

GUIDELINE: HOW TO IDENTIFY REGIONAL STAKEHOLDERS

Abstract

For successful smart grid projects that take place on a local or regional level, it is important to include affiliated decision makers who support and disseminate your project. This guideline gives an introduction into the topic of stakeholder analysis. Stakeholders are persons or organisations that are influenced by your project and could have a positive or negative impact on the success of your project or product. The aim of this guideline is to help you finding allies on the regional level who could push the success of your smart grid project. A theoretical introduction into the topic of stakeholder analysis is followed by ideas on how to use them for smart grid projects. The guideline is addressed to project managers and the marketing team of the projects.

What is it?

A well-organised consortium lies at the basis of every project and including the right partners and ensuring clear communication between them can ease the engagement of participants. Timely engagement of meaningful stakeholders contributes to successful implementation of the smart grid. Previous smart grid projects were predominantly run by the energy business: DSOs and utilities, often supported by universities, research institutes, and IT consultants. As the perspectives and interests of non-energy stakeholders differ from the views of energy companies, novel stakeholder coalitions are worth exploring.

In case of smart grid projects it is of great importance to include affiliated decision makers who support and disseminate your project on the local or regional stage. Government bodies, (local) political stakeholders and civil society organizations are increasingly found to be partners in smart energy projects, because they seem better able to connect with the everyday social practices of end users. Particularly on the local or regional level, this can contribute to fostering a sense of place and a sense of community among participating end users.

Especially to engage potential allies and to foster their engagement within your project, it is important to inspire regional decision makers for your project. On the one hand, they can be role models for the community, on the other hand, they can act as multipliers of your ideas and goals and support your project. You can share your ideas with their personal networks to enhance the impact of your project and you can make use of their degree of popularity for marketing purposes. Of course, every region differs regarding its rural or urban structure, location, economy, political system, traditions etc., but some steps to find regional decision makers are similar in

all regions across Europe. In this guideline, we present you different concepts to find allies and partners for your project on the regional scale.

When to use?

Finding allies on the regional level can be useful in different stages of smart grid projects. If you start including them at a very early stage of your project (planning phase), you could enhance the support by regional politicians, local businessmen and entrepreneurs, institutions, journalists and citizens. Additionally, you can receive deeper insights by those allies about the specific regional characteristics. Within the rollout phase of your project those allies can help you to find new participants. They can act as role models and they can help you as ambassadors for success stories (see our guideline [Engaging people through telling stories](#)). On the one hand, this will help to gain the customers' trust for your project or your product, on the other hand allies can support you with testimonials for marketing purposes. The marketing and communication strategy can be adjusted based on the information given by the local stakeholder to improve the communication in the region and to raise the number of participants or customers. The regional adaptation of the project can also be promoted in other fields of the project, like finding the regionally specific communication channels. In later stages of the project, those allies can spread the word about your project in local media, social media and to a specialized public.

What do you need to do?

In the following paragraphs you'll get a very short crash course in stakeholder analysis. A stakeholder analysis is used to analyse the attitudes of stakeholders towards your project or product. It usually starts with the mapping of possible stakeholders. By definition stakeholders are persons or organisations that are influenced by your project and could have a positive or negative impact on the success of your project or product. You can divide between primary stakeholder that are directly affected your actions and secondary stakeholders that are indirectly affected. In both case there can be so called key stakeholders that do have a very high influence within an organization. The aim of this guideline is to equip you with the required knowledge to map stakeholder in smart grid projects. Based on this mapping you'll be able to define the most important potential allies in your region.

Different societal sectors

Before analysing stakeholders within smart grid projects, it would be helpful to be aware where possible stakeholders are located. Different societal sectors have to be analysed and taken into account. Those main sectors are politics, economy, governmental agencies, civil society, educational institutions and the local and regional media.

Within the regional **political** sector, you will probably find some so-called change makers or political entrepreneurs who are willing to support projects matching their

own agenda. It can be useful as well to contact not only your expected cooperation partners, but also the political parties who are supposed to oppose your project. If you are able convince them of the project in an early stage, this will minimize the opposition against your project. To do so, it is always a good idea to try and understand your opponent's aim and to find a match between their primary goals and your project goals.

The **economic sector** is very diverse. The concrete selection of affiliated partners strongly depends on your project goals. The chamber of trade and commerce, regional enterprise networks or similar institutions can be a starting point of your research for partners. Think about different opportunities for business collaborations, too: local companies, for example, can help you with the installation of your smart grid project. Here, it should be possible to create economic win-win situations, too. For the economic argumentation for smart grid projects, it is important to emphasize the economic benefit of regional supply and production chains. This can go beyond electricity and may include a multi-network management (e.g. combination of heat and electricity grids).

