combination with users' energy needs and abilities to pay, energy tariffs can be determined accordingly. This way, **progressive tariffs can provide a framework to both deliver people's right to energy and reduce use by the biggest and wealthiest users.** The objective would need to be dual: on one hand, eliminating energy poverty and securing the energy required to deliver essential goods and services, from water and education to health care and public transport, and on the other hand, steep tariff increases for the biggest, for-profit users, to enforce a significant reduction in energy demand.

A progressive tariff structure has great potential, but as the case of South Korea illustrates, its effectiveness very much depends on design and implementation. In 2016, South Korea revised the progressive tariff system that had been in place across Korean cities since the 1970s. Under the previous system, energy users — particularly those on lower incomes — were being penalised for necessary increases in energy use driven by hotter summers, such as for air conditioning. The government responded to public pressure around this issue by

201 BMessina, P. and Sanguinetti, M. (2023) 'Public electricity held accountable by Costa Rica's popular struggle for energy democracy', TNI, 12 October. Available at: https://www.tni.org/en/article/public-electricity-held-accountable-by-costa-ricas-popular-struggle-for-energy-democracy.

202 Webb, A.Q. (2024) 'Costa Rica's green energy miracle is at a critical juncture', *El Pais,* 19 January. Available at: https://english.elpais.com/international/2024-01-19/costa-ricas-green-energy-miracle-is-at-a-critical-juncture.html (Accessed: 29 July 2024).

revising the tariff structure with the goal of ensuring that the energy required to stay healthy and comfortable in hotter weather remained affordable.[203]

As the South Korea case shows, if people's needs and abilities are not adequately factored in, low-income families' energy bills and levels of energy poverty can increase. At the same time, support for some sort of energy budget and more progressive pricing seems to be growing. In 2022, the government of Honduras, under the leadership of its first female president Xiomara Castro, passed a landmark law to guarantee electricity as a public good and a human right. Its objectives include establishing fair and transparent tariffs, increasing government participation in energy generation, and reaching an energy mix consisting of 70 per cent renewables.[204] By 2023, the country had renegotiated 16 energy contracts to lower tariffs and increased the efficiency of the National Electric Energy Company (ENEE).[205] Castro took a clear stance against privatisation and for saving the public utility, enabling free electricity for the lowest-income households, benefitting the 900,000 poorest families in the country.[206]

Across Europe, many national governments have been taking social measures to support households with their energy bills, reducing energy taxes, introducing financial transfers to precarious groups, and regulating to cap prices.[207] For example, the UK provided a direct payment to reduce energy bills for all households and instilled a temporary tariff cap.[208] Luxembourg increased cost-of-living payments to vulnerable houses by €200 euros a month.[209] While Spain and Portugal received permission from the European Commission to significantly — albeit momentarily — cap electricity bills by 40 per cent.[210] Interestingly, while almost all countries regulated the retail price, only France, Malta, Portugal,

203 BGuan, S.J. and Kim, K. (2023) 'Did new electricity progressive tariff system change energy usage pattern in Seoul apartments? Evidence from integrated multisource dataset and combined analytical models', *Energy and Buildings* 287. Available at: https://www.sciencedirect.com/science/article/abs/pii/S0378778823002098 (Accessed: 30 October 2024).

204 Jae-hun, L., SungHee, O. and Junmo, K. (2023) *The Future is Public,* Vol. 2. Seoul:Korean Public Service and Transport Workers' Union (KPTU) & Public Policy Institute for People (PPIP). Available at: https://pop-umbrella.s3.amazonaws.com/uploads/fd4d03b9-bf25-427f-9449-ef95c07062aa_Second_issue_Nov_2023_The_Future_is_Public.pdf. (Accessed: 30 October 2024).

205 Paz, J. (2023) 'Honduras: energy contracts renegotiation between Honduras and its generators', *Lexology,* 8 February. Available at: https://www.lexology.com/library/detail.aspx?g=adb2d649-f2ba-4261-bae3-ff9b6b530407 (Accessed: 29 July 2024).

206 Bnamericas (2023) 'Honduras announces measures to resolve the emergency and sabotage in the energy sector', *BNamericas.com,* 23 June. Available at: https://www.bnamericas.com/en/news/honduras-announces-measures-to-resolve-the-emergency-and-sabotage-in-the-energy-sector (Accessed: 29 July 2024).

207 European Commission (2023) 'Annual report focuses on measures taken to tackle energy and cost of living crisis', 17 October. Available at: https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=10673 (Accessed: 19 September 2024).

208 Sgaravatti, G. et al. (2023) 'National fiscal policy responses to the energy crisis', Bruegel Datasets, 4 November 2021, Available at: https://www.bruegel.org/dataset/national-policies-shield-consumers-rising-energy-prices (Accessed: 31 October 2024).

209 Sgaravatti et al., *National fiscal policy responses to the energy crisis.*

210 Tidey, A. (2022) 'Brussels agrees to "Iberian exception" allowing Spain and Portugal to cap electricity prices ', *EuroNews,* 26 April. Available at: https://www.euronews.com/my-europe/2022/04/26/brussels-agrees-to-iberian-exception-allowing-spain-and-portugal-to-cap-electricity-prices (Accessed: 31 October 2024).

Slovenia and Spain regulated the wholesale energy price.[211] Although many of these policies were limited and temporary, they provide an opening for a fully-fledged progressive tariffs system.

The practices of various Indigenous and rural communities, while on a very small scale, show it is possible to set energy prices based on need and ability to pay. The Indigenous Butbut community in Ngibat, part of the Tinglayan municipality in the Philippines, collectively owns and operates a number of micro-hydro systems. Each household contributes a collectively agreed tariff, based on their income, for the energy it uses.[212] Another example is the hydropower plant in El Cua, Nicaragua. All residents have the right to this service but people who make more money are expected to pay slightly more than those who make less.[213] The Scottish Isle of Eigg provides an interesting example of managing the amount of renewable energy that users can consume. The island community owned and managed off-grid energy system has a maximum use limit of 5kW per household and 10kW per business at any one time, to ensure that everybody has enough.[214]

To maximise the reduction of energy use, progressive tariff policies are most effective when combined with large, country-wide public works to retrofit all public and residential buildings with energy efficiency measures. The case of Burgas, Bulgaria, shows that a public authority can successfully retrofit a substantial section of its residential building stock. Thanks to a combination of European, national and municipal funds, by 2019 this coastal city had retrofitted half of its residential homes, decreasing emissions and reducing residents' energy bills by up to 30 per cent.[215] Burgas' success was the result of democratic participation. The city asked residents to form an association and appoint a representative, enabling a dialogue between the municipality and residents about their preferences and concerns. Although a lack of funding interrupted the effort, Burgas demonstrates that public retrofitting has an important role to play in reducing energy use in fair and equitable ways.[216]

Burgas' experience also shows the importance of policy at a range of scales, from the international to the local. Without strong national and international policy measures, energy injustice will likely persist. But it will be far from easy to

211 Sgaravatti, G. et al. (2023) 'National fiscal policy responses to the energy crisis'. Available at: https://www.bruegel.org/dataset/national-policies-shield-consumers-rising-energy-prices (Accessed: 31 October 2024).

212 Carino, J. and Sriskanthan, G. (2018) *Renewable Energy & Indigenous Peoples: Background Paper to the Right to energy Partnership.* Indigenous Peoples Major Group for Sustainable Development. Available at: https://www.indigenouspeoples-sdg.org/index.php/english/all-resources/ipmg-position-papers-and-publications/ipmg-submission-interventions/93-renewable-energy-indigenous-peoples/file (Accessed: 30 October 2024).

213 Colbert, M. (2017) 'El Cua, Nicaragua', *Energy Democracy,* 22 December. Available at: https://energy-democracy.net/el-cua-nicaragua/ (Accessed: 30 July 2024).

214 Wind & Sun (n.d.) *'Isle of Eigg'.* Available at: https://www.windandsun.co.uk/pages/isle-of-eigg (Accessed: 30 July 2024).

215 Trendafilov, I. (2020) 'The "smart" transformation of a Black Sea metropolis', *mPOWER,* 3 March. Available at: https://municipalpower.org/articles/the-smart-transformation-of-a-black-sea-metropolis (Accessed: 30 July 2024).

216 Trendafilov, *The "smart" transformation of a Black Sea metropolis.*

design and adopt genuinely progressive tariffs at the national level, especially considering the prospect of steep price increases for big business and wealthy users, who will have vast power and resources to fight back. **The difficulties of pro-public policy-making on larger scales has led many to emphasise the importance of the municipal level for advancing democratic energy transition policies. Citizens have more chance of influencing levels of governance nearest to them.** This is the theme of Section 2.3.

2.3 (RE)MUNICIPALISATIONS FOR THE PUBLIC GOOD

Across the world, people are bringing formerly privatised and newly established infrastructure and services into public ownership. This is happening on national, regional and municipal scales, and in some cases is being organised by communities (rather than governments). **Traditionally, remunicipalisation was defined as bringing privatised services and infrastructure back into municipal ownership, but TNI has developed a broader definition to also capture community provision of public services — recognising that public authorities do not always have the power, resources or interest to do so.** All the examples below are characterised by their accessibility to all members of the community and by services, land and labour being paid for or provided by public funds,[217] whether by governments or a pooling of community resources. (Re)municipalisation is a key strategy that can contribute to achieving decolonial, deprivatised and democratic energy transitions.

Eight years into systematically studying energy (re)municipalisation at TNI, we identify three types of remunicipalisation, as set out in the box below.

BOX 2.3

THREE APPROACHES TO ENERGY (RE)MUNICIPALISATION

PUBLIC AUTHORITY-LED REMUNICIPALISATION

In Odisha, India, the sub-national government took action to remunicipalise privatised local energy companies in 2015 after they were found to be underperforming.[218] Odisha (formerly Orissa) had been the first state in India to privatise energy distribution in 1995, the results were a lack of investment in power infrastructure, a lack of system maintenance and poor customer service. Now that the licences are back in public control, the state is having to spend additional money to remedy the harms of privatisation.

217 Transnational Institute and University of Glasgow (2024) 'Public futures'. Global Database on the de-privatisation and creation of public services. Retrieved from `publicfutures.org` (Accessed: 13 August 2024).

218 Public Futures (2024) 'Case #0760'. Available at: `https://publicfutures.org/cases/760` (Accessed: 13 August 2024).

COMMUNITY-LED REMUNICIPALISATION

In the early 2000s, the private company that ran the energy supply, distribution and transmission on the island of Kauai, Hawaii, USA, decided to sell as it was moving its focus to telecommunications. Local business people saw an opportunity and together formed a cooperative to buy the company. In 2002, Kauai Island Utility Cooperative was formed, owned by its members and managed by an elected board.[219] This not-for-profit cooperative now provides energy generation, transmission and distribution services to the whole island. They aim to be 100 per cent renewable by 2033 and as of 2022 are already at 60.2 per cent renewable energy.[220]

PUBLIC–COMMUNITY MUNICIPALISATION

The creation of new municipal services or infrastructure, also known as municipalisation, can be initiated through partnerships between municipal bodies and community organisations. In Plymouth, UK, the local community has long been facing a declining local economy, leaving residents in poorly insulated housing and energy poverty. The local authority recognised the important role that community energy can play in simultaneously tackling energy poverty and climate change by supporting the creation of the independent Plymouth Energy Community. They allocated public funds for the establishment of the organisation and for staff time to support it. Plymouth residents had the autonomy to operate the organisation independently.[221] Initially, the project focused on energy advice for vulnerable people, before expanding to deliver energy efficiency projects. The success of this initiative led the Energy Community to establish a local renewable energy project, providing affordable clean energy to its members and ensuring members decide how the profits are spent within their local area.

Today, there are over 1,700 cases of (re)municipalisation in 75 countries around the world, with 381 recorded cases of reclaimed and new energy services or infrastructure documented in the Public Futures database.[222] (Re)municipalisation is a key opportunity to deepen democratic energy governance, with many well-established initiatives enabling meaningful citizen participation and decision-making around how energy services should be run and how any profit generated should be used. It should be noted that in the countries with the most robust examples of (re)municipalisation, strong social movements have shaped the circumstances that have led to their existence. We explore two such examples now.

219 Public Futures (2024) 'Case #1181'. Available at: https://publicfutures.org/cases/1181 (Accessed: 13 August 2024).

220 Kauai Island Utility Cooperative (n.d.) 'About us'. Available at: https://www.kiuc.coop/about-us (Accessed: 13 August 2024).

221 Traill, H. and Cumbers, A. (2024) 'The limits to the urban within multi-scalar energy transitions: Agency, infrastructure and ownership in the UK and Germany', *Urban Studies*. Available at: https://doi.org/10.1177/00420980241228467 (Accessed: 30 October 2024).

222 Transnational Institute and University of Glasgow, *Public Futures.*

In Spain, in 2015, 15 per cent of the population were living in energy poverty. Electricity prices had risen by 83 per cent in two years, and there was deep dissatisfaction with the way the energy system was being run.[223] In response, millions of people in multiple cities took to the streets and participated in citizens' platforms and collective organising. Over just a few years of political action, Barcelona, Pamplona, Palma de Mallorca and Cadiz were all able to elect politicians with a strong municipalist agenda, with the aim of building energy democracy for all. All of these newly elected representatives were able to share best practices and struggles through the Spanish Platform for a New Energy Model (Plataforma por un Nuevo Modelo Energético).[224] Catalonia's Network for Energy Sovereignty (Xarxa per la Sobirania Energètica) designed recommendations for how Spanish municipalities can involve citizens in energy decision-making.[225] Meanwhile **hundreds of Spanish cities began to procure their energy from major cooperatives, which have member ownership built into their design.**

Meanwhile, in Germany, since the 2000s, activists from the anti-nuclear and renewable energy movements have campaigned for their local authorities to take advantage of grid concession contracts that were coming up for renewal. This has ultimately led to hundreds of municipalities taking back control of their grids, running their own supply, and sometimes developing new renewable generation companies.[226] These (re)municipalisations have taken place across a range of scales, from the rural town of Wolfhagen to small cities such as Ettlingen and large cities such as Berlin, Hamburg and Munich.[227] In all of these locations, action was taken to take control of the local electricity grids — enabling municipalities to facilitate a shift towards 100 per cent renewable energy.

The first to take such steps was Wolfhagen, in 2006. After taking control of their electricity grid, citizens in Wolfhagen established a municipal energy company alongside a citizens' cooperative which is represented on the municipal company's board. This way, residents have a say in how the public company is being run and how any profit should be used. Over the years, returns have been used to lower tariffs, almost double the number of staff, and fund local childcare, bike schemes and energy system improvements.[228]

223 Steinfort, L. (2020) 'Putting energy democracy at the heart of a Green New Deal to counter the climate catastrophe', in Kishimoto, S., Steinfort L. and Petitjean, O. (eds.) *The Future is Public.* Amsterdam: TNI, pp. 215–229. Available at: https://www.tni.org/files/futureispublic_chapter_15.pdf (Accessed: 30 October 2024).

224 *Platform for a New Energy Model* (n.d) 'Plataforma por un nuevo modelo energético'. Available at: https://nuevomodeloenergetico.org (Accessed: 28 October 2024).

225 *Xarxa per la sobirania energètica (Xse)* (2024) 'Inici'. Available at: https://xse.cat/ (Accessed: 28 October 2024).

226 Xse, *Inici.*

227 Traill and Cumbers, *The limits to the urban within multi-scalar energy transitions.*

228 mPower (n.d.) 'Guide 2: Building energy communities'. Available at: https://municipalpower.org/best-practice-guides/guide2 (Accessed: 16 August 2024).; Hopman, L. *et al.* (2021) *Democratic and Collective ownership of Public Goods and Services.* TNI. Available at: https://www.tni.org/files/publication-downloads/public_community_collaborations_report_web_19_aug_2021.pdf (Accessed: 16 July 2024).

Germany has favourable conditions, which could be fought for in other contexts. Government responsibility to 'provide basic services as part of general well-being' is written into the German constitution, alongside the opportunity to socialise an entire sector by reclaiming it from the market.' [229] These measures are indicative of the popular support for a publicly owned energy sector, historically [230] Alongside this, Germany allows greater devolved power to municipalities than many countries do, with many municipalities having control over their energy infrastructure — affording more opportunity for democratic engagement and responsiveness to demands at the local level.[231]

COUNTRY CASE

PUBLIC ENERGY AND THE POPULAR STRUGGLE FOR DEMOCRACY IN COSTA RICA

From the end of the 1940s until the 1970s, Costa Rica built a successful publicly governed electricity system, featuring a unique combination of a state-owned utility, a regional enterprise, two municipal enterprises and four rural electricity cooperatives. Since the 1990s, this model has been under severe strain, for two very different reasons. On one hand, it has been increasingly threatened by the ongoing onslaught of privatisation. On the other hand, some energy projects are facing legitimate resistance from social and environmental movements. These **movements have been foundational in Costa Rica's current energy model, pushing the government to instil meaningful citizen consultation processes and diversify the country's energy sources.**

THE COSTA RICAN ELECTRICITY SYSTEM

At first glance, the Costa Rican electricity system can be seen as a successful eco-socialist model. The electricity grid has more than 3,500 MW of installed capacity, and over 99 per cent of power generation derives from renewable sources. Since 2021, close to 100 per cent of the population has had access to electricity.[232]

For the last two decades, hydropower's share of the energy mix has been relatively consistent and dominant, averaging around 73 per cent. Other renewable sources have consistently provided around 13 per cent, with geothermal energy maintaining the largest share. Since 2000, wind energy has increased, replacing

229 Paul, F.C. and Cumbers, A. (2023) 'The return of the local state? Failing neoliberalism, remunicipalisation, and the role of the state in advanced capitalism', *Environment and Planning A: Economy and Space,* 55(1), 165–183. Available at: https://doi.org/10.1177/0308518X211050407.

230 Paul, F.C. (2024) 'The contested politics of de-privatisation and the shifting terrain of the local state: the case of the Ilm-Kreis, Thuringia, Germany', *Local Government Studies,* 50(4), 696–717. Available at: https://doi.org/10.1080/03003930.2023.2298292; & RWE & Co Enteignen, *Nehmen Was Uns Zusteht: Klimagerechtigkeit Heißt Vergesellschaftunggètica.* Available at: https://Rwe-enteignen.de/nehmen-was-uns-zusteht (Accessed: 13 August 2024).

231 Traill and Cumbers, *The limits to the urban within multi-scalar energy transitions.*

232 The World Bank (2023) 'Access to electricity (% of population) — Costa Rica', https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=CR (Accessed: 13 August 2024); & IEA, IRENA, UNSD, World Bank, WHO (2023) *Tracking SDG7: The energy progress report 2023.* Washington DC: World Bank. Available at: https://www.irena.org/Publications/2023/Jun/Tracking-SDG7-2023 (Accessed: 13 August 2024).

the already low percentage of electricity generated from oil (which had fallen to about 14 per cent by 2021).[233]

The Costa Rican Electricity Institute (ICE) has played a key role in these achievements. ICE is a state-owned and vertically integrated enterprise, responsible for providing energy and telecommunications services. It was set up as part of a set of social reforms following the end of the civil war in 1948. ICE played a fundamental role in these reforms by providing the energy required to implement the state-backed development and industrialisation plans. It also enabled the expansion of welfare policies by facilitating households' access to electricity.

The electricity system that took shape consists of: i) ICE and its subsidiary, the National Power and Light Company, which supplies the centre of the country and the metropolitan area; ii) municipal companies which supply electricity and provide backup generation; iii) four energy cooperatives, which focus mainly on rural electrification. **ICE generates about 75 per cent of the electricity in Costa Rica, while just over 3 per cent is produced by CNFL, about 6 per cent by cooperatives and municipal enterprises, and 16 per cent by private power generation companies.** The latter are the result of a process of opening up the electricity system to private capital, which began in 1990.

THE STATE–MUNICIPAL–COOPERATIVE GOVERNANCE MODEL

At an early stage, ICE absorbed a company set up in 1941, the National Power and Light Company (CNFL), which was itself the result of the merger of three private companies. ICE and CNFL together comprise what is now known as the ICE Group.

In the mid-1960s, the Cartago Municipal Electricity Service (JASEC) was given partial authorisation for power generation, distribution and supply, and in the mid-1970s the Heredia Public Services Company (ESPH) was created. The latter is a municipal company that distributes electricity, provides street lighting, drinking water and sanitation services, and has also become involved in electricity generation. These two municipal enterprises have relatively small amounts of installed capacity and the power they generate operates mainly as a backup supply. In their role as distribution companies, they do not compete with the ICE Group, but have assigned territories that they serve exclusively. Despite occasional disputes, coordination, cooperation and complementarity prevail.

Rural electrification cooperatives have also existed since the 1960s. The cooperatives operating today are COOPESANTOS, COOPELESCA, COOPEALFARORUIZ and COOPEGUANACASTE. Together, they cover about 400,000 users and 20 per cent of Costa Rica's territory. They are not-for-profit entities and reinvest their earnings in improving and expanding operations. Some have expanded their business activities to other sectors such as telecommunications and drinking

233 Our World in Data (2024) 'Electricity production by source, Costa Rica', `https://ourworldindata.org/grapher/electricity-prod-source-stacked?country=~CRI` (Accessed: 13 August 2024).

water. In 1989, they set up a consortium called CONELECTRICAS R.L. for the purpose of defending the interests of the cooperative sector and strengthening their operations. In 2013, COOPELESCA was the first energy company in Latin America to obtain carbon neutral certification and, since 2015, it has been implementing a strong policy to mitigate the negative impacts of electricity generation, as well as supporting community initiatives.[234]

In contrast to some experiences elsewhere, the cooperatives in Costa Rica have a strong public service vocation. A clear example of this was seen during the 'ICE Combo' privatisation attempts in the 2000s, when the electricity cooperatives were among the defenders of ICE as a state-owned enterprise.[235]

Costa Rica's public power model has shaped the success story of the country's electricity system. Beyond the amount of power production, **in the last few years the municipal enterprises and the rural cooperatives have together accounted for about 20 per cent of electricity sales, with relatively similar market shares. This illustrates their importance within the sector.** For those who see energy democracy as synonymous with decentralisation and small-scale operations, the presence of ICE as a vertically integrated state-owned enterprise that governs most of the electricity system is uncomfortable. Meanwhile those who associate energy democracy with large-scale, publicly-owned and vertically integrated monopolies may see the existence of the back-up municipal enterprises and rural electricity cooperatives as a deviation from the model. However, the Costa Rican experience demonstrates the potential for linking these two models of energy democracy in a coordinated way, with demonstrable success.

The system's main weakness is limited popular participation in decision-making. There has been some progress around popular dialogue in recent years, in response to significant social protests against hydropower projects. The credit for this is due to the protests organised at the local level rather than to ICE itself. There have also been attempts to make ICE's management more responsive to the needs of local communities, for example in how it manages the greenhouse gas-emitting biomass from dams and reservoirs.

PRIVATISATION PUSH

The drive to increase energy democracy is counterposed by a strong push to privatise. Since 1990, changes have been made to ICE's governance arrangements. For example, Law 7200 introduced competition in electricity generation, although it kept ICE as the only buyer. Thus, there is still an ethos of public service in which the state maintains ownership and decides whether to allow private entities to provide the service under contract and, if so, on what terms.[236]

234 Bhavez, D. (2016) 'COOPELESCA, Costa Rica', *Energy Democracy,* 12 December. Available at: `https://energy-democracy.net/coopelesca-costa-rica` (Accessed: 13 August 2024).

235 Chavez, *COOPELESCA, Costa Rica.*

236 Weinstok, U. (2020) *Propuesta para una Mejor Regulación del Sector Eléctrico en Costa Rica.* LEAD University. `https://dspace.ulead.ac.cr/server/api/core/bitstreams/e560ce6c-af2f-4c45-a8f2-f07820ac36b2/content` (Accessed: 30 October 2024).

