



International Year of Cooperatives



Geografisches Institut



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Green Power to the People -

The Case of Berlin's



Housing Cooperatives against Climate Change

A study by the German Economic Institute (IW) revealed that one in four German households spent more than 10% of their income on energy during the 2022 energy crisis.

At the 2015 World Climate Conference the goal of limiting global warming to 1.5°C was set. To achieve this, it is necessary to transition from fossil fuels to renewable energies. But in 2025 renewable energy sources accounted for only around half of Germany's electricity mix.

To drive this change forward and to reduce energy costs, almost one thousand energy cooperatives were founded in Germany by 2025. One example is Isarwatt eG in Munich, which was founded as a **cooperation among several housing cooperatives**. This innovative concept with 25 members served as a role model for StadtWatt eG in Berlin.

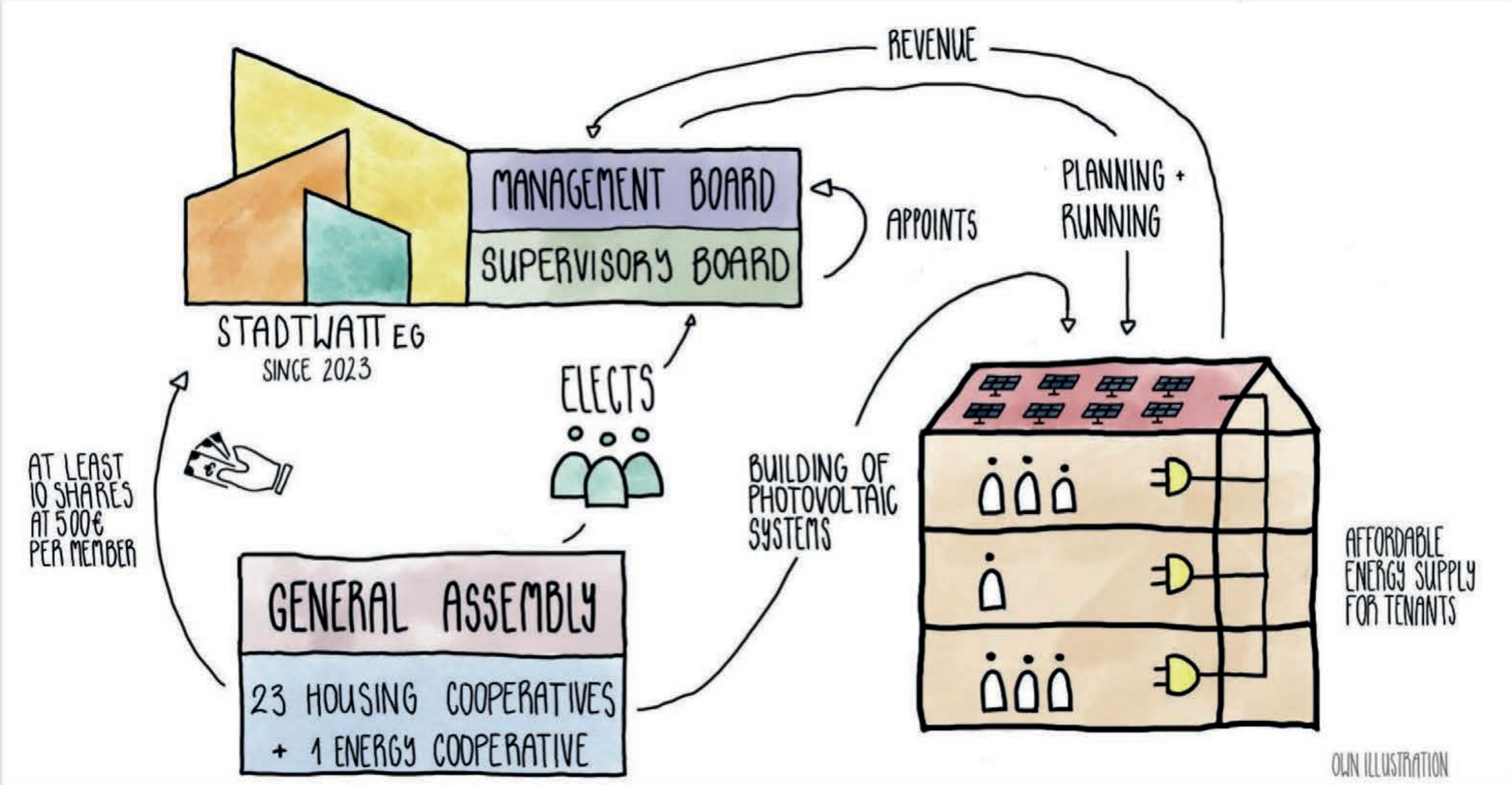
Using qualitative interviews, the aim was to identify the potential of such joint ventures and the challenges cooperatives face when establishing and operating them.