To include the **civil society** into your project, you could contact influential associations in that area. This can be (energy) cooperatives, environmental organisations, sport clubs or any other kind of organization. The organized civil society can be a good accelerator for your project. Therefore, they can be included in your project. If there are any energy, efficiency or environmental initiatives, try to convince them as well. Very interesting actors for your projects can for example be energy cooperatives or environmental organisations. Seeing these organisations include 'best of both worlds' as they are local and sustainable.

EcoGrid Live Events (EcoGrid, DK)

The EcoGrid project – taking place on the Danish island of Bornholm – aimed to provide accessible real-time market solutions for small-scale generation, storage, and flexible demand. To inform the participants and to recruit community members, they organized a live event with a locally well-known comedian. The result was a high number of new participants and a good and positive local media coverage for the project. The comedian who supported the project can be seen as an ally for the project. The example shows that allies do not necessarily have to come from the energy sector to have a positive impact on the project.



More information: <http://www.eu-ecogrid.net/ecogrid-eu/the-bornholm-test-site>

Additionally, you could think about a cooperation with the local **educational institutions**. For a smart meter roll out, for example, the schools could be included with an information and activation campaign about saving energy (see best practice example “San Diego Energy Challenge” in the guideline [Gamification – making energy fun](#)). This could create a win-win situation, as you can help the school to offer education on energy use and you can bring your topics into the schools. A complimentary benefit is that enthusiastic children come home from school and tell their parents about what they learned and what can be potential benefits. This can be a first and positive engagement moment for parents, which are potential participants for your project or roll out.

For the success of your project a good coverage by the local **media** is very helpful. You can publish interesting stories about your project yourself (see guideline about storytelling [Engaging people through telling stories](#)) to demonstrate its progress and objectives. Press releases and interesting content in social media channels will give you additional attention.

As stated before, it is very helpful to generate win-win solutions with benefits for all actors. To find a win-win situation, it can be a good strategy to define the aims of your partners and connect them with your aims for the project. If they can reach their goals with the help of your project, it is presumable that they will cooperate. Keep in mind that there are different motives within the sectors. The political sector likes symbols (of success), commercial parties are looking for profit, societal organizations are often guided by ideological motives and the media is looking for interesting stories.

How smart grid projects are implemented on the regional level

After learning about the societal sectors this chapter will give you an overview about the different scales of implementation of smart grid projects. The following paragraph shows you how you can structure your way to find stakeholders (and/or allies) in smart grid projects.