The new framework that began to be introduced in the 1990s changed the face of the Costa Rican electricity system. In particular, it involved bringing in about 30 private generation companies, which focused on generating wind and geothermal power.[237] Law 7200 authorised each company to have a maximum installed capacity of 20,000 KW and a maximum total market share of 15 per cent. In 1995, these limits were increased to 30 per cent and 50,000 KW respectively . Since then, the involvement of private power generation companies has been increasing, rising from 11 per cent at the end of the 1990s to over 25 per cent now, placing them near the limit of their permitted share.

Against this background, **the Public Services Regulatory Authority (ARESEP) was set up in 1996. Its duties include rate setting and it is mandated by law to determine rates based on operating costs and investment needs in the sector.** This approach contrasts to that of the typical neoliberal regulator, whose main objective is to promote competition and set rates based on marginal costs instead of system costs, favouring private power producers. ARESEP's priorities include defending the public service, regardless of whether competition from the private sector is allowed.

During the presidency of Miguel Ángel Rodríguez, from 1998 to 2002, a strongly neoliberal agenda was pursued, which included taking certain assets out of state ownership. A political pact between different groups in parliament led to the drafting and partial approval of three proposed laws: the ICE Transformation Act, the General Electricity Law and the General Telecommunications Law. These three bills were combined into one and popular ingenuity rapidly baptised them the 'ICE Combo'.

The 'Combo' proposed to liberalise the electricity and telecommunications sectors — the two areas in which ICE operates — and open them up to competition. It was approved by the majority of members of parliament (47 out of 57). However, this privatisation attempt was met with popular protests unprecedented in Costa Rica, to the point where parliamentary discussion came to a halt in as little as six weeks. A Constitutional Court ruling subsequently buried the bill in its original formulation for good.[238]

RESISTANCE

Costa Rica has a long history of social movements, particularly community, Indigenous and environmental groups forming coalitions that not only resist, but shift policy on resource extraction and use. The anti-dam movement opposed the development of new hydroelectric dams due to their vast impacts on biodiversity and environmental degradation. These dams were infringing on Indigenous territories and harming local livelihoods.

237 Loría, M. and Martínez, J. (2017) *El Sector Eléctrico en Costa Rica. Academia de Centroamerica.* Available at: https://www.academiaca.or.cr/wp-content/uploads/2017/05/El-sector-ele%CC%81ctrico-en-Costa-Rica.pdf (Accessed: 30 October 2024).

238 Solis, M. A. (2002) 'Entre el cambio y la tradición: el fracaso de la privatización de la energía y las telecomunicaciones en Costa Rica', *Revista de Ciencias Sociales* (1)95, 33–47. Available at: https://www.redalyc.org/pdf/153/15309504.pdf (Accessed: 30 October 2024).

In 2001, one such coalition, also involving regional and national organisations through the Federación Ecológica Nacional (FECON), instigated a series of national forums that resulted in a proposal for a new national energy plan that centred community consultation, sustainability and new energy technologies such as more affordable wind and solar. Thirteen years later, these principles were incorporated into the Ministry of Environment and Energy's 2015 National Energy Plan.[239] This demonstrates the power and importance of sustained social struggle to achieving policy results.

The resistance to the ICE Combo was another diverse movement. Broadly speaking, it was a trade union-led protest against privatisation. The ICE unions were supported by a swathe of other unions and the student movement. These organisations were backed in important protests by the farmers' movement and by Indigenous communities with strong territorial roots, who in turn also fought to prevent the destruction of their territory by the advance of hydroelectric dams.[240]

The anti-dam initiatives have used legal channels, moratoriums, municipal-level plebiscites, protests and even international campaigning to stop around 35 projects. Some of these projects were in the early stages of administrative procedures and others were at a more advanced stage — in some cases, construction work such as road building and diverting watercourses had already begun.

Community resistance has been organised against both private and public sector hydropower projects and, to a lesser extent, those initiated by cooperatives and municipal enterprises.[241] Take the campaign against the Diquís project. This ICE project would have been the largest hydroelectric dam in Costa Rica. Following years of protest and campaigning for alternative energy mix proposals, the project was abandoned.[242] **This demonstrates the importance of social movement organisations in keeping public utilities accountable.**

PRIVATISATION THREAT RETURNS

As we write, the Costa Rican parliament is discussing a series of bills that would substantially change the Costa Rican electricity system. One proposed change is the modification of ICE's role in the electricity market. This bill would deprive the utility of its power to plan and manage the sector, giving this role to private companies and the executive branch of government. These changes are

239 Feoli, L. (2023) 'Social movements and a policy shift towards a diversified electricity matrix', *The Extractive Industries and Society,* 14, 101249. Available at: https://doi.org/10.1016/j.exis.2023.101249 (Accessed: 6 November 2024).

240 Menjívar Ochoa M. (2013) 'El referéndum de las calles. Lucha social y reforma del Instituto Costarricense de Electricidad (Costa Rica 2000)', *Diálogos Revista Electrónica* 13(2): 1–47. Available at: https://doi.org/10.15517/dre.v13i2.6371 (Accessed: 6 November 2024).

241 Gutiérrez, A. and Villalobos, D. (2019) 'Proyectos hidroeléctricos y resistencias comunitarias en defensa de los ríos en Costa Rica: un análisis geográfico', *Cuadernos de Geografía: Revista Colombiana de Geografía* 29(1): 133–15. Available at: https://doi.org/doi:10.15446/rcdg.v29n1.75271 (Accessed: 6 November 2024).

242 Álvarez, M. (2016) 'Del Diquís a la represa "Chinis"', Seminario Universidad, 26 April. Available at: https://semanariouniversidad.com/opinion/del-diquis-la-represa-chinis (Accessed: 30 October 2024).

pursued by the private power generation sector and would lay the institutional foundations for the creation of a commercial electricity market.

Another of the proposed changes is to remove ICE's monopoly over buying electricity, enabling private companies to sell power freely to distributors and large consumers, as well as to the regional market. These proposed reforms threaten a new privatisation cycle that puts the utility and electricity as a public service at risk.

While the trade union movement was at the centre of the resistance in the late 1990s, today the strongest resistance appears to come from local social movements. These movements are warning of the dangers of increasing private sector involvement in power generation, arguing that this would prioritise business interests over the needs of the Costa Rican people.

The historic successes of Costa Rica's public governance model — a model that serves as inspiration to the rest of the world — are at risk. This is why we need to build local resistance out into a global energy democracy movement — a movement in defence of the Costa Rican model and the vision of sustainability, justice and democracy it represents.

2.4 PUBLIC–COMMUNITY COLLABORATIONS TO CO-PRODUCE THE ENERGY TRANSITION

Energy re-municipalisation opens up space for forms of energy governance built on collaborative partnerships between public institutions and citizens, otherwise known as public–community collaborations. This is an essential strategy and component for realising just and equitable energy transitions.

Public–community collaborations offer hybrid approaches to the ownership and governance of resources, enabling new forms of participation and community control. They involve public institutions working together with groups or members of any given community. This can be in the form of a local government procuring services from a workers cooperative, or another not-for-profit body that collaborates meaningfully and on an ongoing basis with the local population towards the delivery of a public service.[243] This form of co-production is a way of tapping into new networks and capacity that public institutions may otherwise be unable to access, as well as a model for finding new creative solutions to common challenges.[244]

These collaborations are an expression of dual power, combining endeavours to change public institutions from inside with initiatives to build counterpower from the outside. This approach can build up capacities for self-organisation and hold governments accountable, perpetually pushing

243 Hopman, L. et al. (2017) *Democratic and Collective Ownership of Public Goods and Services.* TNI. Available at: `https://www.tni.org/files/publication-downloads/public_community_collaborations_report_web_19_aug_2021.pdf.` (Accessed: 30 October 2024).

244 Hopman et al., *Democratic and Collective Ownership of Public Goods and Services.*

towards democratisation. Although these collaborations are more common at the local level,[245] building counterpower from within and outside public institutions is just as essential at regional, national and even international levels.

Indeed, if we are to provide clean, affordable energy for all, collaborating at scale will be essential to make sure that no household wanting access to electricity is excluded — no matter their income, location and legal status. Publicly owned grids, vertical integration of energy utilities and national governance to monitor who still lacks access to affordable energy are key components.

When it comes to country-wide collaboration, Costa Rica is a good example of an integrated public power model relying on localised partnerships. Here, state, municipal and cooperatively owned elements of the electricity system work cohesively towards near-universal coverage. In this case, widespread resistance against neoliberal reforms can be attributed to public awareness of the benefits of the publicly owned energy system, in which different scales collaborate and complement each other. Similarly, local resistance to state-owned hydroelectric projects that affected human rights resulted in more local decision-making being integrated into new projects. This illustrates the importance of community participation at all stages of decision-making, and highlights that integrating democracy into publicly owned infrastructure is a continuous process of social struggle.

There are limited examples of nationwide just transitions in which workers and communities are in the lead — and this perhaps speaks to the scale of the challenge and the role of dominant actors. While cross-country collaboration can be difficult, working at national and international levels better enables us to think collectively about the availability and distribution of resources for the energy transition on a global scale.

Nevertheless, the democratic place-based solutions that we have shown here are essential components of reaching a decolonial energy system — nationally as well as internationally. **Whether at local or larger levels, when public authorities dare to open up and collaborate with communities, more caring cultures can emerge.** This is key to holding public ownership accountable and in the long run, to upending how power is exercised — by transforming the capacity to dominate into practices that build popular power towards collective self-determination.

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245 Roth, L., Russell, B. and Thompson, M. (2023) 'Politicising proximity: Radical municipalism as a strategy in crisis', *Urban Studies,* 60(11), 2009–2035. Available at: https://doi.org/10.1177/00420980231173825 (Accessed: 6 November 2024).

PART 3

BEYOND THE STATE: DECOLONISATION, JUST TRANSITION AND ENERGY DEMOCRACY


TRADE UNIONS FOR JUST TRANSITION
SOLIDARITY

3.0 SUMMARY

Part 3 of the report addresses initiatives towards a people's energy take-over from outside the state and public institutions.

While fostering proactive government action on the energy transition is paramount, this will only be achieved through social struggle to shift the balance of power within the state and across society more generally. This part of the report focuses on four avenues through which this kind of social struggle is being articulated.

First, we consider endeavours to decolonise the energy system, which seek to tackle the colonial exploitation of Southern countries to service the energy demands of the global North. Here, we take a particular focus on the urgent case of Palestine and unpack Israel's role within the fossil fuel industry, looking at energy as part of the broader movement for Palestinian liberation.

Second, we explore just transition initiatives, which build solidarity between workers and marginalised peoples to push for justice and equity within the energy transition.

Third, we discuss Indigenous energy democracy initiatives. These projects see Indigenous communities developing energy systems that build social benefit. In particular, we explore the case of El Cua in Nicaragua, which brought affordable, clean electricity to the rural population.

Finally, we raise the importance of struggles for land and resource justice, which fight against the exploitative dispossession of land, metals and minerals within 'clean energy' supply chains. Here, we set out a set of five principles to build land justice from the ground up.

3.1 DEVELOPING A DECOLONIAL ENERGY AGENDA

Decolonising our energy systems means recognising and addressing the inequalities baked into every element of these systems — from who is affected by extraction, transmission and distribution to who benefits the most from the infrastructures and services afforded by energy access. These inequalities exist globally and locally, cemented by centuries of colonial capitalism, revolving around elite capture of the means and fruits of production.[246] To envision decolonial energy systems requires us to rethink our relationships with our interconnected natural world, resources and people — and the ways in which the dominant model of political economy exploits them. This is a huge and long-term struggle, whose complexities go far beyond the reach of this report.

246 Lang, M., Manahan, M.A. and Bringel, B. (eds) (2024) *The Geopolitics of Green Colonialism Global Justice and Ecosocial Transitions.* London: Pluto Press; & Táíwò, O.O. (2022) *Reconsidering reparations.* New York: Oxford University Press; & Hickel, J. (2018) *The divide: a brief guide to global inequality and its solutions. London: William Heinemann.*

By unpacking the power relationships at play within our energy system and how people have been redressing these, we hope to assist affected communities and social justice movements in building counter-power. We aim to hone in on the collective capacities of people power for shaping our energy futures. This is about acknowledging the diverse struggles for self-determination, energy democracy and public ownership that are ongoing within the energy sector — and reflecting on how these struggles are connected.

A decolonised energy system is essential if we are to achieve universal energy access and a fair and equitable energy transition, within the limits of planetary boundaries. **758 million people globally are still living without electricity, with a further 2.6 billion having 'no access to clean cooking fuels and technologies.'** [247] These inequalities of access to energy are tied up with a pervasive history of colonial extraction, which has seen the natural resources and human populations of poorer countries exploited for the benefit of wealthy countries.[248] This exploitation has gone hand in hand with the 'underdevelopment' of nations across the global South,[249] leaving many without the means to develop decarbonised electricity infrastructures for domestic benefit. This is (neo)colonialism.

Colonialism is about power — power over others, with the aim of controlling resources, people and cultures for the benefit of the oppressor and at the expense of the colonised. Through this lens we can see that colonialism, while often external — from one nation to another — can also be internal, from a governing or powerful entity towards a less powerful entity. We must also note the important relationships between colonialism and capitalism: the accumulation of capital within the wealthy 'imperial core' of the global North is dependent on the exploitation and extraction of people, resources and wealth from colonised countries.[250]

In an energy context, external colonialism might be about one country having control over access to an energy resource in another country or a financial body imposing loan conditions to the detriment of a particular country's energy sector. Internal colonialism, meanwhile, might be about a state taking land from an Indigenous, peasant or otherwise impoverished population to build or access energy resources such as solar farms or oil reserves. This lens also enables us to examine the colonial elements and rhetoric implicit within much of global energy policy, and the behaviour of key actors such as states, multinational corporations and financial institutions.

We can understand how colonial logic is holding back a just and equitable global energy transition through three key areas:

247 IRENA (2022) *World Energy Transitions Outlook 2022.* Available at: `https://www.irena.org/Digital-Report/World-Energy-Transitions-Outlook-2022` (Accessed: 30 October 2024).

248 Pirani, S. (2018) *Burning up: a global history of fossil fuel consumption.* London: Pluto Press.

249 Hickel, *The Divide;* & Rodney, W. (2018) *How Europe Underdeveloped Africa* [1972]. Brooklyn: Verso.

250 Patnaik, U. and Patnaik, P. (2021) *Capital and imperialism: Theory, history, and the present.* New York: NYU Press.

- **Resources**

  Many of the resources needed for the energy transition, such as metals and other minerals critical for renewable technologies, are located in countries of the global South. Countries of the global North, with support from local elites, have been using every tool at their disposal to gain unfettered access to these resources, including debt regimes, tax deals, (green) structural adjustment programmes, multilateral trade agreements and military interventions — to name but a few. [251]

  Therefore, **poor countries are forced to export their raw materials at very low prices in exchange for the funds they need to service debt, while purchasing at a much higher cost the technologies and other manufactured goods that may contain their very own resources.**[252] While the exchange of resources in itself is not colonial, doing so at the expense of other countries and communities without real mutual benefit is.

- **Development**

  All nations have agreed that universal access to energy should be achieved (as part of the Sustainable Development Goals).[253] For this to be achieved, real consideration needs to be made as to what is a fair level of consumption per country. Many nations have developed at the expense of others by exploiting vital resources and people in their own and other countries over centuries. It is, therefore, only fair that countries and elites whose development was based on imperial and domestic exploitation support the development of universal electrification.

  The international intellectual property regime has been used to block the development of local manufacturing in the global South. The TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement by the World Trade Organization is one policy that restricts the equal advancement and use of technologies and knowledge.[254] In 2024, Colombia requested an amendment to the Agreement to address the discrepancies that inhibit technological and knowledge transfer and production.[255] Domestic production could enable Southern countries to develop technological autonomy and produce their own locally-appropriate renewable technologies.[256]

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251 Hickel, *The Divide.*

252 See Part 3.

253 Sustainable Energy for All (n.d.) 'SDG 7.1 — Access to energy'. Available at: `https://www.seforall.org/goal-7-targets/access` (Accessed: 19 July 2024).

254 World Trade Organization (n.d.) 'TRIPS — Trade-Related Aspects of Intellectual Property Rights'. Available at: `https://www.wto.org/english/tratop_e/trips_e/trips_e.htm` (Accessed: 14 October 2024); & World Trade Organization (n.d.) 'Overview: the TRIPS Agreement'. Available at: `https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm` (Accessed: 14 October 2024).

255 Thiru (2024) 'Colombia's birthday present to the World Trade Organization: a proposal to review the implementation of the TRIPS Agreement: Article 71.1', *Knowledge Ecology International,* 15 April. Available at: `https://www.keionline.org/39658` (Accessed: 14 October 2024).

256 Steinfort and Angel, *Energy Transition Mythbusters.* See Myth #3.

- **Environment**

  Environmental degradation is created by the extraction of the critical minerals and metals needed for renewables, from the building of pipelines for transporting oil and gas to the extraction of land for renewable energy and from the generation of electricity in polluting power stations.[257] We need to assess the impacts on soil, water cycles and ecosystems holistically — and understand that long-term impacts for short-term gain may often be ill advised. A large number of energy projects are being developed in Indigenous people's territories, without their Free, Prior and Informed Consent, a right recognised in the UN Declaration on the Rights of Indigenous Peoples, as well as on the land of the rural poor,[258] causing displacement and the loss of livelihoods for thousands.[259]

Throughout this publication, we propose that there are multiple ways to rethink our energy systems, to question and limit the number of so-called compromises we need to make to ensure universal access to affordable clean energy as a global public good. **Decolonising our energy systems is a call to move towards energy systems that ensure global equity, while keeping environmental harm to an absolute minimum.**

Decolonial energy struggles can be conceptualised from a feminist lens. Indeed, a feminist lens and practice are essential to ensuring that public energy is rooted in justice, solidarity and democracy. This means more than endeavours to simply increase the number of women in decision-making positions. Rather, it is about transforming how power in the energy sector is conceived and practised — by moving from elite 'power over' towards people's collective and insurgent 'power to'. Further, **it is about advocating for the prioritisation of essential practices of social reproduction within energy provision — whether this is to keep hospitals, schools, water provision and public transport running, or to power the caring, cooking and cleaning work that is still predominantly done by women.**

Bell, Daggett and Labuski offer a comprehensive analysis of how we work towards equitable energy systems. Their vision is 'feminist in that it puts traditionally marginalised bodies at the centre of analysis; it is intersectional in that it is attuned to the many hierarchies through which power (and energy) operate'.[260] They offer **four crucial lenses through which to analyse energy system**

257 IEA (2022) *The Role of Critical Minerals in Clean Energy Transitions.* IEA Publications. Available at: https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/sustainable-and-responsible-development-of-minerals (Accessed: 30 October 2024); & Chatterjee et al. (2023) *'Green' Multinationals Exposed.*

258 Cariño, J. (2021) *Community Toolkit on Free, Prior and Informed Consent and Renewable Energy.* Indigenous Peoples Major Group for Sustainable Development. Available at: https://rightenergypartnership.org/community-toolkit-on-free-prior-and-informed-consent-and-renewable-energy/ (Accessed: 6 November 2024).

259 Kramarz, T., Park, S. and Johnson, C. (2021) 'Governing the dark side of renewable energy: A typology of global displacements', Energy Research & Social Science 74, 101902. Available at: https://doi.org/10.1016/j.erss.2020.101902 (Accessed: 6 November 2024).

260 Bell, S.E., Daggett, C. and Labuski, C. (2020) 'Toward feminist energy systems: Why adding women and solar panels is not enough', *Energy Research & Social Science,* 68, 101557. Available at: https://doi.org/10.1016/j.erss.2020.101557 (Accessed: 6 November 2024).

design, 'the **political** (democratic, decentralised and pluralist); **economic** (prioritising human well-being and biodiversity over profit and unlimited growth); **socio-ecological** (preferring relationality over individualism); and **technological** (privileging distributed and decentralised fuel power and people power)'.[261]

These lenses contain principles that can be found at the core of Indigenous values, and in many of the examples of energy democracy projects led by frontline communities experiencing racial marginalisation. They cast a spotlight on the range of considerations that should be taken into account when transforming our energy system, and offer insight into the possible foundation for reaching a decolonial energy system. **Another way of understanding these lenses is by asking, *for what* is energy produced and used? *For whom and by whom* is energy produced and *for whose benefits*? And *how* is energy produced, meaning with what resources, techniques and *at what cost* is it being produced and used?** [262]

A key aspect of decolonising energy systems is decentring the interests and logics of wealthy colonising countries and moving towards the centring of demands, knowledge and solutions advanced by communities that experience racialised and class-based marginalisation. In this section we are focusing on examples from Indigenous peoples, Black and Brown people, and impoverished communities, to demonstrate the powerful alternatives and tools that are already being put into practice. We hope this will encourage public energy advocates and policy-makers, among others, to acknowledge and support these efforts as part of a greater push towards decolonial and democratic public energy systems.

We address several considerations that are often presented as obstacles to just energy systems. First, many localised solutions do not reach a scale that can ensure universal energy access. Second, centralised energy systems often fail to keep energy affordable or to reach rural areas. Third, the resources needed for the transition are often found in rural areas — and their extraction can result in environmental and social harms to local communities.

We explore different contexts in which energy transition solutions are being fought for — solutions that call for democratic decision-making across scales, collaboration between frontline communities and the state, and a commitment to universal energy access and democratic governance.

However, before turning to energy transition solutions, in order to pursue decolonial energy systems we need a deeper understanding of how fossil fuels have long been central to colonisation and militarism. To do so, we consider this question in relation to the struggle for Palestinian liberation.

261 Bell, Daggett and Labuski, *Toward feminist energy systems.*

262 *Energy Democracy Declaration* (2023). Available at: `https://energydemocracydeclaration.org` (Accessed: 30 October 2024).

DISMANTLING FOSSIL FUEL COLONIALISM: FROM PALESTINE AND BEYOND

Human ecology professor Andreas Malm sets out how in the first major global energy transition, coal allowed for the suppression of labour at home in Britain alongside the plunder and colonisation of people and territories abroad. The deployment of coal-powered steamboats in wartimes sparked the globalisation of steam power and, hence, large-scale fossil fuel combustion.[263] The second major transition, to oil, facilitated the expansion of US imperialism, making oil an essential resource for the function of 'Empire'. According to one 2018 study, the US military spends $81 billion per year defending global oil supplies.[264]

Now, in the name of the renewable energy transition, the US, the UK and the European Union are rushing to secure supplies of critical minerals, while in fact employing these minerals for military production and digital technologies.[265] **The energy and military industries, and their deep colonial tendencies, must be reckoned with together.**

The case of Palestine illustrates this clearly. At the time of writing, it has been more than eleven months since the start of Israel's genocidal war on Gaza, during which time more than 38,000 people have been killed according to official statistics,[266] and around 186,000 according to scientific estimates.[267] Israel's brutal onslaught on Gaza is a continuation of over 76 years of Zionist settler colonialism — politically and economically supported by Western powers in Europe and the US. From the beginning, Palestinians across historic Palestine, and abroad, have resisted Israel's apartheid regime.

Contextualising the struggles of the Palestinian people requires understanding Israel as a settler colony whose presence is vital for the maintenance of Western interests in North Africa and the Middle East. This dates back as far as 1840, with the British Empire first proposing the facilitation of Jewish settlements from Europe under the pretext of 'civilisation', in order to counteract Ottoman and Arab challengers of the British Empire by creating an ally in the region.[268]

263 Malm, A. (2024) 'The destruction of Palestine is the destruction of the Earth', *Verso,* 8 April. Available at: https://www.versobooks.com/blogs/news/the-destruction-of-palestine-is-the-destruction-of-the-earth (Accessed: 13 August 2024).