What Is an Energy Cooperative?

Energy cooperatives are associations of citizens or companies that pursue the common goal of generating or trading energy. The focus is usually on renewable energies such as solar or wind power. The cooperative members thus have the opportunity to implement large projects together and actively help to shape the energy transition.

To become a member, one must buy shares, the price of which varies depending on the cooperative. No matter how many shares are purchased, according to the Cooperatives Act, each member has only one vote. Through their right of participation, members can influence the cooperative's business and represent their own interests in the energy market.

The Structure of StadtWatt eG



Opportunities

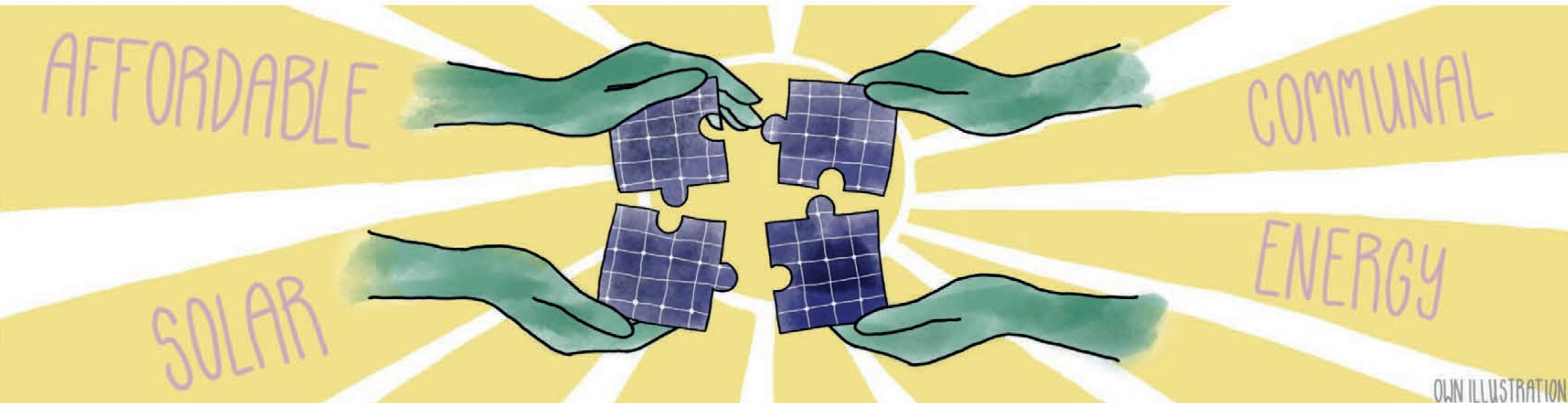
- Self-determination and the power to make decisions over prices
→ Affordable electricity for tenants
- Engagement beyond the housing sector
- Promotion of innovation
- Higher efficiency through bundling knowledge and projects
- Enhancing collaboration and communication between housing cooperatives
→ Strengthening the community and creating synergy effects

Challenges

- Financing of projects
→ Low equity
→ Legal requirements of the auditing association for housing cooperatives
→ Need for innovative funding models
- Achieving economic viability
- Housing cooperatives cover running costs in foundation phase
- Suitable roofs
- Existing contracts between housing cooperatives and energy companies
- Tenants' reservations to end existing contracts with energy suppliers

What Does the Future Hold?

StadtWatt is in the final stages of setup, working towards organisational consolidation and economic viability that Isarwatt gained after 5 years. The current tax advantages enjoyed by some housing cooperatives affect their scope for action in the energy sector, which is why StadtWatt offers various financing models. While the first solar projects are being planned and implemented, its success depends on the rollout of more projects. However, member engagement is high, driven by the desire to actively and inclusively shape the energy transition. Additional housing cooperatives are considering joining in the coming years, which would significantly increase StadtWatt's impact.



More Information

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<https://stadt watt.berlin/>

Schröder, C. & Walk, H. (2014): *Genossenschaften und Klimaschutz*, Wiesbaden, Springer VS.



HOW TO BUILD A BETTER WORLD? IN SEARCH FOR COOPERATIVE TRANSFORMATION