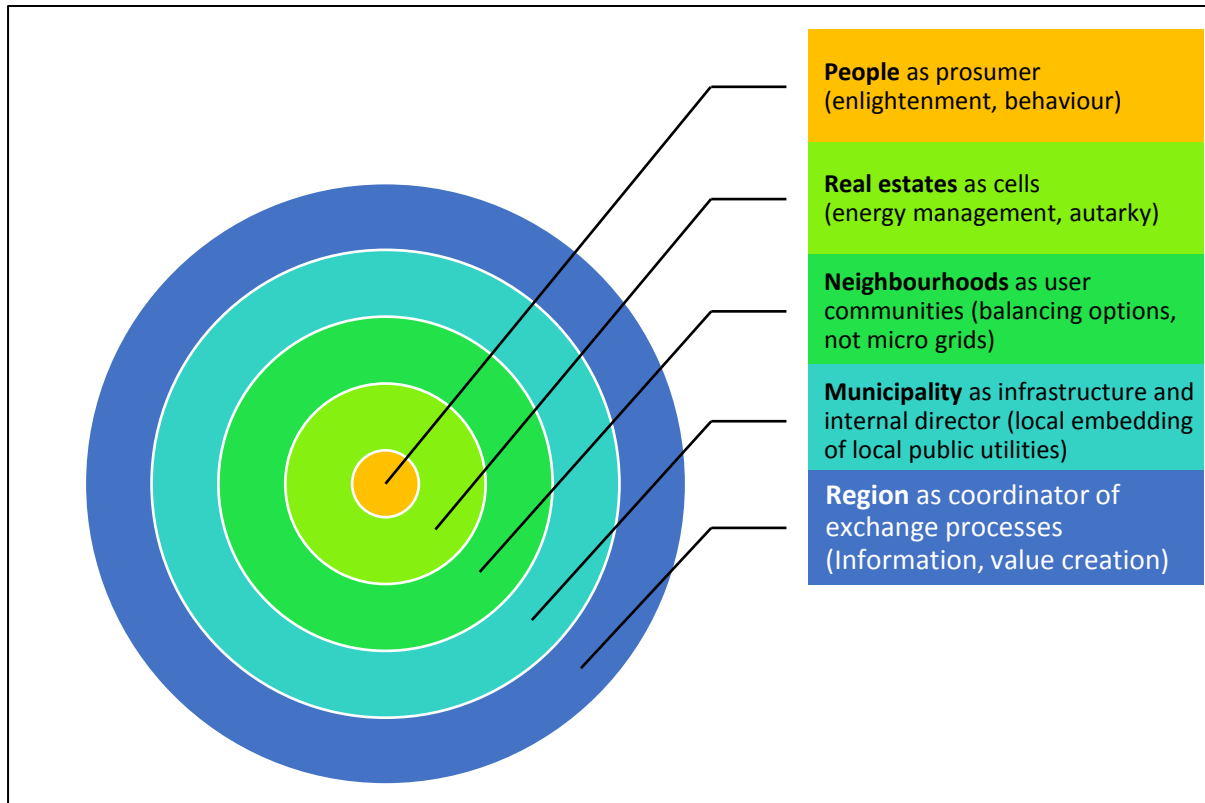


Figure 1: different scales of implementation of smart grid projects/tasks

As shown in Figure 1 every scale is connected to different actors. In the centre are **people** who can also act as prosumers in smart grids. The next level of implementation for smart grid projects are houses or **real estates**. There are different opportunities for finding allies on this level. On the one hand you have home owners who are often oriented towards a need for autarky. On the other hand there are rentals who are organized by companies, cooperatives or private individuals. Interesting for real estates are energy management solutions which are able to manage the energy flows on this level. Buildings that consume, produce and store energy can be integrated into the grid and can be a service to the grid. Furthermore, different energy grids can be combined for balancing the grid (e.g. combination between electric and thermal grids). Many renewable energy sources are directly installed in or around real estates (photovoltaic; geothermal, small wind turbines, micro CHP) and have to be integrated into the grid. On the next level are **neighborhoods**, where a cooperation of multiple prosumers and consumers can be realized. Neighborhoods are a good level of implementation to search for allies. Local organizations, like neighborhood organizations should be asked for cooperation. **Municipalities**, as the next level of implementation, often deliver some parts of the infrastructure and can act as an internal director for smart grid projects. In many cases local public utilities have a strong interconnection with the local

municipalities. On the **regional level**, the cooperation between different kinds of power generating units and power consumption units has to be organized. Furthermore, the communication between actors can be coordinated and different system services can be offered (reactive and active power, balancing power). For the whole region it is important to identify and exploit value chain potentials for the region, this is a potential win-win interest on a regional level. Your project can benefit from this regional importance. A close cooperation between the regional initiatives (environmental, climate, cooperatives, etc.) and the utility is crucial for a success on this level. On this level, the overall collaboration between the different actors and groups has to be organized.

Create an overview of the stakeholders

Finally you can group your collected stakeholders into the ones that are already positively affiliated with your project and those who have a neutral or negative attitude towards your project. This guideline is mainly about finding potential allies but for the overall success of your project the stakeholders with negative attitudes to your project are even more important. There are plenty of instructions on *stakeholder analysis* available online which will help you to prepare your overview.

Stakeholder analysis for regional climate concepts (DE)

Many German regions did regional energy and climate concepts within the last years. Climate concepts will give regions a calculation about their CO₂-saving potentials and about their opportunities. For this purpose a stakeholder analysis can be very useful. The example shown here is taken from the climate concept for a small town in the north of Germany. The figure shows different stakeholder structures (mobility, economy, financing, efficiency, supply) and is focussed on the different aspects of a climate concept. In the centre of the whole structure a climate manager from the municipality is placed. Stakeholders who are close to the centre of the image do have a positive affiliation to the municipality. Additionally the relationships between the different actors are marked (direct long-term, direct short-term and indirect sporadic).

The illustration of your stakeholder analysis may assist you in getting an overview about the stakeholders in your region and will help to identify potential allies.