264 Forsyth, K. and Kerr, F. (2022) *The Toxic Relationship between Oil and the Military.* Global Centre for Climate Justice. Available at: https://www.climatejusticecenter.org/newsletter/the-toxic-relationship-between-oil-and-the-military (Accessed: 30 October 2024).

265 Petitjean, O. and Verheecke, L. (2023) *Blood on the Green Deal.* Corporate Europe Observatory. Available at: https://corporateeurope.org/en/2023/11/blood-green-deal (Accessed: 29 July 2024).

266 Rowlands, L., Gadzo, M. and Motamedi, M. (2024) 'Israel's war on Gaza updates: UNRWA headquarters in Gaza "flattened"', *Aljazeera,* 15 July. Available at: https://www.aljazeera.com/news/liveblog/2024/7/15/israels-war-on-gaza-live-endless-massacre-in-gaza-as-israel-kills-17 (Accessed: 30 July 2024).

267 Khatib, R., McKee, M. and Yusuf, S. (2024) 'Counting the dead in Gaza: difficult but essential', *The Lancet,* 404(10449), 237–238. Available at: https://doi.org/10.1016/S0140-6736(24)01169-3 (Accessed: 6 November 2024).

268 Malm, 'The destruction of Palestine is the destruction of the Earth'.

Settler colonialism, in this sense, is not only about the plunder of resources in territories abroad, but also seeks the establishment of global networks of trade, control and power.[269] Ever since the establishment of the State of Israel in 1948, access to oil has shaped much of the relationship between the West and the Middle East. By the end of the Second World War, the United States, the USSR and Europe were dominating the world's oil resources.[270] Then, in the fifties and sixties, with the discovery of more oil reserves in the Middle East, the region became the centre of global oil markets. Since then, attempts to nationalise energy resources and infrastructure and pursue democratisation across the region were thwarted as authoritarian figures and monarchies were propped up by the US and European powers for their own interests. **A free Palestine is therefore intricately tied to struggles across the region for sovereignty from the reins of global capital, imperial powers and national elites.**

Recent years have seen greater efforts from the US and Europe to pressure Arab countries to normalise relations with Israel and to consolidate Israel's economic position in the region. These efforts are not new, with Egypt having normalised relations with Israel in 1979 and Jordan in 1994, after signing the Oslo Accords. These efforts have been accelerating. Since 2020, the United Arab Emirates, Bahrain, Morocco and Sudan have followed suit with the signing of the Abraham Accords. Saudi Arabia is not far behind — in September 2023, Crown Prince Mohammed bin Salman told Fox News that Saudi-Israeli normalisation was getting closer.[271] Moves towards normalisation go against the general popular consensus in the Arab region, as the Palestinian struggle has always been a pan-Arab struggle. However, governments across the region continue to suppress political activity while being provided with additional trade benefits granted by the US. For example, following the Abraham Accords the UAE signed a $23.37 billion arms deal with the US, which included F-35 fighter jets and Reaper drone systems.[272]

Gas has also become a key resource in the context of normalising relationships between Israel and the European Union. Following the discovery of gas reserves in the Mediterranean in the 2000s, Israel's gas production has risen 700 per cent in the past decade.[273] New gas reserves are also being explored in Palestinian maritime waters, as defined by international law. In October 2023, only weeks

269 Englert, S. (2023) 'Settler colonialism and the birth of global capitalism', *rs21,* 7 November. Available at: https://www.rs21.org.uk/2023/11/07/settler-colonialism-and-the-birth-of-global-capitalism/ (Accessed: 30 July 2024).

270 Hanieh, A. (2024) 'Framing Palestine: Israel, the Gulf states, and American power in the Middle East', TNI, 13 June. Available at: https://www.tni.org/en/article/framing-palestine (Accessed: 13 August 2024).

271 Al Jazeera Staff (2023) 'What's happening with normalising ties between Saudi Arabia and Israel?', *Al Jazeera,* 21 September. Available at: https://www.aljazeera.com/news/2023/9/21/whats-happening-with-normalising-ties-between-saudi-arabia-and-israel (Accessed: 1 August 2024).

272 Hawari, Y. (2024) 'The betrayal', *New Internationalist,* 6 March. Available at: https://newint.org/politics/2024/betrayal-israel-arab-normalisation (Accessed: 1 August 2024).

273 Chen, Y. (2023) 'Israel's fossil fuel boon becomes less clear-cut', *Reuters,* 19 October. Available at: https://www.reuters.com/breakingviews/israels-fossil-fuel-boon-becomes-less-clear-cut-2023-10-19/ (Accessed: 1 August 2024).

after the start of the genocide, Israel's Ministry of Energy awarded six companies licences to explore for gas off the coast of the Gaza Strip.[274] While still only contributing less than 1 per cent of global gas production, surplus gas is being exported to Egypt, Jordan and Europe.[275] In 2022 the EU, Egypt and Israel signed a Memorandum of Understanding for gas to be exported to the EU via Egypt. Before the end of November 2023, the EU had imported 1.3 billion cubic metres of liquefied natural gas under the terms of the MoU,[276] while gas supplies to Egypt and Jordan rose by about 25 per cent in 2023.[277]

Israeli settler colonialism is therefore inseparable from the geopolitical situation in the region and the US-dominated global economic system. All the above, coupled with the 17-year-long Israeli blockade on Gaza, is the backdrop of the events of 7 October 2023.

Resistance is rising against Israel's growing presence in the fossil fuel industry — as a key strategy towards a free Palestine. In early 2024, a coalition of Palestinian organisations began calling for a total energy embargo of Israel to stop the genocide in Gaza.[278] Citing the International Court of Justice's ruling that Israel must halt its offensive in Gaza's Rafah, the coalition aims to challenge Israel's continuing impunity, as demonstrated by ongoing arms exports to Israel, particularly from the US and Germany. As a result of their campaign, in June 2024 Colombia announced a halt of exports of coal to Israel, which in 2023 accounted for 60 per cent of all Israel's coal imports.[279] This is a clear example of solidarity in action, bringing together mineworkers, the Wayuu and Yukpa Indigenous communities, and Palestinian organisers to push back against Israeli settler colonialism, extractivism and corporate impunity.

Prior to the Colombian government's decision, in November 2023, Colombia's mineworkers' union Sintracarbon called for a halt on all coal exports to Israel. Sintracarbon's statement referenced Israel's role in training Colombian paramilitaries and mercenaries, who participated in the extermination of the Colombian trade union movement and the numerous human rights violations during

274 Rabinovitch, A. and Scheer, S. (2023) 'Israel awards gas exploration licences to Eni, BP and four others', *Reuters,* 30 October. Available at: https://www.reuters.com/business/energy/israel-awards-gas-exploration-licences-eni-bp-four-others-2023-10-29/ (Accessed: 1 August 2024).

275 Global Data (2024) 'Israel natural gas production: data and insights', *Offshore Technology,* 11 July. Available at: https://www.offshore-technology.com/data-insights/israel-natural-gas-production/ (Accessed: 1 August 2024).

276 Ni Bhriain, N. and Akkerman, M. (2024) *Partners in Crime: EU complicity in Israel's genocide in Gaza.* TNI. Available at: https://www.tni.org/en/publication/partners-in-crime-EU-complicity-Israel-genocide-Gaza (Accessed: 1 August 2024).

277 Rabinovitch, A. (2024) 'Israel says gas exports to Egypt, Jordan rose 25% in 2023', *Reuters,* 26 February. Available at: https://www.reuters.com/business/energy/israel-says-gas-exports-egypt-jordan-rose-25-2023-2024-02-26 (Accessed: 1 August 2024).

278 Hearst, K. (2024b) 'Palestinian coalition calls for "total energy embargo" on Israel', *Middle East Eye,* 27 February. Available at: https://www.middleeasteye.net/news/palestinian-coalition-calls-total-energy-embargo-israel (Accessed: 1 August 2024).

279 Hearst, K. (2024a) 'Bogota's Israel coal exports ban fuelled by Palestinian-Colombian coalition', *Middle East Eye,* 11 June. Available at: https://www.middleeasteye.net/news/colombia-israel-coal-export-ban (Accessed: 1 August 2024).

the social and armed conflict in Colombia.[280] The union also represents workers that suffer from labour repression in the Cerrejon coal mine. The Cerrejon mine in La Guajira was opened in 1984 and is one of the world's largest open pit coal mines. It is located on the lands of the Wayuu and Afro-descendant communities. Since then, communities have been struggling with the effects of land, water and air pollution, displacement, threats and violence. The Yukpa Indigenous leader is currently exiled in Paris after facing murder attempts for opposing the mine.[281] Working with Sintracarbon and Indigenous communities, including the Wayuu and Yukpa, the energy embargo coalition organised a global day of action against the commodity trading and mining corporation Glencore. This Swiss multinational supplies 90 per cent of Colombia's coal exports to Israel and owns the Cerrejon mine.[282] **Thus, we see that a decolonial energy agenda means strengthening solidarity in struggles that link workers, affected communities and colonised peoples from across the globe.** The concept of just transition can help foster this kind of solidarity, as explained further in Section 3.2.

3.2 ORGANISING TOWARDS JUST TRANSITIONS AND ENERGY DEMOCRACY

The term 'just transition'[283] has evolved and expanded over past decades. Fundamentally, the term speaks to a social and climate justice[284] approach

280 Ibarra, H.A. (2023) 'Mining workers in Colombia call the government to "suspend the shipment of Colombian coal, or any other metal or mineral to Israel"!', *Workers in Palestine,* 1 November. Available at: https://www.workersinpalestine.org/news/mining-workers-in-colombia-call-the-government-to-suspend-the-shipment-of-colombian-coal-or-any-other-metal-or-mineral-to-israel (Accessed: 1 August 2024).

281 Grigelmo, C. (2023) 'Coal from this Colombian mine arrives in Europe "tainted with blood"', *euronews,* 21 October. Available at: https://www.euronews.com/green/2023/10/21/lost-bones-dreams-and-water-life-and-death-at-the-foot-of-one-of-the-worlds-biggest-coal-m (Accessed: 1 August 2024).

282 Hearst, K. (2024) 'Bogota's Israel coal exports ban fuelled by Palestinian-Colombian coalition', *Middle East Eye,* 11 June. Available at: https://www.middleeasteye.net/news/colombia-israel-coal-export-ban (Accessed: 1 August 2024).

283 Many people describe the term as first originating in America in the 1970s. Specifically, it is traced back to Tony Mazzocchi, then leader of the Oil, Chemical and Atomic Workers Union (now part of the United Steelworkers), who sought to unite the interests of workers and environmental activists around the closure of the Ciba-Geigy chemical facility in New Jersey. It was out of this struggle that labour groups, environmental groups and Indigenous leaders established the Just Transition Alliance. The Alliance worked to further expand the definition of just transition and focused on coordinating strategies to 'transition whole communities toward thriving economies within their control and that provided dignified, productive and sustainable livelihoods, democratic governance, and ecological resilience'. This kind of collaboration across diverse groups has since taken place the world over and is by no means isolated to North America.
Sources: Wilgosh, B., Sorman, A.H. and Barcena, I. (2022) 'When two movements collide: Learning from labour and environmental struggles for future Just Transitions', *Futures,* 137, 102903. Available at: https://doi.org/10.1016/j.futures.2022.102903; Sweeney, S. and Treat, J. (2018) *Trade Unions and Just Transition The search for a transformative politics.* TUED and the Rosa Luxemburg Stiftung. Available at: https://rosalux.nyc/wp-content/uploads/2021/09/tuedworkingpaper11_web.pdf (Accessed: 30 October 2024); Fairchild, D. and Weinrub, A. (2017) *Energy Democracy Advancing Equity in Clean Energy Solutions.* Washington, DC: Island Press.

284 The approach centres social and climate justice by finding solutions that meet multiple needs from affected labour, community and environmental interests.

to transitioning away from a harmful industry or economic system — with the process being just as important as the final result.

Although some corporations and governments are trying to impose their own watered-down versions of the concept, a genuine just transition builds solutions outwards from those most affected and marginalised. **A recent study that compared just transition proposals across the world found that some of the most radical visions were being led by 'women, communities of colour, Indigenous peoples, and the global south, reflect[ing] the systematic marginalisation of these groups in decision-making and through colonial relations over generations'.**[285] The convergence of people with a range of experiences, including trade unions, Indigenous perspectives, non-organised workers and civil society organisations, ensures visions and action towards just transition are as radical and transformative as possible.

UNIONS PAVING THE WAY

For decades, unions have been paving the way for just transition plans, as workers tend to be the first affected by the phase-out of a specific industry. Today, there are countless struggles across the world where unions are proposing or creating transitions away from fossil-fuel intensive industries. In many instances, this means taking action before governments or business owners have even begun to make a plan. Other times, this means challenging government plans, which often lack the ambition required to use the energy transition as an opportunity to create a fairer world by simultaneously advancing workers rights and tackling climate change.[286]

In 2021, in Florence, Italy, a factory producing luxury car parts for British multinational GKN was threatened with closure.[287] A struggle emerged focused around a green industrial strategy for the factory, involving producing solar panels and cargo bikes. This has been a bastion of hope among the rise of far-right politics in Italy. The cry to protect workers and collectively shape our futures has resonated across sectors, with precarious university workers, environmental movements, artists, students, writers and activists new and old joining the cause.[288] In September 2021, 40,000 people took to the streets to support the workers'

285 Wilgosh, Sorman and Barcena, *When two movements collide.*

286 Sweeney and Treat, *Trade Unions and Just Transition;* Denis, B. and Rodriguez, M.H. (2018) *A Guide For Trade Unions: Involving trade unions in climate action to build a just transition.* Available at: `https://www.etuc.org/sites/default/files/publication/file/2018-09/Final%20FUPA%20Guide_EN.pdf.` (Accessed: 30 October 2024); TUC (2021) 'Go green at work: the union effect', in *The TUC Workplace Manual.* London: TUC. Available at: `https://www.tuc.org.uk/resource/go-green-work-union-effec` (Accessed: 31 October 2024); *Campaign against Climate Change Trade Union Group* (2023) 'PCS union plan for a national climate and biodiversity service', Campaign against Climate Change Trade Union Group, 25 October. Available at: `https://www.cacctu.org.uk/pcs_climate_jobs` (Accessed: 1 August 2024).

287 Gabbriellini, F. and Gabbuti, G. (2022) 'How striking auto workers showed Italy the way out of decline', *Jacobin,* 8 October. Available at: `https://jacobin.com/2022/08/gkn-driveline-florence-factory-collective-strike` (Accessed: 1 August 2024).

288 Gabbriellini and Gabbuti, *How striking auto workers showed Italy the way out of decline.*

plans.[289] This energy has been sustained over time, with tens of thousands on the streets again in 2024, each iteration bringing in support from new groups.[290]

As documented by Reel News, the meeting between the factory workers and climate activists led to the development of their just transition plan — highlighting the essential nature of collaboration across struggles.[291] This is something that trade unions leading the struggle are well aware of, with histories of solidarity with migrants, Palestinian liberation and trans rights activists among others. Bypassing government indecisions over ownership, the workers are crowdfunding for a workers' take-over. People are invited to buy shares in what will become a workers' cooperative, enabling active participation in their green industrial strategy.[292]

In the UK, offshore oil and gas workers collaborated with climate justice organisation Platform to develop a worker-led just transition plan,[293] endorsed by a range of unions and environmental organisations. Together, they have been pushing the government to deploy a just transition based on workers' demands, which include retraining and public ownership. **With around 220,000 workers, the inevitable phase-out of this industry will have a huge impact if not properly planned.**[294]

In Trinidad and Tobago, the Oilfields Workers Trade Union (OWTU) is involved in an ongoing process to design a just transition for the country. Unlike other economies that might rely on multiple revenues, their economy is largely structured around the oil and gas industry. Accounting for around 40 per cent of their GDP, 80 per cent of exports and 58.2 per cent of total government revenue, a transition from oil and gas could lead to collapse of the country's national budget.[295] In response, OWTU is designing a just transition plan centred on TUED's public pathway approach,[296] not just for the oil and gas indusry, but for the whole country.[297]

289 Gabbriellini and Gabbuti, *How striking auto workers showed Italy the way out of decline.*

290 Reelnews (2024) 'GKN workers start hunger strike for a worker-led transition in the most important struggle in Europe — In the global war between rich and poor', *reelnews*, 14 June. Available at: `https://reelnews.co.uk/2024/06/14/all-reelnews-campaigns/environment/gkn-workers-start-hunger-strike-for-a-worker-led-transition-in-the-most-important-struggle-in-europe/` (Accessed: 1 August 2024).

291 Reelnews, *GKN workers start hunger strike.*

292 Insorgiamo (n.d.) '100×10.000 — #insorgiamo'. Available at: `https://insorgiamo.org/100x10-000` (Accessed: 1 August 2024).

293 Harris, R., Jeliazkov, G. and Morrison, R. (2023) *Our power.* Platform. Available at: `https://platformlondon.org/resource/our-power-offshore-workers-demands-for-a-just-energy-transition/` (Accessed: 1 August 2024).

294 Offshore Energies UK (2023) *Economic Report 2023: Unlocking our Energy Future.* OE UK: Offshore Energies UK. Available at: https://oeuk.org.uk/wp-content/uploads/2023/09/Economic-Report-2023-Offshore-Energies-UK-OEUK.pdf (Accessed: 31 October 2024).

295 Mitchell, T. et al. (2024) *Power Switch: Building a just energy transition in an age of corporate and imperial power.* TNI. Available at: `https://www.tni.org/en/publication/energy-power-and-transition` (Accessed: 1 August 2024).

296 TUED's public pathway approach calls for a comprehensive reclaiming of the entire energy sector into public hands. The network argues that this is crucial to phase out fossil fuels and publicly benefit from the expansion of the renewable energy sector. This analysis centres energy as a public good, see Part 4 to read more on this. Source: Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*

297 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*

OWTU Chief Education and Research Officer, Ozzi Warrick, said, '[OWTU's just transition plan for Trinidad and Tobago] looks to lay out a path that would extend public ownership of energy and build a new political economy consistent with the hopes and aspirations of many of us working in trade unions and social movements. This would mean the complete nationalisation of both the energy and power sectors. [...] **The struggle for energy can provide a clear focus for us in movements to strive for radical, systemic change.'** [298] The trade union has a challenge ahead of it with the government increasingly privatising all utilities and initiating structural adjustment programmes in the name of a 'just transition'.[299] Yet it has a fantastic track record. OWTU has been a great influence in the shaping of Trinidad and Tobago's economy over the years. Born from labour riots in the 1930s, the union rallied the country towards achieving universal suffrage, and was pivotal in achieving independence from colonialism in 1962.[300]

Instrumental in the leveraging of workers' power over the decades, trade unions are fundamental to any transition plans that are truly just. **The renewable energy industry poses new challenges, given a less centralised and more precarious workforce.** In many countries, trade unions are banned or members are violently targeted, leading to fewer union members globally today than in previous decades. Yet, as shown in the UK example (see Section 2.1), coalitions with unionised and non-unionised workers, alongside other affected communities, can ensure just transitions are not just planned for but created through workers' skills and power. This will doubtless not be straightforward: the trade union movement is at times divided on the question of energy transition, with some unions opposing attempts to curb fossil fuel use due to an interest in protecting existing jobs.[301] That said, research shows that rank and file trade unionists within the fossil fuel industry are in favour of just transition measures. As such, **worker-led transition plans will be central in paving a fair and sustainable way forward.**[302]

298 Mitchell et al., *Power Switch.*

299 Mitchell et al., *Power Switch.*

300 Mitchell et al., *Power Switch.*

301 Bright, S. (2024) 'Energy policy shouldn't be in hands of politicians, British gas boss tells Labour minister', *DeSmog,* 22 September. Available at: `https://www.desmog.com/2024/09/22/energy-policy-should-not-be-in-hands-of-politicians-british-gas-boss-chris-oshea-tells-labour-minister` (Accessed: 11 October 2024).

302 Friends of the Earth Europe (2023) 'UK oil workers demand just energy transition', 3 June. Available at: `https://friendsoftheearth.eu/press-release/uk-oil-workers-demand-just-energy-transition` (Accessed: 11 October 2024).

BOX 3.1

HOW THE ENERGY TRANSITION IS HIJACKED BY 'GREEN' MULTINATIONALS

Corporations have been co-opting just transition struggles for decades, greenwashing[303] their own initiatives, often with generous support from governments, to continue and even expand business as usual.[304] TNI's survey of 'green' multinationals shows how transnational corporations investing in renewable energy are relying on public funds to secure their returns — whether through government subsidies or sky high energy bills. The 15 companies profiled in TNI's research, some of the world's biggest energy firms, paid a combined $130.77 billion in dividends and $24.80 billion in share buybacks between 2016 and 2022 — all while still relying on public money to invest in new projects. In total, they made $175.86 billion profit in those years. This is more than seven times the real financial support that rich countries have provided to poor nations to tackle and adapt to climate change (despite pledging $100 billion a year in 2009).[305] As detailed in our *'Green' Multinationals Exposed* report, these returns were preceded by land grabbing, human rights violations and destruction of communities.

COALITION BUILDING ACROSS MOVEMENTS

The greenwashing of the just transition discourse means we have to be explicit about the type of just transition that we stand for. At a meeting that brought together labour unions and environmental groups, co-facilitated by TNI, participants agreed that 'a robust and radical vision of just transition sees environmental destruction, capitalist extraction, imperialist violence, inequality, exploitation, and marginalisation along the axes of race, class, and gender (among others) as simultaneous effects of one global system which must be transformed'.[306] This is a process to move away from all forms of exploitation and towards a regenerative, restorative system,[307] in which economic and social power are equally distributed, ecosystems sustained, and meaningful and collective governance and government realised. In an energy context, a just

303 'Greenwashing' refers to the practice of falsely promoting an organisation's environmental efforts or spending more resources to promote the organisation as green than are spent actually engaging in environmentally sound practices. Thus, greenwashing is the dissemination of false or deceptive information regarding an organisation's environmental strategies, goals, motivations and actions. Source: Becker-Olsen, K. and Potucek, S. (2013) 'Greenwashing', in S.O. Idowu et al. (eds) *Encyclopedia of Corporate Social Responsibility.* Berlin, Heidelberg: Springer, pp. 1318–1323. Available at: `https://doi.org/10.1007/978-3-642-28036-8_104` (Acceessed: 6 November 2024).

304 Chatterjee et al., *'Green' Multinationals Exposed.*

305 Chatterjee et al., *'Green' Multinationals Exposed,* p. 3.

306 Burke, D. (2020) *Just Transition: How environmental justice organisations and trade unions are coming together for social and environmental transformation.* TNI. Available at: `https://www.tni.org/en/publication/just-transition` (Accessed: 6 August 2024).

307 Climate Justice Alliance (n.d.) 'Just transition: a framework for change'. Available at: `https://climatejusticealliance.org/just-transition` (Accessed: 6 August 2024).

transition will serve as a means to build energy democracy, integrate multiple forms of public–community ownership and serve as a mechanism for building sustainable economies.

Before Israel's ongoing genocide, just transition efforts of this kind were witnessed in Gaza. The Clean Energy Initiative [308] by PENGON (Friends of the Earth Palestine) seeks to address electricity scarcity caused by Israeli blockades and occupation through shifting to a clean energy solution for the whole region.[309] The project has sought to provide solar panels in collaboration with local collectives, working towards ensuring that services can be delivered and wealth kept within the community. This has involved targeting 900 Gazan families, 6,000 students, 20 female-led community organisations, and a further 25 Palestinian organisations.[310] One project has brought solar energy to women-run kitchens that provide and sell food to the local community. Alongside this, women are trained to become more politically active in lobbying and advocacy spaces for gender laws and energy policies.[311] **This just transition project is decolonial in that it strengthens the capacities of women and other workers marginalised by Israel's settler colonialism, builds local economic power within planetary boundaries and directly benefits local communities.**

Just transition manifestos and policy interventions demonstrate how action that centres social and environmental justice can transform society as a whole. In early 2023, the Manifesto for an Ecosocial Energy Transition from the Peoples of the South was released.[312] Spanning eight demands, this manifesto is a passionate challenge to the global systems of extraction that are enabling the 'capitalist centres [...] to extract natural wealth and rely on cheap labour from countries on the periphery'. The Manifesto critically reflects on how legacies of colonialism created this imbalance of power, arguing that the neocolonial, privatised energy model is deepening this inequality. Additionally, the Manifesto makes concrete proposals for the ways in which Southern actors can better resist neocolonialism, and how rich countries can support these efforts.

Such wide-reaching statements demonstrate that calls for popular sovereignty at international, national and local levels are inextricably linked to struggles for just transition and energy democracy. This kind of intervention is essential, given that much of the discussion at a global level fails to meaningfully address the systems that are preventing countries, especially those with fewer financial resources, from addressing climate change through an energy transition that benefits and is led by

308 Transformative Cities (n.d.) '100% renewable energy for Gaza', *Transformative Cities.* Available at: https://transformativecities.org/atlas/energy10 (Accessed: 6 August 2024).

309 Almeghari, R. (2022) 'Gaza's electricity shortages powering a renewable energy revolution', *RFI,* 17 October. Available at: https://www.rfi.fr/en/international/20221017-gaza-s-power-shortages-drive-a-renewable-energy-revolution (Accessed: 31 October 2024)..

310 Almeghari, *Gaza's electricity shortages powering a renewable energy revolution.*

311 Almeghari, *Gaza's electricity shortages powering a renewable energy revolutio*n.

312 Pacto Ecosocial e Intercultural del Sur (2023) 'Manifesto from the peoples of the South: for an ecosocial energy transition', 9 February. Available at: https://pactoecosocialdelsur.com/manifesto-for-an-ecosocial-energy-transition-from-the-peoples-of-the-south (Accessed: 6 August 2024).

the public. Importantly, the Manifesto was developed in collaboration with people from all over Latin America, including Indigenous representatives, social movements, academics and NGOs. Moreover, the Manifesto has been pivotal in left-wing Colombian president Gustavo Petro's call on the international community to swap debt forgiveness for climate actions, such as leaving fossil fuels in the ground.[313]

The Manifesto for an Ecosocial Energy Transition from the Peoples of the South was a crucial stepping stone for the 2023 Energy Democracy Movement Declaration,[314] co-developed with a host of representatives from trade unions, Indigenous populations, ecofeminist collectives, and trade, debt and environmental justice groups from all over the world. **This effort further encourages us to address the unequal power dynamics at the heart of the energy system by asking, 'energy for what, for whom, by whom and how'.** The authors make calls for energy sufficiency as a way of uniting around equitable distribution in relation to energy use, demand and production across scales. Importantly, this declaration brings together perspectives from a range of movements, to synthesise what we have in common and can collectively organise towards.

Both statements pay homage to and are inspired by the principle of Free, Prior and Informed Consent (FPIC).[315] FPIC is a specific right granted to Indigenous Peoples recognised in the UN Declaration on the Rights of Indigenous Peoples. As laid out by the Right to Energy Partnership with Indigenous Peoples,[316] it outlines the ways in which participation by Indigenous communities around economic activities should be organised in order to defend their self-determination and avert resource grabs.

Complementary to FPIC, human rights bodies are increasingly recognising that populations who live on and from the land have specific rights and should be involved in democratic decision-making around their territories. The 2018 UN Declaration on the Rights of Peasants and Other People Working in Rural Areas is one such instrument.[317] A radical implementation of these agreements that

313 Chavez and Peñaranda, *State-Run Oil Companies And The Energy Transition.*

314 *Energy Democracy Declaration.*

315 'Free: They are given the freedom, time and space to conduct their internal and collective decision-making process without interference or coercion; Prior: They are consulted before any project is planned in their territory and before the start of any project-related activities; Informed: They are provided with accurate and complete information regarding the proposed policy, program or project affecting them and the companies involved, in a language and manner they understand; and, Consent: Their collective decision to consent or not to consent in accordance with their customary or chosen decision-making processes is recognized and respected.'
Source: Cariño, J. (2021) *Community Toolkit on Free, Prior and Informed Consent and Renewable Energy.* Right Energy Partnership with Indigenous Peoples. Available at: `https://right-energypartnership.org/community-toolkit-on-free-prior-and-informed-consent-and-renewable-energy/` (Accessed: 13 August 2024).

316 Right Energy Partnership with Indigenous Peoples (n.d.) 'About us'. Available at: `https://right-energypartnership.org/about` (Accessed: 13 August 2024).

317 La Via Campesina (2021) *United Nations Declaration on the Rights of Peasants: Introductory booklet.* Available at: `https://viacampesina.org/en/wp-content/uploads/sites/2/2021/12/LVC-EN-Booklet-UNDROP-RGB_lowres.pdf` (Accessed: 31 October 2024); Defending Peasants' Rights (2024) 'Home page'. Available at: `https://defendingpeasantsrights.org/en/home` (Accessed: 11 October 2024).

goes beyond the minimum protections of human rights legislation is key to building more just and democratic energy systems.

There have been many instances where governments and corporations have done no more than pay lip service to these declarations — without the due diligence of conducting these processes thoroughly. This can lead to environmental degradation and social, cultural and economic hardship for Indigenous and other local communities. This happened in Chiloe, Chile, following the government's decision to roll out a new large-scale wind farm. Residents claimed that the consultation process was limited, that their concerns were disregarded in the final proposals,[318] and that proposed mitigations and repair only benefited the wind farm and not the community.[319] Concerns were raised about the impact on the water stored in peat bogs, on which the wind turbines were planned to be built, alongside the local fauna and natural monuments.[320] These concerns were proved justified when dynamite used to clear the land damaged the delicate peat bogs, which are a key source of water and an essential component of natural carbon capture.[321]

Consultation without proper information sharing and participation avenues can result in limited change. As highlighted in a recent TUED report,[322] 'social dialogue proponents often maintain the existing systems of production and consumption, focusing on the so-called 'green growth' agenda as a solution to potential job losses that workers can face through transition to a lower carbon economy'. This highlights, again, the need for a range of perspectives to push the boundaries of what forms of energy democracy we conceive possible.

Declarations and mechanisms like FPIC are important starting points for resetting our energy and climate policy. The Indigenous Environmental Network's Principles of an Indigenous Just Transition directly refer to the type of technologies and processes that will secure truly just transitions.[323] Building from this, Indigenous Climate Action,[324] based in Canada, addresses the need for

318 Ávila-Calero, S. (2022) 'Chiloé wind power project in Mapuche territory, Chile', *Global Atlas of Environmental Justice.* Available at: https://ejatlas.org/conflict/chiloe-wind-power-project-in-mapuche-territory (Accessed: 13 August 2024).

319 Burgos, E. (2015) 'Aprueban parque eólico Chiloé en polémica sesión', *La Estrella.* Available at: https://www.laestrellachiloe.cl/impresa/2015/09/29/full/cuerpo-principal/2 (Accessed: 13 August 2024); Fundación Chile Sustentable (2015) 'Aprueban parque eólico Chiloé en polémica sesión'. Available at: https://chilesustentable.net/2015/09/aprueban-parque-eolico-chiloe-en-polemica-sesion (Accessed: 13 August 2024).

320 Global Energy Monitor (2022) *Unjust Transition: Environmental Justice Issues Surrounding Wind Energy in Latin America.* Available at: https://globalenergymonitor.org/wp-content/uploads/2022/03/Environmental-Justice-Issues-surrounding-Wind-Energy-in-Latin-America.pdf (Accessed: 31 October 2024).

321 Burgos, 'Aprueban parque eólico Chiloé en polémica sesión'; Fundación Chile Sustentable. 'Aprueban parque eólico Chiloé en polémica sesión'.

322 Sweeney and Treat, *Trade Unions and Just Transition.*

323 Indigenous Environmental Network (2017) *Indigenous Principles of Just Transition.* Available at: https://www.ienearth.org/wp-content/uploads/2017/10/IENJustTransitionPrinciples.pdf. (Accessed: 31 October 2024).

324 Indigenous Climate Action (n.d.) 'Our story'. Available at: https://www.indigenousclimateaction.com/our-story (Accessed: 13 August 2024).

decolonial energy policy. They have been working to skill up local people to be able to participate in policy discussions and self-develop renewable energy projects. This helps foster advocacy for Indigenous-led solutions towards climate justice, which come with the understanding that practising principles of 'reciprocity and respect' for the natural world will be essential for meeting the challenges ahead. This reimagining of who has power in key decision-making spaces is a key part of decolonial energy systems. Indigenous rights and climate activist Eriel Tchekwie Deranger says: **'This work envisions a world where Indigenous-led climate solutions are the standard and where colonial structures are doing the work to figure out where their resources and knowledge can offer support to existing Indigenous systems, not the other way around.'** [325]

The inequalities created by our energy system look different globally, nationally, regionally and locally. Consequently, there is no one-size-fits-all energy transition. What can be streamlined are the methodologies for working towards energy transitions. Democratic participation and continued engagement are key components. Yet much of the energy system is obscured through corporate secrecy, trade agreements and complicated supply chains, inhibiting people's ability to co-design and participate. **The first step in just transition work in the southeast of Morocco was 'democratising knowledge about extraction and local governance',**[326] **including the legal frameworks that were legacies of French colonisation of Morocco and now being used against those resisting large scale renewable energy projects that are negatively affecting local communities.** This intervention enabled local people to understand and engage in active opposition to projects that were advertised as delivering local benefit, but in fact were destroying livelihoods.

3.3 INDIGENOUS ENERGY DEMOCRACY EFFORTS IN ACTION

Energy democracy projects are a key way of facilitating a just transition. Many projects are localised, and therefore do not achieve full energy democracy across an entire country or nation. However, they show how **a decentralised and participatory model can be part of state-led energy transitions.** Such approaches are often conceptualised as part of a decolonial energy transition, as they move us away from centralised models of power distribution that can be more susceptible to neocolonial and capitalist capture (see also Part 2 of this report).[327]

Authors Denise Fairchild and Al Weinrub summarise energy democracy as 'a critical framework for addressing the economic and racial inequalities that a decarbonized economic system would otherwise continue to perpetuate. [...it]

325 Indigenous Climate Action, Our story.

326 Rignall, K. (2021) *What can an old mine tell us about a just energy transition?* TNI. Available at: `https://www.tni.org/en/article/what-can-an-old-mine-tell-us-about-a-just-energy-transition` (Accessed: 13 August 2024).

327 Rignall, *What can an old mine tell us about a just energy transition?*

seeks to reframe energy from being a commodity that is commercially exploited to being part of the commons, a natural resource to serve human needs, but in a way that respects the Earth and the ecosystem services provided to the biosphere'.[328]

A common criticism of publicly owned energy, when steered by a traditional top-down government, is that communities can be excluded from or sacrificed for state-led infrastructure development. Due to decades, if not centuries, of injustice, this disproportionately affects rural, racialised, working class and low-income people.[329] This has led to communities taking action into their own hands to develop energy democracy projects.

BOX 3.2

EL CUA, NICARAGUA: ENERGY DEMOCRACY POWERED BY COLLECTIVE DECISION-MAKING

El Cua, in the Northern highlands of Nicaragua, is a great example of decolonial energy systems. The region was left out of national plans for electrification, so, in 1985, communities in the town of El Cua organised to form a collective of citizens and builders, supported by a North American engineer, Benjamin Linder, called the Association for Rural Development Workers Benjamin Linder (ATDER-BL).[330] Their aim was to bring electricity to the areas that had repeatedly been left out of state electrification plans. This lack of access was symptomatic of structural underdevelopment in the area — residents had no access to roads and municipal services, creating high levels of poverty across the population.

The many Indigenous inhabitants in the area, and the commitment to democratic engagement and ownership, meant that the project was designed with principles of interconnection and dependency on ecosystems. The energy generation and transmission lines are all owned by the community, and decisions on tariffs are made collectively. Any profit generated goes straight back to the local community, and is mainly used for purchasing land for conservation and revitalisation.

328 Fairchild and Weinrub, *Energy Democracy Advancing Equity in Clean Energy Solutions.*

329 This criticism was expressed by Indigenous representatives participating in the Public Futures 2022 energy sector conference and informed the nuances around a state-owned energy sector as expressed in the Energy Democracy Movements Declaration. Available at: `https://www.energydemocracydeclaration.org.`

330 It was named after Benjamin Linder, a North American engineer who used his skills to benefit the local population in Nicaragua. Linder was murdered by the US-backed contra movement in 1987. Source: Marcetic, B. (2017) 'The American that Reagan killed', *Jacobin,* 5 February. Available at: `https://jacobin.com/2017/05/reagan-ben-linder-nicaragua-contras-sandinistas` (Accessed: 11 October 2024).

From start to finish, the project plan was developed in community decision-making meetings, with a committee elected to take on the main administrative tasks. These spaces continued to be used following project completion to make decisions on how any revenue should be used for collective benefit. By scheduling meetings around local agricultural commitments, they are able to ensure high levels of participation, with input from young and old members of the community. Fluctuations in agricultural income are considered, with tariffs being set on the basis of what people are able to pay, with those who can be expected to pay more doing so.**The trust and collective decision-making processes developed through these spaces ensures that difficult decisions and compromises, such as the impact of hydroelectric infrastructure on access to land and water, can be made with ease.** Additionally, by training community members to become local energy workers, maintenance costs are kept low and sustainable employment is created.

By offering skills and capacity, the community of El Cua was able to create a system of localised energy democracy. The success of the first project led to other communities in the area reaching out to ATDER-BL for support with setting up their own projects. The same principles of solidarity and equity are used, with the collective meeting spaces being the primary tool to enable this. Local economies are able to flourish through this model and since the development of this project, El Cua has evolved from a population of 3,000 to 40,000 residents.[331]

This project is an example of the benefits of equitable technological exchange (a component reflected in both the Manifesto for an Ecosocial Energy Transition from the Peoples of the South and the Energy Democracy Declaration).

Calls for energy democracy at the national level often focus on affordable tariffs and improving energy access. Indigenous energy democracy efforts link these demands to the preservation of land, resources and ecosystems, in addition to democratic and participatory governance.[332] As such, they take on more of a 'climate justice' approach.

We can learn a lot from such examples. Consider, for instance, the utility-scale[333] solar project constructed by the Navajo Nation in North America, initiated in 2016. Following a process of collective and democratic decision-making, the Navajo Nation decided to develop a large photovoltaic solar farm on their

331 Colbert, *El Cua, Nicaragua.*

332 Cariño, *Community Toolkit on Free, Prior and Informed Consent and Renewable Energy.*

333 'Utility-scale' refers to electricity generation that is not merely for self-consumption but feeds power back into the grid so that it can be transported to supply communities and economic activities elsewhere.

reservation land. The project was carried out through collaboration with the Navajo Tribal Utility Authority, their subsidiary KGI-Kayenta and Isolux Corsan (the contractor who would build the plant). This partnership ensured the project could be developed in alignment with Indigenous principles of cooperation, sustainable development and Free, Prior and Informed Consent. Around 200 Indigenous workers were employed and given training to build and maintain the solar photovoltaic farm, knowledge they can share with future generations. The success of the initial project led to a second phase in 2018, with the farm now having enough capacity to supply around 36,000 homes. **In 2024 the project was granted long-term federal financing to support expansion, as 14,000 Navajo Nation homes were still not connected to the grid.**[334] **This case demonstrates that collective decision-making and community control can be incorporated within larger-scale transitions at the regional and national levels.**

In Canada, Indigenous people's capacity to benefit from renewable generation has historically remained relatively superficial, centring around consultation and, at times, including measures such as ecological remediation or education. However, after years of social struggle, the past decade has seen policy-makers finally responding to proposals from Indigenous communities through innovative policy that mandates Indigenous ownership or financing. In 2009, the Ontario authority introduced the 'Aboriginal Price Adder', which outlined a minimum percentage for First Nation ownership of new renewable projects and an increased contract price. This was shortly followed by an Aboriginal Loan Guarantee Programme, to support equity investments from Indigenous peoples for renewable generation projects in the area. Other approaches have centred around Indigenous groups becoming equity partners, rather than just receiving benefits, meaning they are actively involved at all stages of a project. This could benefit communities tenfold. Other regions have followed suit, with British Columbia introducing similar policies to Ontario.[335]

These examples demonstrate the added benefit that a radical application of Free, Prior and Informed Consent can bring, especially when integrated across all stages of a project, including design, planning and implementation, as the Right Energy Partnership with Indigenous Peoples advocates.[336] Such practice builds capacity for shared learning and project expansion, if wanted.

334 Vandenack, T. (2024) 'Navajo Nation solar power plant, meant to help with electrification, gets federal financing', *KSL.com,* 30 March. Available at: https://www.ksl.com/article/50965108/navajo-nation-solar-power-plant-meant-to-help-with-electrification-gets-federal-financing (Accessed: 13 September 2024); US Department of Transportation (n.d.) 'Center for Innovative Finance Support — Navajo Nation Kayenta solar program (Phase I & II), Arizona'. Available at: https://www.fhwa.dot.gov/ipd/project_profiles/az_navajo_nation_kayenta_solar_program.aspx (Accessed: 13 September 2024).

335 Sax, S. (2024) 'Indigenous communities make clean energy drive work for, not against, them', *Mongabay Environmental News,* 3 June. Available at: https://news.mongabay.com/2024/06/indigenous-communities-make-clean-energy-drive-work-for-not-against-them (Accessed: 13 August 2024).

336 Right Energy Partnership with Indigenous Peoples, About us.

The case of Canada, in particular, highlights that policy is key to obtaining the decision-making rights that generations of Indigenous activism has fought for.

At the same time, FPIC has often been used as a coercive tool to legitimise projects in the territories of Indigenous Peoples. According to the indigenous Peoples Major Group on Sustainable Development, one way to avert this is to develop one's own community FPIC protocols building from the specific context and needs.[337] Learnings from decolonial and, more specifically, Indigenous energy systems can enable democratic decision-making at all stages of rebuilding our energy systems.

COUNTRY CASE DEFENDING POPULAR SOVEREIGNTY AND INDIGENOUS PEOPLES' RIGHTS IN MEXICO

After three decades of neoliberal reforms, Mexico's energy sector is now plagued by privatisation, fossil fuel dependency and exploitative 'green' energy projects. Public opinion and media portrayals are highly polarised. While many media sources paint a picture of privatisation as a modern solution to Mexico's problems, trade unions, Indigenous leaders and activists point to escalating crises rooted in the for-profit energy system.

Mexico's energy sector is currently highly dependent on fossil fuels, with oil and gas constituting 85 per cent of the energy mix.[338] **With imported gas providing as much as 70 per cent of the country's energy needs, Mexico's energy market is built on foreign dependency, which upholds the country's colonial legacy.** At the same time, over one-third of Mexican households suffer from energy poverty thanks to the continued prioritisation of private profits over energy access.[339] Sixty years after the initial nationalisation of the electricity industry, attempts at reforming the sector to achieve greater independence, public control and energy sovereignty have been shut down by supporters of the private oligarchy. The struggle for public ownership and a just energy transition continues.

PRIVATISATION AND ITS AFTERMATH

Over the past 90 years, Mexico's energy sector has experienced substantial transformation. After the Mexican Revolution, the new Mexican Constitution (1917) stipulated that ownership of natural resources such as land and water would be granted to the Mexican state, making way for comprehensive

337 Cariño, *Community Toolkit on Free, Prior and Informed Consent and Renewable Energy.*

338 Sweeney, S. (2021) 'Mexico's wall of resistance: why AMLO's fight for energy sovereignty needs our support', *New Labor Forum,* 17 May. Available at: https://newlaborforum.cuny.edu/2021/05/17/mexicos-wall-of-resistance-why-amlos-fight-for-energy-sovereignty-needs-our-support (Accessed: 13 August 2024).

339 Soriano-Hernández, P., Mejía-Montero, A. and Van Der Horst, D. (2022) 'Characterisation of energy poverty in Mexico using energy justice and econophysics', *Energy for Sustainable Development* 71, 200–211. Available at: https://doi.org/10.1016/j.esd.2022.09.005.

nationalisations throughout the 1930s.[340] Under the leadership of the social democratic PRI (Partido Revolucionario Institucional), the energy sector was first reorganised in the 1930s. In 1937, the federal electricity commission (CFE), a state-owned and state-financed enterprise, was created. CFE's main tasks were the generation and distribution of electricity to Mexican households.

In 1960, the electricity industry was nationalised, giving the government exclusive responsibility for electricity generation, transmission and distribution. The nationalisation effectively created a monopoly on electricity for CFE and ended a decade-long dispute over foreign-owned electric power firms that controlled nearly 70 per cent of the market.[341] By 1992, CFE achieved an electrification rate of over 93 per cent.[342] As of 2020, according to official documents, access to electricity in Mexico was as high as 99 per cent — although this figure is challenged by civil society organisations.[343]

With the growing rise of neoliberalism and large-scale privatisations in many countries, and under pressure from the United States, Mexican politicians began to adopt a similar mentality in the 1990s. Between 1990 and 1992, essential sectors were privatised, such as the telecommunications sector, with the sale of Telmex for $6 billion in 1990.[344] In 1992, a law was passed allowing the participation of private corporations in energy generation. The law remained heavily debated for a decade and, in 2002, the Mexican Supreme Court eventually ruled that it may have been unconstitutional, though no clear-cut ruling was presented. Further attempts at unbundling the energy sector were made in the late 1990s and early 2000s, with the goal of rebranding energy as a commercial rather than a public service and allowing independent power producers to sell directly to industrial customers and CFE under long-term contracts. However, both attempts failed and, as required by the constitution, the electricity sector remained federally owned, with CFE in control.

In 2013, President Peña Nieto made another attempt at privatisation, this time amending the constitution to promote private sector participation in the energy market. Between 2013 and 2014, Peña Nieto's administration made 20 legislative changes and three constitutional amendments that opened the Mexican energy market to private companies, both national and foreign.[345] In effect, this pushed Mexican energy policies back to pre-nationalisation days,

340 Clifton, J. (2003) 'Privatisation, nationalisation and mexicanisation: the case of the telecommunications sector', *Annales historiques de l'électricité* 1(1), 155–173. Available at: https://doi.org/10.3917/ahe.001.0155.

341 Cypher, J. (2014) 'Energy privatized: the ultimate neoliberal triumph', *NACLA*, 2 April. Available at: https://nacla.org/article/energy-privatized-ultimate-neoliberal-triumph (Accessed: 13 August 2024).

342 Ritchie, H. and Roser, M. (2020) 'Mexico: energy country profile', *Our World in Data.* Available at: https://ourworldindata.org/energy/country/mexico (Accessed: 13 August 2024).

343 Sanchez, S.F., Flores Segovia, M.A. and Rodríguez López, L.C. (2023) 'Estimating a national energy security index in Mexico: A quantitative approach and public policy implications', *Energy Strategy Reviews* 45, 101019. Available at: https://doi.org/10.1016/j.esr.2022.101019.

344 Clifton, *Privatisation, nationalisation and mexicanisation.*

345 Sweeney, *Mexico's wall of resistance.*

making it possible for private companies to extract and handle resources on behalf of the State, to generate energy and sell this on to CFE, and to own and invest in renewable energy projects.

Since then, CFE has been hollowed out, its functions reduced to that of an administrative entity, with private corporations now owning and controlling energy generation.[346] An independent operator, the National Center for Energy Control (CENACE), was introduced to coordinate a marketised energy sector, where private companies and CFE compete to generate and sell power.[347] As a consequence of the reforms, electricity prices increased by 35 per cent between 2015 and 2017.[348] Meanwhile, CFE and PEMEX (the Mexican state-owned petroleum company founded in 1938), which were considered strategic entities with a social orientation prior to the liberalisation of the energy sector, have been turned into for-profit state-owned entities.

RECLAIMING PUBLIC CONTROL

Elected in 2018 on the promise of reducing Mexico's dependence on foreign imports and improving social and economic well-being, President Andrés Manuel López Obrador (known by his initials AMLO) of left-wing party Morena took on the task of reversing the country's energy privatisation. In September 2021, AMLO introduced a plan to annul the 2013 energy reforms, undoing energy liberalisation and increasing energy sovereignty.[349] Proposed reforms included the cancellation of contracts with private energy generators and increasing the share of energy generation contracts reserved for CFE from 38 per cent to 54 per cent. However, in April 2022, he could not win the two-thirds congressional majority required to approve the reforms, as private interest groups lobbied against the plan. Of the 334 votes necessary to amend the constitution, only 275 were obtained.

Just days after this vote, President AMLO secured a partial win in nationalising the country's lithium industry, one part of the reform package. The amendment to the National Mining Law was given fast-track treatment and approved by both chambers of the Mexican Congress in late April 2022. The reform of the Mining Law declares lithium resources a public utility, limiting exploration and exploitation rights to the Mexican state. A new decentralised public body, a state-owned company called LitioMx (Litio para Mexico), was created in August 2022 to oversee this.[350] However, **public ownership of lithium resources will only benefit Mexico's people if the government uses its power to resist**

346 Cypher, *Energy privatized.*

347 Rojas, J.D. (2022) 'AMLO and Mexico's Fourth Transformation', *American Affairs* 6(4): 151–72, https://americanaffairsjournal.org/2022/11/amlo-and-mexicos-fourth-transformation (Accessed: 13 August 2024)

348 Solís, A. (2021) 'Tarifas eléctricas aumentaron 35% con la reforma energética: CFE', *Forbes México*, 12 February. Available at: https://www.forbes.com.mx/economia-tarifas-electricas-35-reforma-energetica-cfe (Accessed: 13 August 2024).

349 Cullell, J.M. (2022) 'El Congreso mexicano rechaza la reforma eléctrica de López Obrador', *El País,* 17 April, https://elpais.com/mexico/2022-04-18/la-camara-de-diputados-rechaza-la-reforma-electrica-de-lopez-obrador.html (Accessed: 13 August 2024).

350 Bond, D. (2022) 'Mexico nationalizes lithium; sets up state-owned company', *White & Case,* 9 September, https://www.whitecase.com/insight-alert/mexico-nationalizes-lithium-sets-state-owned-company (Accessed: 13 August 2024).

excessive export-oriented extraction and to promote a just transition led by and for the Indigenous and Mexican populations.

AMLO's proposed energy reform has received harsh criticism from governments across the global North, in particular the US, who claim that preferential treatment for state-owned enterprises would violate Mexico's free trade agreements.[351] Additionally, energy multinationals claim that the nationalisation of energy will raise energy costs. Strong criticism also comes from environmental groups, who assert that the AMLO government is favouring fossil-fuel-based electricity and aims to shut down privately developed renewable energy projects, such as solar farms and wind parks. This is a vast simplification of reality.[352]

In January 2022, 76.4 per cent of electricity generation was based on fossil fuels, causing Mexico to import large quantities of oil and gas.[353] While the country exports crude oil, domestic production and refining are limited, so Mexico is a net importer of refined petroleum products. Given that the current structure of the energy sector ultimately depends on fossil fuels, reducing domestic production and refining further would require increased imports to meet energy demand. Alternatively, the country can produce and refine more oil domestically, decreasing international dependencies. By renationalising the energy sector, these processes can take place under public control rather than for a profit motive. This gives the state the capacity to move forward with an economy-wide electrification of transport, heating and cooling systems — a decades-long process that is necessary to transition to renewable energies and leave fossil fuels behind.[354] In this light, in April 2023, AMLO announced the $6 billion purchase of the bulk of Spanish private firm Iberdrola's Mexican generating assets, including 12 combined cycle generation gas-fired power plants and one wind farm. AMLO described this move as a 'new nationalisation', which will increase CFE's market share from 40 per cent to 55.5 per cent.[355]

AMLO's proposal is better understood as an urgent tool for a pro-public energy transition, rather than an attack on renewable energy. Indeed, Mexico's privately owned renewables sector has produced much more electricity than there was demand for. As a result of the privatisation policies of the previous president, Peña Nieto, the Mexican Regulatory Commission (CRE), a new body created in the early nineties for the benefit of independent power producers, has granted private energy generators permits to increase energy supply to

351 Barrera, A. (2021) 'Mexico launches reform to put state in charge of power market', *Reuters*, 2 October, https://www.reuters.com/world/americas/mexico-president-says-electricity-reform-has-been-sent-congress-2021-10-01 (Accessed: 13 August 2024).

352 Weiss, S. (2021) 'Mexico's 'step backwards' on energy – and the environment', *Deutsche Welle,* 15 October, https://www.dw.com/en/mexicos-huge-step-backwards-on-energy-and-the-environment/a-59510451 (Accessed: 13 August 2024).

353 Godoy, E. (2022) 'Explainer: Why is Mexico reforming its energy sector — again?', *Diálogo Chino,* 24 February, https://dialogochino.net/en/climate-energy/51387-explained-why-is-amlo-mexico-energy-reform-electricity. (Accessed: 13 August 2024).

354 Sweeney, Mexico's wall of resistance.

355 Jopson, B. Stott, M. and Murray, C. (2023), 'Mexico hails "new nationalisation" as Iberdrola sells $6bn of power assets and pivots to US', *Financial Times,* 5 April, https://www.ft.com/content/c239c211-a327-4eb7-bedf-95ce81c2bd96 (Accessed: 13 August 2024).

84 GWh.[356] However, the holding capacity of the transmission grid lies at 47 GWh, and national demand for energy has never exceeded that volume, giving no reason to almost double energy supply. Although electrification will require the grid to be expanded, for the moment, these additional renewables are simply going to waste while lining the pockets of private investors. **If electricity generation and transmission were both in public hands and integrated, an increase in renewable production could be planned in conjunction with expanding the grid and reducing fossil fuel power.**

In this context, in early 2024, AMLO introduced a reform bill to dissolve CRE. When passed, CFE, the federal electricity commission, will have more policy room to prevent these for-profit producers from entering Mexico's power sector and to manage the nation's grid with the aim of energy sufficiency and sustainability.[357]

MOBILISING AGAINST PRIVATISATION

For decades, Indigenous groups have highlighted the problems of private renewable energy projects in Mexico. Among the most well-known and contested projects are the wind farms in the Isthmus of Tehuantepec, a natural wind corridor between the Gulf of Mexico and the Pacific Ocean. 28 wind farms have been set up on the isthmus, which together generate 62 per cent of Mexico's wind energy.[358] The largest, the Oaxaca wind farm, opened in May 2019, with 132 new turbines. This added renewable energy capacity comes at a cost, threatening the livelihoods of several Indigenous groups who live in the area.[359] As established in international law, Indigenous peoples have a right to consultation prior to the establishment of projects on their land. However, Indigenous communities affected by the Oaxaca project report that they were not consulted and were not given the chance to voice their concerns before construction began. With the wind farm now up and running, land used for traditional agricultural practices is being polluted, and wildlife driven away.

Indigenous populations have organised themselves to stop the construction of these exploitative wind projects, for example by blocking access to the area or taking matters to the Supreme Court. When the Zapotec community sued private energy multinational Energía Eólica del Sur due to the lack of prior consultation, the Supreme Court initially ruled in favour of the Indigenous group but ended up reversing a temporary suspension of the project.[360] **Indigenous**

356 Sweeney, 'Mexico's wall of resistance'.

357 TUED (2024) 'Mexico: Energy unions welcome shutdown of key neoliberal institutions', 6 September. Available at: https://www.tuedglobal.org/bulletins/mexico-energy-unions-welcome-shutdown-of-key-neoliberal-institutions (Accessed: 13 September 2024).

358 Schatzberg, S. (2019). 'New 132-turbine Oaxaca wind farm is largest in Latin America', *Mexico News Daily,* 29 May, https://mexiconewsdaily.com/news/wind-farm-is-largest-in-latin-america/ (Accessed: 13 August 2024).

359 Martínez-Mendoza, E., Rivas-Tovar, L.A. and García-Santamaría, L.E. (2021) 'Wind energy in the Isthmus of Tehuantepec: conflicts and social implications', *Environment, Development and Sustainability* 23(8), 11706–11731. Available at: https://doi.org/10.1007/s10668-020-01136-8 (Accessed: 6 November 2024).

360 *Mexico News Daily,* (2018), 'Court orders halt to Juchitán wind farm', 11 January. Available at: https://www.wind-watch.org/news/2018/01/12/court-orders-halt-to-juchitan-wind-farm/ (Accessed: 6 November 2024).

peoples standing up to private investors have repeatedly reported harassment, threats of violence, and persecution by private corporations and local police.

In an attempt to provide an alternative to privately-owned wind parks, the Ixtepec community of Oaxaca developed its own community-owned wind farm.[361] In collaboration with Yansa Group, an overseas foundation, the community designed the project through a participatory and democratic process, involving several community meetings and inclusive decision-making. However, the previous government refused to grant permission for the project, stating that government requirements were not fully met. Instead, private company Enel Green Power was granted permission for the construction of a wind farm. The unwillingness of the previous AMLO government to support Indigenous communities' renewable energy projects undermined the democratic legitimacy of the Mexican State.

TOWARDS A JUST TRANSITION?

A democratically organised and publicly owned energy sector, alongside popular sovereignty over lithium and other transition-related resources, is crucial to enable Mexico to move towards renewable energies. However, reclaiming public control must go hand in hand with a clear commitment to a timely and just energy transition. As of today, transparent action is still lacking from the Morena government. While the AMLO administration repeatedly assures the public that a return to state ownership will offer social and environmental benefits and enable the government to reach its climate targets, the population is still waiting for these promises to be fulfilled. At the same time, despite severe opposition, AMLO has been taking steps towards producing public renewable energy.

At the state level, Mexico's first large-scale public renewable energy projects were initiated in recent years, most notably the $1.68 billion solar plant in Puerto Peñasco, which stretches over 2,000 hectares.[362] The solar plant, set to be the biggest in Latin America, symbolises an important step towards publicly owned renewable energy generation. Additionally, it sets a precedent for large-scale public–public partnerships as a partnership between CFE and the Sonora state government underpins the project. The project was authorised in July 2021 and construction is expected to be finalised by 2027. The joint venture will be co-owned by CFE (54 per cent) and the Sonora state government (46 per cent) and

361 Carino, J. and Sriskanthan, G. (2018) *Renewable Energy & Indigenous Peoples: Background Paper to the Right to Energy Partnership.* Indigenous Peoples Major Group for Sustainable Development. Available at: https://www.indigenouspeoples-sdg.org/index.php/english/all-resources/ipmg-position-papers-and-publications/ipmg-submission-interventions/93-renewable-energy-indigenous-peoples/file (Accessed: 31 October 2024).

362 Moreno, G. (2022) 'Gobernador Alfonso Durazo presenta proyecto de planta solar en Puerto Peñasco', *El Sol de Hermosillo,* 18 January, https://www.elsoldehermosillo.com.mx/local/gobernador-alfonso-durazo-presenta-proyecto-de-planta-fotovoltaica-en-puerto-penasco-7748110.html (Accessed: 13 August 2024).

363 Ramos, J.L. (2021), 'CFE's photovoltaic megaplant will be financed mostly with debt', *El Sol de México,* 6 November, https://www.elsoldemexico.com.mx/mexico/sociedad/megaplanta-fotovoltaica-de-cfe-se-financiara-en-su-mayoria-con-deuda-7441977.html (Accessed: 13 August 2024).

will be financed entirely through debt.[363] The debt financing will be initiated through export credit agencies, most of which will be issued in the form of a 14-year, below-market-interest-rate loan from Sweden's export credit agency, EKN. The plant will have a generation capacity of 420 megawatts, sufficient to meet the energy needs of northwestern Mexico, and will be essential to avoid energy rationing, according to CFE. However, to promote rather than undermine the interests of Indigenous and other frontline communities, the public venture must go beyond mere community consultation. It must radically apply human rights mechanisms such as Free, Prior and Informed Consent and the Declaration on the Rights of Peasants and Other People Working in Rural Areas in ways that ensure affected populations can really co-design the entire process.[364]

To transcend a centralised model of public ownership and further embrace the democratisation of the energy sector throughout the country, trade unions and some environmental activists point to the need for more comprehensive constitutional reforms.[365] Reforms pertaining to the rights of Indigenous Peoples and Afro-Mexicans are necessary to recognise these communities as 'sujetos de derecho público' (bearers of public rights). This, in turn, would constitutionalise autonomous forms of government, communal landholding and the right of Indigenous peoples to co-govern the natural resources and mineral wealth of their lands. The recognition of these diverse forms of governance are necessary to move beyond the neoliberal and exploitative structure of Mexico's energy market and achieve a just energy transition for all its inhabitants.

In June 2024, Claudia Sheinbaum was elected as the new president of Mexico with a sweeping majority. She is a climate scientist with a PhD in energy engineering, giving hope to trade unions and movements alike that she will accelerate a just energy transition. Her campaign commitments included the promise to increase renewable generation and investment, and strengthen state-owned companies, all in line with international climate goals.[366] Sheinbaum has also stressed the importance of extending Indigenous rights, but how this will intersect with her ambitions for the energy sector is yet to be seen.[367]

364 Cariño, *Community Toolkit on Free, Prior and Informed Consent and Renewable Energy.*

365 Hackbarth, K. (2021) 'ANLO is nationalizing Mexico's lithium supply', *Jacobin*, 19 October. Available at: https://jacobin.com/2021/10/amlo-morena-cfe-federal-commission-lithium-nationalization-energy-independence (Accessed: 13 August 2024).

36 TUED (2024) 'Mexico: New president to accelerate the energy transition by strengthening public control', 4 June. Available at: https://www.tuedglobal.org/bulletins/mexico-new-president-public-energy (Accessed: 13 September 2024).
https://mailchi.mp/unionsforenergydemocracy/sheinbaum-pro-public-energy-transition?e=4cc84540cc

367 Diaz, L., Martinez, A. and Morland, S. (2024) 'Mexico's Sheinbaum says Indigenous rights a priority for constitutional reforms', *Reuters*, 18 June. Available at: https://www.reuters.com/world/americas/mexicos-sheinbaum-says-indigenous-rights-priority-constitutional-reforms-2024-06-18/ (Accessed: 13 August 2024).

3.4 MOVING FROM GREEN COLONIALISM TOWARDS LAND AND RESOURCE JUSTICE

A decolonial approach to the energy transition is vital because of the host of resource conflicts that the transition entails. These conflicts centre on the question of access to the critical metals and other minerals required for clean energy manufacturing, transmission and storage — alongside the land and water necessary for renewable generating projects. The green credentials of renewable energy are being used to legitimise the expropriation and extraction of 'natural assets' from people whose livelihoods, homes and ecosystems are subsequently threatened. In the words of activist and researcher Hamza Hamouchene, 'green colonialism' is the 'extension of colonial relations of plunder and dispossession [...] to the green era of renewable energies, [alongside] the displacement of socio-economic costs onto the peripheral countries and communities'.[368] **Under the guise of an 'energy transition', land and resources are increasingly being grabbed from poorer nations and populations to benefit and greenwash continuous over-consumption by elites and wealthy colonial states.**[369]

BOX 3.3

GREEN COLONIALISM TO SECURE CRITICAL MINERALS AND METALS

Green colonialism is taking place through mechanisms that allow high-income countries to leverage control over access to metals and other minerals needed for the energy transition such as through international trade agreements, which usually favour wealthy countries' interests. Indonesia provides an example of how this works. Indonesia holds huge nickel reserves and almost 50 per cent of global nickel production, an essential metal needed for renewable energy storage and batteries. Indonesia passed legislation in 2009 ruling that all processing and refining of minerals should take place domestically in order to secure national economic benefits.[370] In response, the European Union filed a lawsuit against Indonesia, stating that this law was inconsistent with the World Trade Organization's (WTO) General Agreement on Tariffs and Trade (GATT). The WTO backed the EU's claim and in 2022, the government of Indonesia appealed the ruling, but at the time of writing an outcome has not yet been reached.[371]

368 Hamouchene, H. (2022) 'The energy transition in North Africa: Neocolonialism again!' TNI, 14 October. Available at: https://www.tni.org/en/article/the-energy-transition-in-north-africa (Accessed: 13 August 2024).

369 This extractivism must also be contextualised in the centuries of human disconnection to the land, where the land is seen as something to be extracted from, instead of to live in harmony with. While this logic is applied to the energy transition, there is collective prioritisation of 'human development' at the expense of our natural environment. So we overlook the environmental harms that are caused by such extraction, despite it happening under the guise of taking climate action.

370 Hertanti, R. (2023) 'Between a mineral and a hard place: Indonesia's export ban on raw minerals', TNI, 15 June, https://www.tni.org/en/article/between-a-mineral-and-a-hard-place (Accessed: 31 October 2024).

371 Hertanti, *Between a mineral and a hard place.*

Wealthier nations see laws to ensure the sovereignty of lower-income countries as a threat to their own capacity to develop. This is highly hypocritical, given the role of protectionist policies around industry and food in building the economies of wealthy nations, for example after the Second World War. Indeed, we are now seeing a global turn towards protectionist policies. Many countries are taking similar action to protect their natural resources, with Mexico and Chile recently nationalising their lithium industry and several African countries seeking to better control their natural resources.[372]

One clause within most international trade agreements that illustrates the colonial dynamics of these agreements is the Investor–State Dispute Settlement (ISDS) mechanism. ISDS enables foreign investors to sue governments for loss of potential profit. For example, if a government decides to go 100 per cent renewable, oil and gas investors within the country can sue the government via private ISDS courts. In the aforementioned case of Indonesia's nickel, several US-based companies, who were also registered in the Netherlands, used the ISDS clause contained in a Dutch-Indonesian bilateral agreement to attempt to sue the Indonesian government.[373, 374, 375]

372 Lifton, J. (2023) 'Lithium and resource nationalization: how countries are taking control of critical minerals', *InvestorNews,* 29 April. Available at: https://investornews.com/critical-minerals-rare-earths/lithium-and-resource-nationalization-how-countries-are-taking-control-of-critical-minerals (Accessed: 13 August 2024).

373 The case was eventually withdrawn in favour of a renegotiation of terms.

374 Hertanti, *Between a mineral and a hard place.*

375 While ISDS cases are also brought against richer nations, with Spain in particular being attacked through the Energy Charter Treaty, these cases are disproportionately brought against poorer nations. Research by TNI found that across African states, 106 ISDS cases had been brought against governments by the end of 2019. Meanwhile, in 2023, Colombia has faced a record number of ISDS challenges from multinational companies, despite being in relatively few investment protection treaties. Regardless of the outcome of ISDS cases, poorer countries are less able to afford the lengthy legal proceedings involved, let alone the fines following the rulings. As expected, in 2021, UN Trade and Development found that the trend for poorer countries to be excessively hit by ISDS cases continued, with 75 per cent of new cases against 'developing and transition economies'. Fossil fuel companies have repeatedly used this mechanism to sue governments for regulatory changes to transition their energy systems away from fossil fuels or other climate-related measures. This can create a 'regulatory chill' effect: a situation in which trade deals are keeping a government from introducing necessary environmental policy out of fear of multi-million dollar claims.
Sources: Bárcena, L. (2022) 'From Solar Dream to Legal Nightmare', TNI, 31 May. https://www.tni.org/en/publication/from-solar-dream-to-legal-nightmare (Accessed: 31 October 2024); Ghiotto, L. (2023) 'Investor-state arbitration claims@ threats to communities and the environment in Colombia', TNI, 14 June. https://www.tni.org/en/article/investor-state-arbitration-claims (Accessed: 31 October 2024); Müller, B. and Olivet, C. (2019) 'Impacts of investment arbitration against African states', TNI, 8 October. https://www.tni.org/en/publication/impacts-of-investment-arbitration-against-african-states (Accessed: 31 October 2024); UNCTAD (2021) *Investor-State-Dispute Settlement Cases: Facts and figures 2020,* September. https://unctad.org/system/files/official-document/diaepcbinf2021d7_en.pdf (Accessed: 31 October 2024); Global ISDS (n.d.) Tracker 'How corporate courts threaten our future'. Available at: https://www.globalisdstracker.org (Accessed: 13 August 2024); Santiago, C. (2015) 'ISDS and regulatory chill', TNI, 5 November. Available at: https://www.tni.org/en/article/isds-and-regulatory-chill (Accessed: 20 September 2024).

The Sahara desert is often conceptualised as a vast and barren expanse, ready to be used for limitless renewable energy. This has led to international support for a range of energy projects that involve various North African states. These projects fail to address, in the words of Hamouchene, 'questions of ownership and sovereignty' by masking 'ongoing global relations of hegemony and domination that facilitate the plunder of resources, the privatisation of commons and the dispossession of communities'.[377, 378]

Take the Desertec initiative, originally formed in 2009 with the idea of bringing solar energy from the Sahara to Europe. This public–private partnership project proposed huge land grabs with no consultation and to the detriment of local populations. In 2014, in part due to its neocolonial implications, the venture was stalled.[379] However, the initiative did not stop there. By 2021, Desertec was once again a key player in the European pursuit to push Middle Eastern countries to produce and export hydrogen — with little regard for the environmental and economic impacts that such production would have on local communities, let alone the limited economic benefit.[380] These colonial power dynamics reinforce an exclusionary and deeply undemocratic energy transition.[381]

In Morocco, another green grab took place as part of the Ouarzazate solar power plant. Funded through public–private partnerships and huge loans from the World Bank and the European Investment Bank,[382] the project has created dispossession and destitution for the agro-pastoralist communities surrounding the site. They did not give consent for this development, and the water being used to cool and clean the solar system severely affects the limited water supply, which they need for farming and drinking.[383]

It can seem as though these examples harm only local communities. But the reality is starker, as the outcomes can be felt globally. For example, depleting the groundwater resources in the Sahara has grave impacts on the rising desertification of the area. This affects crop growing and food production potential, and forces people to migrate. It is essential that we start to consider our energy systems, and their impacts, holistically — to limit future environmental

377 Hamouchene, *The energy transition in North Africa: Neocolonialism again!*

378 The labelling of traditionally used and managed land as empty or vacant ('terra nullius') is a common strategy for dispossession. See further discussion of this in Myanmar in Springate-Baginski, O. (2019) *There is No Vacant Land: Primer on Defending Myanmar's Customary Tenure Systems.* Yangon and Amsterdam, TNI. Available at: `https://www.tni.org/en/publication/there-is-no-vacant-land` (Accessed: 11 October 2024).

379 Hamouchene, H. (2021) 'Green hydrogen: the new scramble for North Africa', *Al Jazeera,* 20 November. Available at: `https://www.aljazeera.com/opinions/2021/11/20/green-hydrogen-the-new-scramble-for-north-africa` (Accessed: 13 August 2024).

380 Barnard, M. (2022) *Assessing EU Plans to Import Hydrogen from North Africa: The cases of Morocco, Algeria and Egypt.* Corporate Europe Observatory and TNI. Available at: `https://www.tni.org/en/publication/assessing-eu-plans-to-import-hydrogen-from-north-africa` (Accessed: 13 August 2024).

381 Barnard, *Assessing EU Plans to Import Hydrogen from North Africa.*

382 Hamouchene, *The energy transition in North Africa: Neocolonialism again!*

383 Rignall, *What can an old mine tell us about a just energy transition?*

catastrophes while ensuring public benefit across scales. This kind of holistic multi-scalar planning requires public ownership and democratic governance as a means to steward ecological wealth to the best of our human abilities.

LAND AND AGRARIAN JUSTICE MOVEMENTS POINTING THE WAY

The land and agrarian justice movements offer important lessons on how to tackle the root causes of the grave injustices described above. Over a ten year period, in close alliance with working peoples from Myanmar, TNI has developed an analytical lens called the '5Rs': recognition, restitution, redistribution, regeneration and representation (see box).[384] The five principles are highly interdependent: when one of them is discarded, justice is compromised. For example, we should not simply *recognise* and defend the right of rural working people who are currently dependent on the land to remain and flourish. It is through *restitution* and *redistribution* that we can ensure that those people who were once at home on a body of land can recover access to it — for economically productive as well as socially reproductive usages. Even more broadly, this is about making land available to the working class rather than concentrating it in the hands of the few. Taken together, these principles can strengthen working people's capacities to organise for practices and policies that deliver deep social change.[385]

A key facet of the 5Rs approach is its ability to highlight and navigate the multiple rights to land that various working people face, combining both class-based and identity-based struggles. TNI scholar activist Jenny Franco states that "indigeneity — its content, philosophy and aspirations — is not self-evident", and limiting FPIC [to Indigenous peoples] can have divisive impacts and risks legitimising the political exclusion of poor, vulnerable and marginalized groups and individuals, who might not (self-)identify as indigenous but who would be prioritised if a comprehensive human rights approach was fully applied'.[386] This is not to dismiss FPIC (far from it), but to argue for a more expansive use in which racialised and otherwise impoverished communities defend each other's demands for justice so that a stronger, broader and more equitable social movement can coalesce. Hence, Indigenous, peasant and other frontline communities must be involved in project design and planning all the way to implementing and running energy infrastructure — whether a solar park or the mining of critical minerals. In this way, meeting the energy needs of surrounding populations will no longer be an afterthought, but part of an energy project's core mission.

384 While there are many different ethnic, cultural and class identities in Myanmar, the term working peoples has been chosen to make visible the common economic and social challenges that many who traditionally live on and from the land face.

385 Franco, J. and Borras, J. (2021) *The 5Rs in Myanmar.* TNI. Available at: `https://www.tni.org/en/publication/the-5rs-in-myanmar` (Accessed: 13 August 2024).

386 Jenny Franco, referring to Sawyer, S. and Gomez, E.T. (2008). *Transnational Governmentality and Resource Extraction: Indigenous Peoples, Multinational Corporations, Multilateral Institutions and the State.* Identities, Conflict and Cohesion Programme Paper Number 13. Geneva: United Nations Research Institute for Social Development, p.3] in Franco, J. (2014) Reclaiming Free Prior and Informed Consent (FPIC) in the Context of Global Land Grabs. TNI and Hands off the Land Alliance. `https://www.tni.org/files/download/reclaiming_fpic_0.pdf` (p. 14) (Accessed: 1 November 2024).

Two concrete measures are essential companions to the 5Rs; these are **guaranteed minimum access to land** and a **society- and system-wide land ceiling** on the maximum amount of land an individual or corporation can own.[387] When applied to energy, this could be seen as the minimum and maximum amount of energy that should be available globally, per capita and per corporation. The knock-on impact here could be a far fairer distribution of the resources needed for the energy transition globally.

This speaks, first, to the proposal raised in the Energy Democracy Declaration around energy sufficiency — the concept that we should have enough energy to live sustaining, nourishing lives, but not a free pass to consume at the expense of others' access to clean, affordable energy. And, second, it makes explicit the need to tackle the concentration of corporate power over who is able to dictate and benefit from the energy transition. Our proposal is that **through universal provision of public services, we could better manage and reduce energy consumption, while ensuring everyone has access to the resources they need.**

BOX 3.4

5Rs: FIVE PRINCIPLES TO BUILD LAND JUSTICE FROM THE GROUND UP

The 5Rs have been developed in the context of a future federal democratic system for Myanmar and should be read together with the two measures of establishing both a minimum and a maximum land access.

- **Recognition —** Defending rural working people's right to remain on the land they need to survive, both financially and culturally, and enshrining this in statutory rights. This goes alongside practising the following principles of restitution and redistribution so that those who were forced to leave can regain access.
- **Restitution —** Acknowledging historic and current displacement and dispossession of people from their land, and restoring access for both production and social reproduction. Restitution should not just cover farmland and house lots but encompass complete access to an array of land and resources, including the systems of provisioning (such as health care, education etc.) that are necessary to benefit from such access.
- **Redistribution —** Recognising that many people need access to land for their social, economic and cultural livelihoods, and yet either do not have land or have too little. This principle seeks to redistribute public and private land to those who are farming, inhabiting or living from it, and to continuously review who has access and ownership for widespread social equity.

387 Franco and Borras, *The 5Rs in Myanmar.*

- **Regeneration —** This requires interactions that strengthen our ecological foundation, nurturing a human–nature relationship on the basis of co-production, reciprocity and reproduction of the land and natural resources used. This means stopping and rolling back practices that harm our ecosystems while expanding land uses that ensure ecological well-being of current and future generations.
- **Representation —** This is about taking into account the perspectives and knowledge of different kinds of rural working people, including the civil society organisations and customary authorities that represent them. Ensuring democratic representation and participation at all levels allows for better and more legitimate outcomes.

While the 5Rs should always be approached in conjunction, the power of these principles also lies in their practice and the act of questioning any missing R. This way, the 5Rs can spur communities to enlarge and persist in their struggle for justice.

When working towards a just transition, **the 5R package can help us understand how energy transition activities that are contingent on access to land and natural resources are only as *just* as the extent to which they prefigure land solutions by and with affected people.** This begs the question: how to ensure that the right to land (and its implication for access to so-called natural resources) and the right to clean energy are mutually reinforcing, instead of pitted against each other? For public energy advocates, this means joining forces with land defenders to unpack how public ownership and democratic governance of the energy sector can be organised to defend people's right to land and ultimately, live up to the 5Rs.

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PART 4

GLOBAL PUBLIC GOODS: PUBLIC–PUBLIC PARTNERSHIPS AND A PEOPLE'S TAKE-OVER

4.0 SUMMARY

Part 4 of the report illustrates the cause for optimism around possibilities for systemically reclaiming energy.

We begin by discussing the importance of public–public partnerships (PuPs), which see public institutions collaborating with each other to build skills, expertise and capacity for energy transition leadership. **PuPs are emerging as a popular solidarity-based alternative to profit-driven public–private partnerships. They can take many forms, from public banks that finance public renewables through to associations of public bodies that collaborate to own and operate electricity utilities or to engage in peer-learning schemes to share transition skills.** Instead of using public funds for private gain, PuPs create opportunities to treat energy as a global public good: a common good available to all, for everyone's benefit. **Cementing this understanding of energy across the world could ensure all aspects of the energy system centre justice.**

PuPs can be combined with direct public procurement. This entails contracting a private company with the explicit purpose of building up public energy skills, assets, and technologies — for example, by transferring ownership and management of an energy asset to public hands upon completion of the contract. The hopeful expansion of pro-public energy struggles across the world demonstrates that there is ample potential for PuPs to take off and multiply. This final part of the report ends by documenting a number of these struggles, showing that another energy system — led by and for 'the public' — really is possible.

4.1 INTERNATIONAL & COUNTRY-WIDE COOPERATION: THE PUBLIC–PUBLIC PARTNERSHIP

Social movements correctly demand more ambitious climate targets. At the same time, liberalisation and privatisation of the energy sector have eroded government capacity to steer and implement the transition in line with these targets. Public authorities have been unbundling and divesting from their state-owned utilities and outsourcing renewable energy production to big business in the name of public–private partnerships.

Many governments have come to see their role as a financier of the transition instead of as the central authority responsible for planning, managing and executing it. Take, for instance, the hope that public climate finance would turn billions into trillions: a UN-commissioned report submitted to the 2021 UN Climate Change Conference, more commonly referred to as COP26, showed that, in fact, public money is footing the bill, with four dollars of public finance invested for every additional private sector dollar.[388]

388 Sweeney, S. (2024) 'The fad is dead: why "Just Energy Transition Partnerships" are failing', *New Labor Forum,* 33(2), 95–102. Available at: https://doi.org/10.1177/10957960241241815; & UK Government (n.d.) Climate Finance Delivery Plan: Meeting the US$100 billion goal (no date), p. 6. Available at: https://ukcop26.org/wp-content/uploads/2021/10/Climate-Finance-Delivery-Plan-1.pdf (Accessed: 13 August 2024).

The funding model of Just Energy Transition Partnerships (JETPs), which emerged from COP26, is the latest international mechanism intended to finance decarbonisation in the global South. JETPs were intended to help countries such as South Africa, Indonesia and Vietnam to phase out their coal reliance. Although JETPs are hailed as a game changer, they actually risk creating more problems.[389]

Firstly, **JETPs shift the focus away from the coal-dependent economies of Germany and the United States — who are together responsible for 11.5 per cent of global greenhouse gas emissions.**[390] Secondly, they are based on a loan model, even though the targeted countries already spend a large proportion of their public budget on debt servicing. While much of that earlier debt has been classified as illegitimate, JETPs will result in even higher levels of indebtedness.[391] At the same time, the billion dollar loans that countries can attain through **JETPs represent just a fraction of the $1 trillion per year that 'developing' countries would need to spend by 2025 to reach energy transition targets.**[392] Finally, as demonstrated in the South Africa case study in Part 1, JETPs can be tied to liberalisation measures, such as unbundling a country's state-owned utility, which tend to increase public costs to enable private sector returns.[393]

This approach of using public finance for private profit is increasing the inequalities outlined in this report — and hollows out governments' capacities to coordinate decarbonisation for the benefit of the whole population. Things do not have to be this way, especially once we realise that the energy transition has not been happening because of liberalisation, but despite it.[394]

Public–public partnerships (PuPs) are a key mechanism that governments and utilities can use as an alternative to public–private partnerships. PuPs can help coordinate a joint phase-out of fossil fuels and

389 Global Energy Justice Working Group (2023) *Change the System, Not the Climate: What is wrong with the Just Energy Transition Partnership (JETP)?* Available at: https://www.uni-kassel.de/forschung/files/Global_Partnership_Network/Downloads/JETP_Pamphlet.pdf (Accessed: 1 November 2024).

390 Sweeney, S. (2024) 'Just Energy Partnerships" Are Failing', *Jacobin,* 5 May. Available at: https://jacobin.com/2024/05/just-energy-partnerships-climate-finance [Accessed: 27 November 2024).

391 Youmans Hernandez, P.M. (2005) 'The doctrine of odious debt : a solution for post apartheid South Africa', *HIM 1990–2015.* Available at: https://stars.library.ucf.edu/honorstheses1990-2015/520 (Accessed: 1 November 2024).; Pettifor, A. (2007) 'Dirty debt', *Inside Indonesia,* 30 July. Available at: https://www.insideindonesia.org/editions/edition-6938/dirty-debt (Accessed: 13 August 2024); Gelpern, A. (2007) 'Odious, Not Debt', *Law & Contemporary Problems* 70:81, 81–114. Available at: https://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1434&context=lcp (Accessed: 6 November 2024).

392 Songwe V, Stern N, and Bhattacharya, A (2022) *Finance for Climate Action: Scaling Up Investment for Climate and Development.* London: Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science. Available at: https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/11/IHLEG-Finance-for-Climate-Action-1.pdf (Accessed: 1 November 2024).

393 Sweeney, S. (2024) '"Just energy partnerships" are failing', *Jacobin,* 5 May. Available at: https://jacobin.com/2024/05/just-energy-partnerships-climate-finance (Accessed: 13 August 2024).

394 TNI (2023) *MYTH #2 — Free Markets are the Best Route towards a Low-Carbon Energy System.* TNI. Available at: https://www.tni.org/files/2023-09/Factsheet%20No.2%20_%20TNI%20_%20Energy%20Transition%20Mythbusters%202023%20_%20300823.pdf (Accessed: 1 November 2024).

private capital's hold over the energy sector, while supporting public actors to learn from each other towards increasing their transition capacities. This is vital in order to start treating and popularising clean energy as the global public good that it is, a fundamental part of delivering climate justice.

BOX 4.1

GLOBAL PUBLIC GOODS, A DEFINITION

A public good is a term from economics that identifies that the use of a good is both 'non-excludable' and 'non-rivalrous'. This means that the good is available to all, and that one person's use of the good does not deny anyone else access to it. Air and the environment are often cited as examples of public goods.

TUED provides a useful summary of how the concept applies to climate change: increasing emissions anywhere endangers people everywhere; while a globally just energy transition reduces emissions anywhere, and benefits people everywhere.[395] Therefore, climate change mitigation through publicly owned energy systems, as outlined in this report, qualifies as a public good.

The privatisation of the energy system has created winners and losers from the energy transition, in what should actually be a win–win for the world and its future. Actors in the energy sector and energy transition-related value chains act as competitors by design, excluding others from participating in and benefiting from a decarbonisation trajectory.

While this is perhaps one of the most difficult tasks that every government is charged with — **we can instead design energy systems to ensure universal access and benefit.** Public–public partnerships are a concrete tool with which public bodies can collaborate, rather than compete — working together towards delivering a non-excludable and non-rivalrous energy transition as a global public good.

PuPs are a solidarity-based collaboration between public institutions with the aim of improving the capacity and effectiveness of one, or both, of the partners involved. PuPs can also take the form of collaboration to finance a public service, or to deliver it jointly. The former tends to be done by a public bank, which is able to provide long-term loans at lower interest rates than the private sector (see the box below). PuPs can also include peer learning around shared values and objectives that exclude profit-seeking, whether directly or indirectly. Peer partnerships like this have a solid track record among water utilities. In 2009, Transnational Institute, Public Services International (PSI) and PSIRU (PSI's research

395 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*

unit), identified over 130 PuPs in the water sector. These initiatives were spread across 70 countries, with each sharing the aim of contributing to technical expertise, human resources, institutional capacity, financing and participation.[396]

Take, for example, the Phnom Penh Water Supply Authority (PPWSA) that supplies water across the Cambodian capital. PPWSA has been providing free advice, training and on-site assistance to other utilities. In 2007, it entered into a water-operator partnership with Binh Duong Water Supply Sewerage Environment Company, a Vietnamese public water company. This peer-learning relationship enabled the latter to acquire better operating procedures, fully-trained personnel, a 24-hour customer hotline, fewer user complaints and higher revenues.[397] Then, between 2016 and 2021, under a new PuP, the French Development Agency supported PPWSA technically and financially to increase drinking water production in order to respond to growing demand among the population, in particular extending access to marginalised communities in the outskirts of Phnom Penh. This has reduced the water bills of 300,000 people who would otherwise have continued to buy water from private firms at rates three times higher than the average PPWSA price.[398]

Brazil and Uruguay also engaged in a water PuP. In 2012, the Uruguayan State Water Department (OSE), Uruguay's sole provider of water and sanitation services, and the Municipal Department of Water and Sewerage of Porto Alegre, Brazil, started working together. The goal was to improve operational efficiency and technical systems and to guarantee water as a fundamental human right. As the researcher Javier Marquez puts it: **'Through this partnership both parties found ways to improve and strengthen their practices as providers of a vital public service. These improvements were not only technical and administrative in nature but also social. As part of the agreement, both service providers committed to better incorporating human rights principles into their operations and supporting each other to find solutions to the challenges in realising the human rights to water and sanitation in their respective regions.'** [399]

These examples show how **PuPs can go both ways. A public institution can at the same time support others and also benefit from the support of another public institution.** This mutuality is what can happen when solidarity towards quality public services is the goal of a partnership, rather than profit.

396 Hall, D. et al. (2009) *Public–Public Partnerships (PUPs) in Water.* TNI. Available at: https://www.tni.org/en/publication/public-public-partnerships-pups-in-water (Accessed: 13 August 2024).

397 Hall et al., *Public–Public Partnerships (PUPs) in Water.*

398 Agence Française de Développement (n.d.) *Supporting the Phnom Penh Water Supply Authority in the Context of the Challenge of Urban Growth.* Available at: https://www.afd.fr/en/carte-des-projets/supporting-phnom-penh-water-supply-authority-context-challenge-urban-growth (Accessed: 13 August 2024).

399 Valderrama, J., Pérez, L. and Restrepo, B. (2023) *Public–Community Partnerships in Latin America: An alternative vision for improving the water sector.* Available at: https://blueplanetproject.net/wp-content/uploads/2023/02/1ec15-publicwaterforall-mar14-pup.pdf (Accessed: 1 November 2024).

Another kind of PuP is associations for the public ownership, management and delivery of public goods and services. In 2009, these kinds of partnerships were established within the water sector, with the Platform for Public and Community Partnerships of the Americas and the European Association of Public Water Operators, Aqua Publica Europea. In 2018, a Catalan counterpart, the Association of Municipalities for Public Water Management, was created. The latter supports local authorities to shift to and improve public water management models, in order to ensure water supply and sanitation are guaranteed equally to all citizens, serving public interests instead of corporate ones.[400] In 2019, also in Catalonia, 400 municipalities formed the Association of Municipalities and Entities for Public Energy. The aim: to work together towards renewable public power production and retail, all the while developing forms of citizen participation.[401]

In the energy sector, both utilities and civil society have much to benefit from public–public partnerships. For utilities, it is simply more cost-effective to turn to other public institutions to increase their energy transition capacity than to enter into a public–private partnership, because in the case of a PuP, they will not have to pay profit margins. Moreover, when initiated and co-developed by civil society, PuPs can be a powerful policy instrument to build public ethos and democratic control into cross-country capacity building on the energy transition. Indeed, PuPs tend to be open to civil society involvement, including trade unions, community groups and citizens' groups, and can even be initiated by such actors.[402]

In the energy sector, public collaborations are particularly popular on the municipal level. One example is the mPower project, funded by the Horizon2020 programme of the European Commission. This was a consortium of two public institutions and five civil society organisations, including TNI, who together developed a peer learning programme for European local authorities in support of fair, clean and democratic energy transitions. mPower supported 104 municipalities to reach their sustainable energy targets, resulting in four new energy projects, 17 institutionalised energy policies and 31 improved energy plans. Peer learning and project support from civil society organisations Carbon Co-op and Energy Cities assisted the Energaia Energy Agency of Porto, Portugal to develop an interregional Renewable Energy Community, securing €60,000 funding for

399 Valderrama, J., Pérez, L. and Restrepo, B. (2023) *Public–Community Partnerships in Latin America: An alternative vision for improving the water sector.* Available at: `https://blueplanetproject.net/wp-content/uploads/2023/02/1ec15-publicwaterforall-mar14-pup.pdf` (Accessed: 1 November 2024).

400 Aqua Publica Europa (2020) 'Aqua Publica welcomes the Catalan Association of Municipalities for Public Water Management (AMAP) as a new associate member', 15 June. Available at: `https://www.aquapublica.eu/article/news/aqua-publica-welcomes-catalan-association-municipalities-public-water-management-amap` (Accessed: 13 August 2024).
& AMAP (2024) Home page. Available at: `https://amap.cat/es/` (Accessed: 13 September 2024).

401 Interview with Irene Gonzalez of Engineers Without Borders (ISF Cataluña) on 9 May 2024. For more information about the Association of Municipalities and Entities for Public Energy: AMEP (2024) Home page. Available at: `https://amep.cat/` (Accessed: 6 November 2024).

402 Hall et al., *Public–Public Partnerships (PUPs) in Water.*

the project from the European City Facility and obtaining political commitments from six neighbouring municipalities.[403]

It is difficult to know how many PuPs have been happening below the radar in the energy sector. This is not only because these partnerships come in many forms, but also because most energy policy attention has been diverted to public–private partnerships. However, in light of the many drawbacks of for-profit involvement, the success of PuPs in the water sector and a growing appetite among local authorities to learn from others, energy PuPs could be a very useful instrument to increase much-needed public capacities. **Whether the focus is technical training for public transition workers, upgrading utility grids to accommodate variable and decentralised renewable electricity production, or planning and executing the energy transition across levels of government — the pooling, sharing and enhancement of expertise under PuPs are key to delivering an energy transition with the speed and scale required.**

TUED South argues that 'PUPs could provide some of the institutional superstructure of a new public energy system. PUPs can also facilitate full cooperation around R&D functions, the development of new technologies and the improvement of existing ones, all within a public goods framework.'[404] This aligns with the estimate by the European Commission that almost half of R&D funds for solar energy originated from public sources, a proportion that is expected to increase over time. PuPs, in combination with a public mandate, could support governments and public utilities to assess which energy transition technologies are viable, least harmful to the environment and most deserving of public funds. This could help boost investment in R&D and scale up demand-reduction, renewable energy and energy storage solutions accordingly.

BOX 4.2

A GLOBAL PUBLIC BANKING ECOSYSTEM TO FUND THE ENERGY TRANSITION

PuPs are taking off in the realm of banking — creating funding avenues outside private finance to mitigate and adapt to climate change. **The Finance in Common Summit** was inaugurated in 2020 as a global forum for the world's public development banks — there are an estimated 530 public development banks globally, holding more than a combined $23 trillion in assets.[405]

403 Steinfort, L. and Angel, J. (2022) *Making Municipal Power Work: mPower Project: Results And Impacts.* TNI. Available at: `https://municipalpower.org/wp-content/uploads/2022/10/Making-municipal-power-work-TNI-mpower-2022-261022-F.pdf` (Accessed: 1 November 2024).

404 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South.*

405 Finance in Common (2023) *Finance in Common: The Global Summit of Public Development Banks.* Available at: `https://financeincommon.org/sites/default/files/2023-11/Booklet-VA-2023_REFRESH_PLANCHE.pdf` (Accessed: 1 November 2024).

Despite the dominant role that private finance has in energy policy, regional development banks are already channelling finance to their national counterparts in support of energy and other public goods infrastructure that must become climate resilient.[406]

Much of this research and advocacy work is led by Thomas Marois, Director of the Public Banking Project at McMaster University. Professor Marois is calling on governments to mandate national and multilateral development banks to form a global ecosystem of public banking collaborations that improve the quantity and quality of financing global public goods — such as clean electricity, energy efficiency and long-term storage measures.[407]

This radical policy proposal is now being picked up by the T20, a G20 engagement group of think tanks aiming to influence G20 Finance processes, and serves as evidence input towards the United Nations' 2025 International Financing for Development Conference in Spain.[408]

Because many governments have long prioritised the wishes of big business at the expense of citizens — whether their own or those overseas — people are rightly sceptical of whether the state has their interest at heart. PuPs, alongside public–community collaborations,[409] are key tools for public bodies to gain the public support needed to execute a just transition. **Moreover, a combination of public and community actors can protect public infrastructure from privatisation pressures or political change.**

The current energy model may seem far removed from PuPs that are based on solidarity. Yet once governments and state-owned electricity utilities realise that they have much to gain from partnering with other public energy bodies, the turnaround can be quick. As we continue to miss climate targets, it is increasingly difficult to imagine worldwide decarbonisation without this kind of equitable international cooperation.

DIRECT PUBLIC PROCUREMENT TO TRANSFER SKILLS, ASSETS & TECHNOLOGIES

Establishing PuPs does not imply that one should simply ignore the private sector. Following years of liberalisation and privatisation, governments and public

406 Marois, T. *et al.* (2023) *Fostering a Global Public Financial Ecosystem for Development and Climate Action.* G20 Brasil 2024. Available at: `https://www.t20brasil.org/media/documentos/arquivos/TF03_ST_02_Fostering_a_Global66e198a8dae39.pdf` (Accessed: 1 November 2024).

407 Marois, *Fostering a Global Public Financial Ecosystem for Development and Climate Action.*

408 Güngen A.R. *et al.* (2024) 'A global public banking ecosystem breakthrough',TNI, 25 October. Available at: `https://www.tni.org/en/article/a-global-public-banking-ecosystem-breakthrough` (Accessed: 1 November 2024).

409 See TNI's *Progressive Public Procurement Toolkit* for more information about public-community collaborations. Available at: `https://www.tni.org/en/publication/progressive-public-procurement-toolkit` (Accessed: 1 November 2024).

energy companies have much to gain from private enterprises with energy transition expertise. **However, instead of just stepping up as a financier, public authorities could employ direct public procurement to contract private companies with the purpose of building up energy skills, assets and technologies in-house.**[410] For example, procurement contracts could stipulate that upon completion of the contract, the ownership of a wind farm or even of a wind turbine factory would be transferred to the public.

Although direct public procurement still means that governments would pay for an initial profit margin, this can be a key intermediate policy tool towards taking the energy transition in-house. This can contribute to moving away from the approach of partnering with the private sector with the unrealistic expectation that this will trickle down into a full-fledged transition. Instead, **governments can contract corporations in ways that go beyond tying them to social and environmental conditions by also including the more far-reaching condition of conceding ownership.** Moreover, direct procurement can be used for training a public workforce to acquire any technical skills that are key for a publicly-owned transition and which can then be passed on through a public training programme.

This way, the public energy sector can become equipped not only to deliver an energy transition in their own jurisdiction, but also to partner with other public authorities to coordinate the take-off of an energy transition as a global public good.

4.2 A GROWING GLOBAL MOVEMENT

The potential for PuPs is vast and ever-growing, given the rise of a burgeoning global movement for public power and energy democracy. **Around the world, people are organising to reverse electricity privatisation, with the aim of building a better, more affordable and decarbonised public energy system.** This is happening in a variety of countries and across scales.

Trade unions have, for decades, been at the forefront of this massive public power struggle, with Public Services International and, more recently, multi-sector initiative Trade Unions for Energy Democracy, strengthening trade union efforts virtually everywhere. These convergences also consist of many other key social and environmental justice groups, including countless human rights defenders. **With struggles already galvanising movements on all continents, this is nothing less than a global movement.** While it is beyond the scope of this report to give a comprehensive account of these energy struggles, we can briefly explore a few prominent cases.

NORTH TO SOUTH AFRICA

On the African continent, the resistance against privatisation is growing. This is no surprise, given that private sector involvement has long been a mechanism to ruthlessly subject populations and ecosystems to exploitation. As outlined

410 Sweeney, *Towards a Public Pathway Approach to a Just Energy Transition for the Global South,* p. 27.

in our case studies about Tunisia and South Africa, trade unions and social movements have been collaborating to fight against privatisation, liberalisation and attacks on state-owned utilities.

In early 2023, the Ugandan government decided to deprivatise part of its electricity system as contracts with private and multinational companies were coming to a close. **The government will set up the state-owned Uganda National Electricity Company, reversing decades of unbundling, which happened in response to pressures from the World Bank and the International Monetary Fund.** For about 20 years, Uganda's electricity system has been in the hands of Eskom, South Africa's state-owned multinational, and the international private consortium Umeme. During this period, grid electrification increased from 5 to 16 per cent, but tariffs also shot up. According to Public Services International, within two years following privatisation, tariffs rose by close to 60 per cent. The overwhelming majority of the Ugandan population still does not have access to power, let alone an affordable service. At the same time, the private sector has extracted massive profits. Actis, a private UK aid fund that owned and then sold Umeme, profited and shipped off $129 million to tax haven Mauritius.[411]

Social struggle will determine what the benefits of state-owned energy will turn out to be in Uganda. On the one hand, this will depend on Uganda's access to international finance, which will be required to build a capable and well-resourced public power sector. On the other hand, it will depend on civil society's ability to hold its government to account and increase democratic control. **Nevertheless, the objectives of nationalisation are clear: to minimise expensive private capital for investments in transmission, generation and distribution, and to increase service performance and affordability for the Ugandan population.**[412]

BOX 4.3

NEW TRADE UNIONS' PLATFORM FOR A JUST ENERGY TRANSITION IN THE GLOBAL SOUTH

Trade Unions for Energy Democracy (TUED) is a multi-sector initiative that has a membership of 100 trade union bodies and counting, spanning 37 countries and regions. TUED aims to advance public ownership and democratic control within the energy sector in a way that promotes solutions to the climate crisis,

411 Finance: Uncovered (2018) *Private Profits and the Public Purse.* PSI. Available at: https://www.world-psi.org/sites/default/files/attachment/news/private_profits_and_the_public_purse33.pdf (Accessed: 1 November 2024).

412 Tena, N. (2022) 'Uganda to form electricity company to take over from Eskom', *ESI-Africa.com,* 13 December. Available at: https://www.esi-africa.com/east-africa/uganda-to-nationalise-electricity-utility-as-private-contracts-conclude (Accessed: 15 August 2024).

energy poverty, the degradation of land and people, and attacks on workers' rights and protections. to it. Air and the environment are often cited as examples of public goods.[413]

TUED's research papers unpack multiple themes, including: how policies focused on the market and the private sector have prevented the energy transition from taking off; [414] the need to invest public funds directly in a pro-public and system-wide energy transition; [415] how trade unions and civil society can reclaim the just transition discourse; [416] and how public planning and ownership are necessary for 'community energy' to contribute meaningfully to a just transition.[417]

In October 2022, more than 70 trade union leaders gathered in Nairobi, Kenya, to launch TUED South. Ever since, the South-led platform has been holding (inter)regional conferences with the aim of developing a 'Public Pathway' approach to just energy transition, policies and forms of collective ownership across the vast and diverse global South.[418]

TUED South specifically focuses on strengthening trade unions to reclaim and restore state-owned electricity utilities in their respective countries.[419] The goal is to counteract so-called 'green structural adjustment' efforts, through which powerful countries, alongside the IMF and the World Bank, keep resource-rich countries locked into ever more debt, while grabbing their land and critical metals and other minerals. **The focus on building better public utilities seeks to address increasing levels of energy poverty through building the capacity of publicly owned renewables to significantly reduce fossil fuel dependency across Southern countries.**

413 For more information: *Trade unions for energy democracy* (2022). Available at: https://www.tuedglobal.org (Accessed: 15 August 2024).

414 Sweeney, S. and Treat, J. (2017) *Energy Transition: Are We "Winning"?.* Trade Unions for Energy Democracy. Available at: https://www.tuedglobal.org/working-papers/energy-transition-are-we-winning (Accessed: 15 August 2024).

415 Sweeney, S. and Treat, J. (2017) *Preparing a Public Pathway: Confronting the Investment Crisis in Renewable Energy. Trade Unions for Energy Democracy.* Available at: https://cdn.prod.website-files.com/63276dc4e6b803208bf159df/63405e51a62fb823621d02b7_TUED-WP10-Preparing-a-Public-Pathway.pdf (Accessed: 15 August 2024).

416 Sweeney and Treat, *Trade Unions and Just Transition.*

417 Sweeney, S., Treat, J. and Shen, I.H. (2020) *Working Paper No. 13 Transition in Trouble? The Rise and Fall of "Community Energy" in Europe.* Trade Unions for Energy Democracy. Available at: https://cdn.prod.website-files.com/63276dc4e6b803208bf159df/63405db1bf6fabffca0a1b83_TUED-WP13-Transition-in-Trouble.pdf (Accessed: 15 July 2024).

418 PSI (2022) 'Union leaders meet for launch of TUED South', PSI, 13 October. Available at: https://publicservices.international/resources/news/union-leaders-meet-for-brlaunch-of-tued-south?id=13410&lang=en (Accessed: 15 July 2024).

419 Sweeney, S. (2023) *Reclaim and Restore: Preparing a Public Pathway to Address Energy Poverty and Energy Transition in sub-Saharan Africa.*TUED. Available at: https://www.tuedglobal.org/working-papers/reclaim-and-restore-preparing-a-public-pathway-ssa (Accessed: 15 August 2024).

WESTERN, CENTRAL AND SOUTHERN EUROPE

With Russia's war in Ukraine ongoing, the energy crisis is illustrating the ills of privatisation ever more sharply across Europe. Although the situation is much more severe in Eastern Europe, building on the United Kingdom case study, this section will be limited to those countries where public energy struggles have been gaining traction so far, namely Western, Central and Southern Europe.

In the Netherlands, thanks to coalition building between labour and climate groups, inroads have been made to putting energy democracy together with public ownership of both fossil fuels and renewables on the agenda.[420] The government has liberalised the gas sector much more extensively than many other European countries, and Dutch users pay twice as much as the average European household.[421] In response, the Dutch government decided in 2022 that in coming years it would bring the majority of the heating networks back into public hands. However, it will require ongoing social struggle to keep the pressure on public authorities to actually hold the government to their word. Meanwhile, Dutch energy analysts are making the case for public–private partnerships.[422]

In neighbouring Germany, the anti-nuclear movement of the seventies evolved into decades-long efforts by communities to build democratic municipal energy models resulting in 305 reclaimed and newly built municipal energy systems.[423] Then, in late 2022, the federal government nationalised a former Gazprom subsidiary to secure its energy needs.[424] But public ownership should go much further. **Significantly, there is a campaign under way to expropriate and socialise Germany's biggest CO_2 polluter, RWE, alongside other large energy companies. The goal is to democratise the whole energy sector and turn it into a socially and environmentally just operation.**[425]

In Austria, the majority of the energy system is fully or partially state owned. However, following the European Union's push towards liberalisation and

420 Steinfort, L. (2023) 'Subsidising corporate profits derails decarbonisation in the Netherlands', TNI, 12 October. Available at: https://www.tni.org/en/article/subsidising-corporate-profits-derails-decarbonisation-in-the-netherlands (Accessed: 16 August 2024).

421 NOS (2022) 'Nederland heeft hoogste gasprijs van EU, FNV wil prijsplafond en hogere lonen' 9 August. Available at: https://nos.nl/nieuwsuur/artikel/2439953-nederland-heeft-hoogste-gasprijs-van-eu-fnv-wil-prijsplafond-en-hogere-lonen (Accessed: 30 July 2024).

422 Herreras Martinez, S. *et al.* (2023) 'Why go public? Public configurations and the supportive and divergent views towards public district heating in the Netherlands', *Frontiers in Sustainable Cities,* 5. Available at: https://doi.org/10.3389/frsc.2023.1220884 (Accessed: 6 November 2024).

423 Kishimoto, S., Steinfort, L. and Petitjean, O. (2020) *The Future Is Public: Towards Democratic Ownership Of Services* (2020). TNI. Available at: https://www.tni.org/en/publication/the-future-is-public-democratic-ownership-of-public-services (Accessed: 1 November 2024).

424 Kyllmann, C. (2022) 'Germany nationalises former Gazprom subsidiary in bid to secure gas supply', *Clean Energy Wire,* 15 November. Available at: https://www.cleanenergywire.org/news/germany-nationalises-former-gazprom-subsidiary-bid-secure-gas-supply (Accessed: 16 August 2024).

425 RWE & Co Enteignen, *Nehmen Was Uns Zusteht.*

privatisation, Austria was one of the first countries to corporatise two of their major energy suppliers, OMV and Verbund.[426] The remaining publicly-owned companies across the energy system are able to operate like private businesses, charging high tariffs to ensure returns for their shareholders.[427] This left Austria just as vulnerable to unaffordable tariffs as the rest of Europe, despite state ownership.[428] In response, civil society campaign group ATTAC Austria has been leading a civil society campaign to socialise the country's energy system. Socialisation recognises that public ownership is not sufficient in itself and must go hand in hand with democratic decision-making. ATTAC demands lower tariffs, non-profit energy suppliers, and socially just and climate-friendly energy production.[429]

In France, energy workers achieved an important success in 2022, when the government put its plan to privatise the state-owned energy company Électricité de France (EDF) on hold.[430] The government wanted to sell off the most profitable parts of the business (marketing and renewable energy generation), while maintenance, which requires major investment, would remain in government hands. The trade unions of the Confédération Générale du Travail (General Confederation of Labour, CGT) responded by developing an alternative public energy proposal centring democratic control that would involve users, workers and elected officials.[431] **That user and worker interests can align is powerfully expressed by the 2023 'Robin Hood' operations, in which energy workers reconnected low-income homes as well as schools and hospitals to the grid, providing them with free power and gas.**[432]

In Catalonia, as mentioned above, hundreds of municipalities have organised themselves in an association to support its members to be active in the production and retail of renewable electricity, with some attention to popular participation.[432] Moreover, the Catalan government recently created the public energy company L'Energètica, which started to manage renewable assets with the goal

426 Attac (n.d.) 'Mythbuster & FAQ', Attac Österreich. Available at: https://www.attac.at/kampagnen/energieversorgung-demokratisieren/fragen-und-antworten-zum-energiesystem (Accessed: 16 August 2024).

427 Attac, *Mythbuster & FAQ.*

428 Attac, *Mythbuster & FAQ.*

429 Attac (2024) Energieversorgung demokratisieren!, Attac Österreich. Available at: https://www.attac.at/kampagnen/energieversorgung-demokratisieren (Accessed: 16 August 2024).

430 Hernandez, A. and Leali, G. (2021) 'France puts EDF reform on hold', *POLITICO*, 29 July. Available at: https://www.politico.eu/article/france-edf-reform-on-hold/ (Accessed: 16 August 2024).

431 Fédération Nationale des Mines et de L'énergie CGT, *La nécessité d'une transition énergétique pour TOUS réduisant les inégalités.*

432 York, J. (2023) '"Robin Hood" energy strikers give free power to French schools, hospitals, low-income homes', *France 24,* 27 January. Available at: https://www.france24.com/en/europe/20230127-robin-hood-energy-strikers-give-free-power-to-french-schools-hospitals-low-income-homes (Accessed: 16 July 2024).

433 Interview with Irene Gonzalez of Engineers Without Borders (ISF Cataluña) on 9 May, 2024. For more information about the Association of Municipalities and Entities for Public Energy: AMEP (2024) Home page. Available at: https://amep.cat/ (Accessed: 6 November 2024).

of achieving 1GW by 2040.[434] In July 2024, the company initiated its first public procurement process towards purchasing new renewable energy projects.[435]

The Catalan Network for Energy Sovereignty, managed to force the multinational Endesa to write off 28 million Euros of users' energy debts.[436] This followed a 2015 bill that passed at the Catalan level, forbidding companies to cut off energy access to precarious households. This victory means that Endesa is forced to cancel over 70 per cent of people's energy debts accrued in the years 2015–2020.[437] Also, **a number of municipalities are suing the big energy companies, including Endesa, in order to return hydroelectric dams to local public ownership.[438] However, since the grid in Catalonia is still in the hands of Endesa, electricity distribution remains the main issue with regard to planning the transition and lowering the bills of poor households.**

LATIN AMERICA

Latin America, like the rest of the world, has been plagued by pressures to privatise the energy sector since the 1990s. This has furthered injustices across every aspect of the energy supply chain. Yet across the region, popular resistance and public governance models have provided a beacon for many looking towards alternative energy systems. This is especially true in the case studies of Costa Rica and Mexico discussed previously.

Another Latin American country that excels in realising the potential of renewable energy production is Uruguay. As of 2023, Uruguay generates 95 per cent of its energy from renewable sources and the state-owned electricity grid supplies energy to the majority of its population.[439] The country's journey was swift, with their energy transition achieved in under a decade. The transition was spearheaded by the national utility, the Administración Nacional de Usinas y Transmisiones Eléctricas (National Administration of Power Plants and Electrical Transmissions, UTE), which owns the transmission and distribution network and the majority of energy generation. **Alongside a blueprint for other countries for achieving such a transition, the Uruguayan story also contains**

434 L'energètica (n.d.) 'L`energia neta de Catalunya'. Available at: https://lenergetica.cat/ (Accessed: 16 August 2024).

435 Kavitha (2024) 'L'energètica launches public procurement for renewable energy projects in Catalonia', *SolarQuarter,* 2 July. Available at: https://solarquarter.com/2024/07/02/lenergetica-launches-public-procurement-for-renewable-energy-projects-in-catalonia/ (Accessed: 16 August 2024).

436 Right to Energy Coalition (2021) 'Success! 35,000 families are freed from energy bill debts in Catalonia', *Right to Energy Coalition,* 31 March. Available at: https://righttoenergy.org/2021/03/31/35000-families-freed-from-energy-bill-debts-in-catalonia/ (Accessed: 16 August 2024).

437 Right to Energy Coalition, *Success!*

438 Interview with Irene Gonzalez of Engineers Without Borders (ISF Cataluña) on 9 May 2024.

439 Watts, J. (2015) 'Uruguay makes dramatic shift to nearly 95% electricity from clean energy', *The Guardian,* 3 December. Available at: https://www.theguardian.com/environment/2015/dec/03/uruguay-makes-dramatic-shift-to-nearly-95-clean-energy (Accessed: 16 August 2024).

a warning — the use of renewables to enable stealth privatisation of the energy sector. This has put the primacy of the state-owned system and the progress the country has made at risk.

For decades Uruguay's domestic hydroelectricity production was propped up by imported oil. In 2010, successive increases in the price of oil, and therefore energy tariffs, led the newly elected left-wing government to make rapid steps to enact the Política Energética 2005–2030 (National Energy Policy 2005–2030), which had been previously agreed by all parties.[440] Under this activity, wind power went from 0 per cent to 30 per cent in just four years, with rapid use of the wind energy produced enabled by the existing strong public energy infrastructure.[441] Just transition was a central approach to this policy, with training and retraining given to workers in carbon-intensive industries, and 50,000 new jobs created.[442] However, this rapid innovation diffusion enabled the reintroduction of private actors into the ownership mix. Today 80.8 per cent of wind, solar photovoltaic and biomass is owned by private companies, with the national company being left with fossil fuels, and thus vulnerable to greater changes in cost. The current government is taking further steps to privatise the energy mix, which is greatly opposed by the opposition party and the workers party. Public ownership was essential to achieving a rapid just transition, and as shown, further privatisation may put these efforts at risk.

In Brazil, following the election of President Lula da Silva in late 2022, labour organisations are pushing the incoming administration to reverse the privatisation of Electrobras, the country's main power producer, and return it to public ownership. The privatisation of Electrobras enabled ever higher dividends for shareholders (as a result of which, the company became the second largest dividend payer in the world).[443] Meanwhile, annual investment levels dropped by 80 per cent.[444] A commitment to reversing this privatisation, alongside increasing energy sovereignty and renewable generating capacity, included in Brazil's 2023–2026 governing plan. The Workers' and Peasants' Platform on Water and Energy (POCAE) also supports these commitments, which were included in the demands and proposals they sent to the Ministry of Mines and Energy following Lula's election victory. **Moreover, the national trade union centre, CUT Brazil, has been helping to shape the Lula administration's energy and environment policies. This has included the recovery of public energy workers' bargaining power and the proposed creation of a Social Participation Council.** According to CUT Brazil's Daniel

440 Robbins et al., *Who Owns Power in the Energy Transition.*

441 Robbins et al., *Who Owns Power in the Energy Transition.*

442 Robbins et al., *Who Owns Power in the Energy Transition.*

443 Prado, M. (2023) 'Petrobras (PETR4, PETR3) foi a 2a maior pagadora de dividendos do mundo em 2022; veja ranking', *Valor Econômico,* 1 March. Available at: `https://valor.globo.com/financas/noticia/2023/03/01/petrobras-e-destaque-em-ranking-de-dividendos-global.ghtml` (Accessed: 16 August 2024).

444 TUED (2023) 'Les syndicats brésiliens appellent à la renationalisation de l'énergie, pour revenir sur les privatisations de Bolsonaro', 4 March. TUED. Available at: `https://fr.tuedglobal.org/bulletins/bulletin-128-brazilian-unions-call-for-renationalization-of-energy-reversing-bolsonaro-privatizations` (Accessed: 16 August 2024).

Gaio, Luz González and Vânia Ribeir, this body would communicate and coordinate policy demands between trade unions, social movements and the new administration.[445]

Moving from energy production to transition resources, in Chile, the world's second largest lithium producer, the Boric administration decided in April 2023 to create the National Lithium Company to take charge of the entire cycle of production, from exploration and extraction to the manufacturing of lithium products. Prior to the announcement, Movement for Lithium, a national coalition of trade unions, activist scholars and social movements, announced their support for the company, emphasising the need for collaboration between labour, communities and environmental organisations. In conjunction, President Boric announced the intention to involve communities living near the mining sites and to employ new technologies to minimise the environmental degradation of the salt flats ecosystem from which lithium is mined.[446] Soon after, over 100 trade union leaders developed a joint statement to put their weight behind 'the importance of a National Lithium Company that will take charge of the sustainable exploitation and value addition of one of the main strategic natural resources of our country, which constitutionally belongs to the State of Chile'.[447]

At the same time, critics point out that the Indigenous Atacama and Lickanantay peoples were not consulted before the nationalisation, despite the fact that this decision will directly affect them. Moreover, the government plans are said to categorise 70 per cent of the salt lakes as 'replaceable', leaving them unprotected. This risks disregarding the rights of the surrounding communities whose livelihoods revolve around the lakes. **For civil society groups it is clear that the government needs to go beyond nationalisation by putting worker and community representatives in control of decision-making.[448] While Indigenous groups are advocating for co-governance of the area, this has not yet been taken up by the Boric administration.[449]**

INDONESIA TO THE PHILIPPINES

In Indonesia and the Philippines, trade unions have been key to fighting privatisation and centring public ownership as part of just transitions that tackle climate change.

445 TUED (2023) 'Reclaiming energy in Brazil: an abridged interview with CUT Brazil', TUED, 15 March. Available at: https://www.tuedglobal.org/bulletins/bulletin-129-abridged-interview-with-cut-brazil-on-energy-policy (Accessed: 16 August 2024).

446 TUED (2023) Chilean labour movement welcomes national lithium company; calls for full state control, TUED, 3 May. Available at: https://www.tuedglobal.org/bulletins/chilean-labour-movement-welcomes-national-lithium-company-calls-for-full-state-control (Accessed: 16 August 2024).

447 Peñaranda, L. (n.d.) *Brief: The Battle for Lithium in Chile*. Available at: https://docs.google.com/document/d/1A_DjS7NJDRvK0cL-JAil3QJ5YBgSZSW7B-IjEbEZaH8/edit (Accessed: 16 August 2024).

448 Lagunas, D. (2023) '"Water predators": the industry behind "green" energy', *TNI,* 13 July. Available at: https://www.tni.org/en/article/water-predators-the-industry-behind-green-energy (Accessed: 16 August 2024).

449 Interview with Gonzalo Gutierrez, professor at the University of Chile.

In Indonesia, state ownership of energy resources is embedded in Article 33 of the constitution, with the majority of the electricity sector being managed by the state.[450] Recent decades have seen a policy shift, leaving unions to fight privatisation, while a corresponding weakening of workers' rights has been threatening the energy sector.

One of the first major attempts to push through privatisation came with the 2002 Electricity Law No. 20, which would have enabled increased private sector involvement in the electricity sector. After consistent organising, union action led to the law being revoked.[451] Seven years later, **trade unions had another win when Electricity Law No. 30 outlined that electricity generation, transmission and distribution would remain in state hands.** On top of that, worker organising ensured that a caveat, which allowed for some privatisation of the sector, was ruled to be unconstitutional.[452]

This tactic was employed again in 2017, when two energy unions, SP Perjuangan PLN Persero and Persatuan Pegawai Indonesia Power, contested a law aiming to reduce the role of the state in electricity supply. The court again agreed with the unions, yet some doors were left open to private actors.[453] In 2020, five trade unions united against the controversial Omnibus Law Employment Creation Bill, which presented risks to workers' rights and threatened privatisation of the electricity sector. The law would remove government oversight of energy sector planning and give private companies the ability to set tariffs, while also enabling unregulated environmental destruction. After four years of collective struggle, in November 2024, the unions won some key changes to the Bill, including mandating sectoral minimum wages. All efforts now focus on preventing the outlined electricity privatisation.[454]

The Indonesian government has been finding ways to circumvent the mechanisms in the constitution that trade unions have used to protect the electricity sector from private actors. One approach has been creating holding companies to control electricity sector stock and assets. Shares are then sold through Initial Public Offering (IPO) to private companies.[455] In other words, stealth privatisation.

450 Trade unions for energy democracy (2024) Solidarity Builds for Indonesian Unions' Fight to Reclaim Public Power Utility. Available at: https://www.tuedglobal.org/bulletins/solidarity-builds-for-indonesian-unions-fight-to-reclaim-public-power-utility (Accessed: 29 November 2024).

451 PSI Comms Team (2021) 'PSI Electricity Unions Fight Against Power Privatization in Indonesia Continues!', 8 September. Available at: https://publicservices.international/resources/news/psi-electricity-unions-fight-against-power-privatization-in-indonesia-continues. (Accessed: 29 November 2024)

452 ibid.

453 PSI (2017) Indonesian court judges electricity privatisation unconstitutional. Available at: https://www.world-psi.org/en/indonesian-court-judges-electricity-privatisation-unconstitutional (Accessed: 29 November 2024).

454 Budiarti, I. (2024) Victory: PSI Indonesia Unions defeat dangerous Omnibus law, PSI. Available at: https://publicservices.international/resources/news/victory-psi-indonesia-unions-defeat-dangerous-omnibus-law (Accessed: 29 November 2024).

455 PSI Comms Team (2021) 'PSI Electricity Unions Fight Against Power Privatization in Indonesia Continues!'

Indonesia's JETP is another mechanism being used to push privatisation of renewable energy, directly countering union proposals to expand the remit and capacity of the government energy company Perusahaan Listrik Negara (PLN).[456]

Lobbying from multinational corporations has also played a key role in the hijacking of the energy transition agenda to benefit private interests. These efforts have led to the inclusion of the Power Wheeling mechanism in the renewable energy law that is currently being formulated.[457] Power Wheeling enables the sharing of electricity power networks with PLN and private companies. It has been pushed for by private actors and their lobby body RE100, claiming that it will encourage investment in the sector and accelerate the energy transition.[458] RE100 was initiated by 430 international companies with 120 companies in Indonesia including Nike, Microsoft, Google and Apple.[459] All seeking to profit from the privatisation and commercialisation of the country's energy transition.

While the Indonesian government seems set on pursuing privatisation, the country's energy unions show what tenacity can achieve for the wider population.

In the Philippines, solidarity has been at the centre of struggles around the energy transition. One of the biggest trade union confederations, SENTRO (Sentro ng mga Nagkakaisa at Progresibong Mangagawa — Centre for United and Progressive Workers), has been working for several decades to defend public energy as a key tool for protecting workers rights and strengthening climate action.[460]

In 1969, the Philippines government created the National Electrical Administration responsible for reaching 100 per cent electrification across the Philippines. To achieve this, they set up electric cooperatives to supply electricity in rural areas, resulting in 119 member cooperatives today.[461] Yet in the early 2000s, the country developed a large-scale privatisation agenda for the power sector, including its energy cooperatives. Consequently, **in 2003, SENTRO, of which many of the cooperative workers were members, began organising to protect the cooperatives from privatisation.** Through political education and organising, its campaign developed strong alliances between workers and energy users, and an understanding of how both can benefit from the cooperative model.[462]

456 Le-Lannou, A. (2024) Indonesia JETP's promotion of renewable energy privatisation opposed by unions and civil society, Bretton Woods Project. Available at: https://www.brettonwoodsproject.org/2024/04/indonesia-jetps-promotion-of-private-ownership-of-renewable-energy-creates-opposition-from-unions-and-civil-society/ (Accessed: 29 November 2024).

457 Sulistyowati, R. (2024) Power wheeling dan ruu energi baru mengancam monopoli listrik pln. TEMPO. Available at: https://www.tempo.co/ekonomi/power-wheeling-monopoli-listrik-pln-23523 (Accessed: 29 November 2024).

458 Sulistyowati, R. (2024) Power wheeling dan ruu energi baru mengancam monopoli listrik pln. TEMPO. Available at: https://www.tempo.co/ekonomi/power-wheeling-monopoli-listrik-pln-23523 (Accessed: 29 November 2024).

459 ibid

460 Mata, J. and Valentin, L. (2022) 'Towards energy democracy in the philippines', ENERGY DEMOCRACY, 10 November. Available at: https://energy-democracy.net/transforming-the-philippines-trade-union-movement-into-a-climate-justice-movement/ (Accessed: 29 November 2024).

461 ibid

462 ibid

However, in the current model the electricity cooperatives purchase their energy from private corporations; much of it still comes from fossil fuels. The National Union of Workers in the Power Industry, an affiliate of SENTRO, has been fighting for electricity cooperatives to be allowed to generate their own renewable energy.[463] This would simultaneously reduce energy costs and energy-related emissions. Their campaign focuses on securing public funding for this demand.

SENTRO's climate action is rooted in broad-reaching just transition principles, as demonstrated by their campaigns on public transport and housing. In 2017, the government's new legislation banning diesel jeepneys was about to affect thousands of workers who lacked the funds to comply with the government's new mandate.[464] Another SENTRO affiliate, the Confederation of Transport Workers Unions, organised strikes which paralysed key cities. As a result, the government agreed to pause the legislation for three years. During this time the jeepney drivers organised into workers' cooperatives, using their shared power and partial government subsidies to purchase modern vehicles.[465] While this was a massive win for jeepney drivers, a comprehensive support package for these transport workers is still missing.

One of the most recent struggles supported by SENTRO is being led by community-based unions. Many urban poor families' homes are being destroyed as a result of extreme, climate change-induced weather. The community-based unions are demanding that all the new homes to which families will relocate have solar panels, ensuring energy is affordable. Yet local governments are resistant to funding this, so securing their support will be a key focus in the coming years.[466]

SENTRO's bold visions for an inclusive just transition serve as inspiration to initiatives the world over.

AUSTRALIA AND THE UNITED STATES

For many years, trade unions have been speaking out against the failures of Australia's for-profit electricity policies, with the power sector either fully or mostly privatised in Victoria, South Australia and New South Wales. By summer 2022, after power bills increased by over 70 per cent, the federal government suspended the 25-year-old market. Calls have been growing for a public grid and a single government agency to sell power from generators to retailers or directly to users.[467]

In 2022, the Australian Labour Party had a landslide victory in the State of Victoria, with support from the Victorian Trades Hall Council and a clear commitment to emissions reductions and public ownership of renewable generation.

463 ibid
464 ibid
465 ibid
466 ibid
467 Quiggin, J. (2022) 'The national electricity market is a failed 1990s experiment. It's time the grid returned to public hands', *The Conversation,* 21 June. Available at: http://theconversation.com/the-national-electricity-market-is-a-failed-1990s-experiment-its-time-the-grid-returned-to-public-hands-185418 (Accessed: 16 August 2024).

As a result, the government is re-establishing the State Electricity System (SEC), which prior to privatisation ran the integrated public utility, and is now planning to build and control an increasing amount of renewable power capacity. At the same time, **the State of Queensland announced increased investment in publicly owned renewables and a commitment to the Energy Workers Charter, backed by A$150 million, to put the interests of energy workers at the heart of transition spending.**[468]

Moving to the United States, as a growing number of investor-owned utilities have been failing their users across the country, decades-long struggles for energy democracy and public ownership have been gaining traction. For instance, consider the case of private utility DTE Electric in Michigan. This utility is notoriously unreliable, with Michigan reportedly being the second worst state for power outages between 2000 and 2021, including outages that lasted over six days.[469] Customers with lower incomes, in particular, are disproportionately burdened by poor service and high prices. Alongside frequent outages and severe delays in maintenance, since 2013 DTE has cut off well over a million power connections for non-payment. In response, activists are combining community organising with campaigning for public power. As Greg Woodring, president of the Public Power campaign in Ann Arbor puts it: **'We basically have two paths in front of us. The first is radically changing the way we do our energy system. The second is extinction.'** [470]

In California, the equipment of Pacific Gas and Electricity (PG&E), another investor-owned utility, caused 31 wildfires, killing 113 people and destroying nearly 1.5 million acres of land between 2017 and 2022.[471] In the first months of 2023, a state judge ruled that it must face trial for manslaughter for its role in a 2020 wildfire. The Reclaim Our Power coalition has been trying to hold PG&E accountable, while pushing for a decentralised and democratised energy system across California.[472] **At the same time, the Let's Own PG&E campaign by the Democratic Socialists of America has been calling for democratic state control of PG&E, centring worker and community control.**[473]

468 TUED (2022) 'Public energy victories in Victoria and Queensland, Australia'. TUED, 30 December. Available at: `https://www.tuedglobal.org/bulletins/public-energy-victories-in-victoria-and-queensland-australia` (Accessed: 16 August 2024).

469 Michigan League of Conservation Voters (n.d.) 'Michigan's power outages, high rates, and unreliable service from DTE and Consumers Energy', *Michigan League of Conservation Voters.* Available at: `https://www.michiganlcv.org/michigans-power-outages-high-rates-and-unreliable-service-from-dte-and-consumers-energy` (Accessed: 13 September 2024); & Allnutt, B. (2024) 'Michigan ranks # 2 for power outages', *Planet Detroit,* 19 January. Available at: `https://planetdetroit.org/2024/01/michigan-ranks-2-among-states-for-power-outages/` (Accessed: 13 September 2024).

470 Schandevel, L. (2023) 'Utility companies' consistent failures and shady practices show why we need energy democracy', *The Real News Network,* 2 February. Available at: `http://therealnews.com/utility-companies-failures-energy-democracy-michigan` (Accessed: 16 August 2024).

471 Schandevel, *Utility companies' consistent failures and shady practices show why we need energy democracy*.

472 Reclaim Our Power! Utility Justice Campaign (n.d.) 'About us: From monopoly utility to community power'. Available at: `https://reclaimourpowerca.org/about` (Accessed: 16 August 2024).

473 Let's Own PG&E (n.d.)' Let's own PG&E: it's time to take back our power', Available at: `https://letsownpge.org/` (Accessed: 16 August 2024).

In the State of Nebraska, public power has been the norm for decades. Yet, these structures are not immune to creeping liberalisation and corporatisation. A brief overview of how Nebraska has maintained its public energy infrastructure for so long provides useful lessons. Between 1930 and 1945, a range of laws enabled a mixture of municipal, community and cooperative energy service provision.[474] Over the years, Nebraska's energy utilities have grouped together to run more efficiently, and have consistently offered affordable tariffs to customers.[475] In the 1970s, the merger of the three biggest power districts meant that each municipality or area didn't have to build its own energy generation infrastructure, building their capacity and strengthening their long-term function as energy utilities.[476] During the trend of liberalisation in the 1990s and 2000s, Nebraska refrained from unbundling its energy system, further supporting its ability to control tariffs without a competition framework.[477] **Through careful collaboration across scales, Nebraska has been able to maintain an energy system run largely for the public good.**[478]

Moving East, the Democratic Socialists of America have been campaigning in Chicago and New York City to democratise ConEd, their regional utility.[479] By spring 2023, following years of struggle by the Public Power New York coalition, the State government of New York had approved a bill requiring the public New York Power Authority (NYPA) to generate all of its electricity from clean energy by 2030 and to offer low-to-moderate income customers a lower utility rate for renewable energy. **To achieve this, it is now allowed to build and own renewables while phasing out fossil fuels. According to one of the public power organisers, Lee Ziesche: 'It'll create a model of public power for the whole country, and it's really showing that our energy should be a public good.'** [480] Advocates aim to establish public–public partnerships, where an authority like NYPA can support public power campaigns and governments elsewhere.[481]

474 Robbins et al., *Who Owns Power in the Energy Transition.*

475 Zullo, R. (2023) 'Affordable, reliable and sustainable: report compares utility performance', *Nebraska Examiner,* 19 January. Available at: `https://nebraskaexaminer.com/2023/01/19/affordable-reliable-and-sustainable-report-compares-utility-performance/` (Accessed: 13 September 2024).

476 Nebraska Public Power District (n.d.) 'Who we serve'. Available at: `https://www.nppd.com/about-us/our-customers` (Accessed: 13 September 2024); & Robbins et al, *Who Owns Power in the Energy Transition.*

477 Robbins et al., *Who Owns Power in the Energy Transition.*

478 Robbins et al., *Who Owns Power in the Energy Transition.*

479 Bozuwa, J. (September 3) *Public Ownership for Energy Democracy,* The Democracy Collaborative. Available at: `https://democracycollaborative.org/blog/public-ownership-for-energy-democracy` (Accessed: 16 August 2024).

480 Uteuova, A. (2023) 'New York takes big step toward renewable energy in "historic" climate win', *The Guardian,* 3 May. Available at: `https://www.theguardian.com/us-news/2023/may/03/new-york-renewable-energy-public-utilities` (Accessed: 16 August 2024).

481 Interview with Ashley Dawson of the Public Power Observatory, New York on 6 November, 2023. For more information about the Public Power Observatory, see: `https://publicpowerobservatory.org`.

CONCLUSION

Transforming the electricity sector is an essential component of the fight to reduce the harms of climate change: electricity has been the biggest single contributor to global greenhouse gas emissions for decades.[482] Over and above their role in climate change, our energy systems are the cause of environmental destruction and human rights violations the world over. **Putting the public in charge is key to treating energy as a basic right, while also addressing the harms across the supply chain multiplied by ever-rising global energy demand.**[483] This report has shown that for-profit energy systems disproportionately benefit some countries, while others disproportionately bear the costs.

Part 1 of this report explored how the price of widespread privatisation has been sizable — not just in terms of finance, but also in terms of the wider impacts on nations' capacity to decarbonise. Indeed, following the decades-long dominant logic of for-profit markets, either willingly enacted by national governments or imposed through international finance bodies, many countries find themselves without the expertise and funds required to fully switch over to renewables. **The systematic dismantling of electricity utilities, pushed through liberalisation agendas, has led to gross inefficiencies across nations. This has slowed and in some cases obstructed the progress countries could have made towards renewable transitions.**

More information on the harms wrought by the current energy system can be found in the first two reports of the Public Power trilogy, *Energy Transition Mythbusters and 'Green' Multinationals Exposed.*[484] For *Reclaiming Energy,* we have focused on building out from real-world struggles and solutions to envision an energy system makeover that marries country-wide policy proposals with more localised just transition processes.

In Part 2, we call for better public ownership as a fundamental building block for a just energy transition. **Against authoritarianism and corporate capture of energy policy, we need a system-wide democratic reclaiming of both fossil fuels and renewables.** This must come alongside a comprehensive decolonial power analysis across the supply chain and through integrated nationwide public systems that combine local, regional and national infrastructures to deliver affordable, clean energy to all.

The case study of Costa Rica demonstrates that integrated governance across scales — in this case large rural cooperatives, municipal companies and regional public companies, all managed and coordinated by a state-owned

482 Ritchie, H., Rosado, P. and Roser, M. (2020) 'CO□ and greenhouse gas emissions', *Our World in Data.* Available at: `https://ourworldindata.org/co2-and-greenhouse-gas-emissions` (Accessed: 28 October 2024).

483 IEA (2024) 'Global electricity demand set to rise strongly this year and next, reflecting its expanding role in energy systems around the world', IEA, 19 July. Available at: `https://www.iea.org/news/global-electricity-demand-set-to-rise-strongly-this-year-and-next-reflecting-its-expanding-role-in-energy-systems-around-the-world` (Accessed: 13 September 2024).

484 Steinfort and Angel, `Energy Transition Mythbusters;` & Chatterjee et al., *'Green' Multinationals Exposed.*

electricity utility — can provide democratically controlled renewable energy to a population.[485] Designed with an understanding of energy as a public good, Costa Rica's energy system holds lessons for countries the world over.[486] **Renewed public mandates and missions are concrete tools to improve our power systems that can be taken up by policy-makers and social movements alike.**

In addition, phasing out market liberalisation and removing the ability to profiteer from energy supply will be necessary for reducing tariffs. As illustrated by Honduras' 2022 landmark law to guarantee electricity service as a public good and human right, governments are well placed to force private actors to adhere to new, socially-just policy regimes as interim steps to wider-scale public ownership.[487]

(Re)municipalisation has a vital role in the people's take-over and can complement state-owned utilities. The cases outlined in this report demonstrate how municipal ownership can be a key stepping stone for greater democratic control. **However, to contribute to fully-fledged decarbonisation, instead of being out-competed by big business, municipal renewables must be situated within nationwide publicly owned and managed systems.** Inspiration can be found within the energy policy created by the UK Labour Party under Jeremy Corbyn's leadership, which envisioned multiple scales of energy generation and ownership integrated with nationwide management to ensure affordable tariffs and energy access.[488]

However, national and international change can be slow, and must be bolstered by a strong and consistent push from civil society for models of public ownership that are accountable to the people. This thought has left many around the world asking: **why wait for change when you can be the change?** As we show in Part 3, people, workers and communities around the world have been building their own solutions to energy injustice for decades.

Take the project in the mountainous El Cua region in Nicaragua, which developed community hydropower after being repeatedly ignored by the state. Here, a democratic decision-making process underpinned agreements on where infrastructure should be developed and how to set tariffs in a way that met the needs of people with fluctuating incomes, based on seasonal harvest.[489] This model was then replicated by communities across the mountainous region. Or take the Navajo Nation, who developed a democratic, utility-scale, Indigenous-led project. The success of this project has led to them securing long-term

485 Chavez, *COOPELESCA, Costa Rica.*

486 González Jiménez, E. (2017) *Costa Rica 100% Renewable: Keys and Lessons from a Successful Electric Power Policy.* Mexico City: Friedrich-Ebert-Stiftung. Available at: `https://library.fes.de/pdf-files/bueros/mexiko/13389.pdf.` (Accessed: 2 November 2024).

487 Jae-hun, SungHee and Junmo, *The Future is Public.*

488 The Labour Party (2019) *Bringing Energy Home.* Available at: `https://www.labour.org.uk/wp-content/uploads/2019/03/Bringing-Energy-Home-2019.pdf.` (Accessed: 2 November 2024).

489 Colbert, *El Cua, Nicaragua.*

federal funding.[490] Such examples tie in with the principles of just transition, building solutions by and with those most affected, usually starting with workers and unions, but also including communities affected by extractive industries.

These cases share an understanding that we can collectively shape the solutions that deliver local benefit and reduce planetary harm. However, while independent of the state, they provide a service that could otherwise be provided by the state. To really bring down emissions and decarbonise the entire electricity sector, we must situate these examples as part of wider struggles to reclaim and restore public power utilities. As long as the broader system is run on the basis of a for-profit market, countries simply cannot meet their climate targets.

We need to scale out and call for integrated state-owned utilities that are not competing with, but defending, community-run renewables. For example, as long as both treat energy as a common public good, state-owned utilities could be in charge of planning, investing and developing public renewables — in conjunction with a managed phase-out of fossil fuels — while communities can co-own and operate generating assets and supply residents with clean power. While the exact set-up may differ from country to country, the local, regional and national dimensions of publicly owned energy are mutually constitutive. For community renewables to thrive and contribute to a wider energy transition, we need a country-wide public system, while a state-owned electricity utility must be responsive and accountable to the energy needs and the impacts of its operations on the ground. Public-community collaborations can bring together the advantages of both state ownership and localised community control.

Without idealising the local, as we examine in Part 3, the larger the territory, the more challenging it is to address the colonial dynamics, inequalities and injustices that are taking place across the energy supply chain.The complexities around energy transition and land rights are a case in point. Energy infrastructure needs huge amounts of land for generation, transmission and distribution. Replacing fossil fuels with solar and wind farms will require much more land to produce the same amount of electricity. Moreover, an economic model that presupposes an energy expansion instead of reduction, for the sheer purpose of profiteering, maximises environmental harms caused by the energy system

Struggles for a publicly owned energy transition have to ally with land, agrarian and resource justice movements to make sure that public renewables will not be pitted against, but actually reinforce, the latter's demands for territorial sovereignty. Public ownership and energy democracy can easily be co-opted if we do not engage with the popular frontline communities that are currently being sacrificed in the name of an energy transition.

490 Vandenack, T. (2024) 'Navajo Nation solar power plant, meant to help with electrification, gets federal financing', *KSL.com,* 30 March. Available at: `https://www.ksl.com/article/50965108/navajo-nation-solar-power-plant-meant-to-help-with-electrification-gets-federal-financing` (Accessed: 13 September 2024); US Department of Transportation, 'Center for Innovative Finance Support — Navajo Nation Kayenta solar program (Phase I & II), Arizona'.

This is about expanding the meaning of 'public'. And it requires compelling state-owned power utilities to acknowledge the land uses and territorial rights across the value chain of the electricity sector. Ultimately, we have to scrutinise the state's leadership on the public energy transition by daring to share power — co-governing transition resources and infrastructure with rural, peasant and Indigenous communities.

This idea prompts questions of energy for what and for whom — and reaffirms the need to produce enough energy for all, without overproduction and overconsumption for profit's sake. Proposals such as the Energy Democracy Declaration make steps towards addressing these issues.[491] This Declaration calls for collective energy sufficiency, where resources are managed to prioritise essential, social reproductive energy use. This might include keeping hospitals, schools, water provision and public transport running, or powering all the care, cooking and cleaning work that is still predominantly done by women. In turn, this can guide policy to cut back on excessive energy use, such as curbing the use of private jets by the rich.

Such proposals, and indeed this entire report, are underpinned by the concept of energy as a global public good – as outlined in Part 4. This means that energy is considered a human right that should be affordable and available to all, everywhere in the world, while keeping planetary harm to an absolute minimum. To achieve this, instead of competing for resources and relying on public–private partnerships, we need to collaborate through public–public partnerships to equitably share resources and attain the skills to follow through on the energy transition.

This report makes the case for decolonial and democratic public pathways as a prerequisite for breaking the fossil fuel cycle. We have sought to offer principles, case studies and proposals for the work that is needed across scales. However, to put this into practice, we must take into account diverse geographies, political realities and pre-existing infrastructural configurations. Thus, rather than a set blueprint, we hope that these tools can unlock new thinking and action around energy system change, design and delivery.

Join the growing global movement for public power by signing and spreading the Energy Democracy Declaration: **https://www.energydemocracydeclaration.org**

491 *Energy Democracy Declaration.*

The Reclaiming Energy report, the third in TNI's Public Power trilogy, aims to unpack key strategies to strengthen energy democracy struggles the world over.

With the climate crisis escalating, labour and environmental justice groups are searching for systemic solutions. These solutions must uproot the logic of private profit, which is keeping energy systems from phasing out fossil fuels and ramping up renewables. Public ownership of energy can be exactly this: an urgent, viable and bold alternative to the failures of profit-driven markets and multinationals.

By employing a decolonial lens, we call for deprivatising and decommodifying public power systems as a condition for shaping pathways towards democratic governance and public–community partnerships across scale and territories. This means approaching the right to clean energy as inseparable from the right to land and resource justice.

Far from a silver bullet, defending and expanding energy as a global public good requires ongoing social struggles towards a sustainable energy sector that is deeply democratic and decolonial by design.