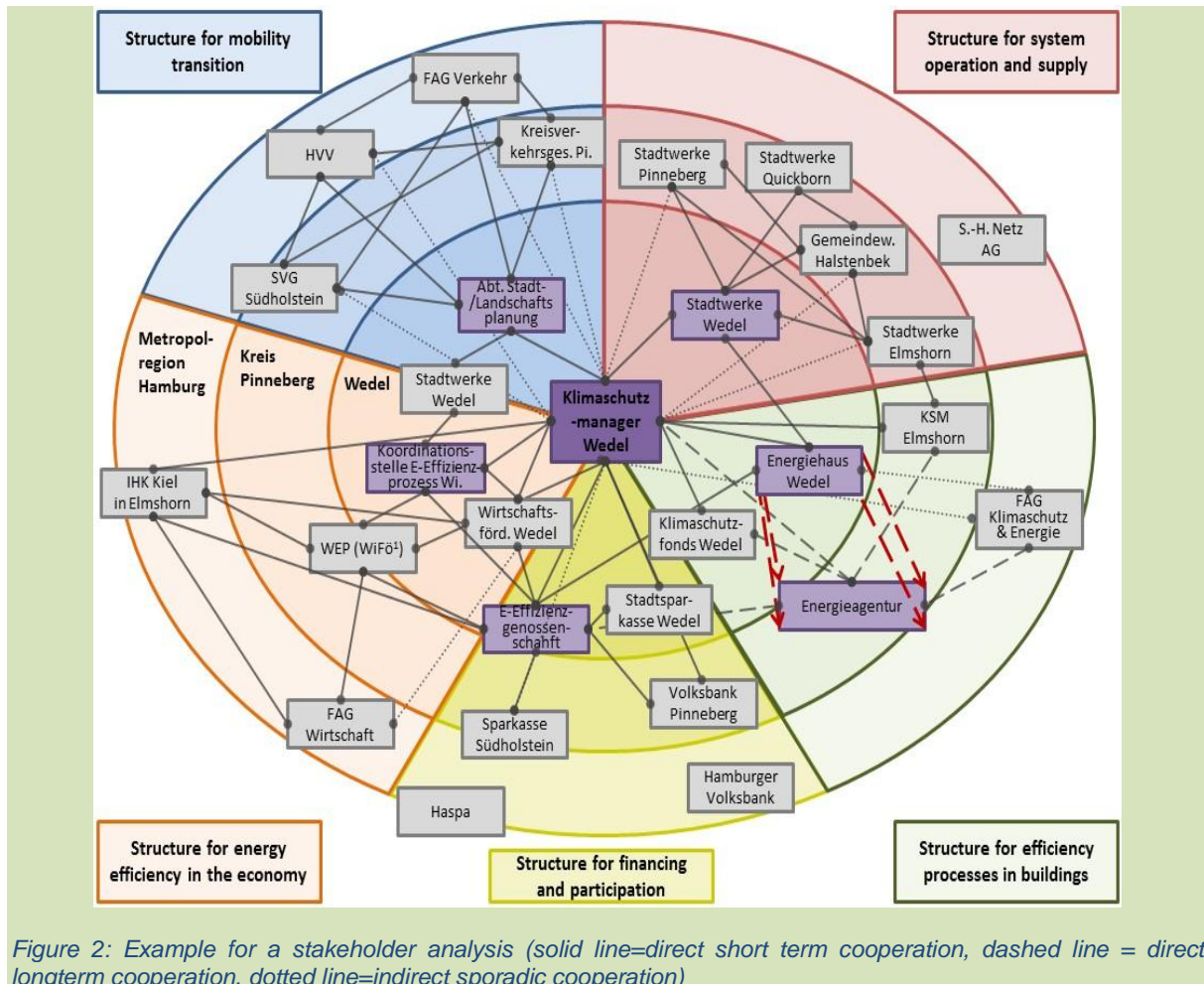


Figure 2: Example for a stakeholder analysis (solid line=direct short term cooperation, dashed line = direct longterm cooperation, dotted line=indirect sporadic cooperation)

Do's and don'ts

- **Timing matters.** The timing of participation on the local level should be well prepared and the whole process should be oriented strongly towards outcomes and decisions. There are many examples where a good participation process didn't work, because the process started too late or too early.
- **Look for non-energy stakeholders too.** If you focus your stakeholder analysis just on stakeholders from the energy business you will probably oversee many opportunities to find allies. As the best practice example of the EcoGrid project has shown, those non-energy stakeholders can have a very important role as well. Those allies can for example be public figures in your region that could help you with promoting and marketing your project.
- **Include regional cooperation partners.** On the regional level, scepticism against projects and initiatives which are executed by upper political levels

persists. To minimize this scepticism, regional companies can be included into the project, such as local utilities or cooperatives.

- **Transparency and openness of communication.** A transparent and open communication about the core issues of the project helps to generate trust for your project, because people often refuse to cooperate if you confront them with accomplished facts.
- **Find allies with the same field of interest.** Win-win situations are the best arguments for action. The generation of win-win situations should start in the beginning of the project. In order to create them, it is important to be informed about the goals of the different actors within the region. The aim hereby is to know the objectives of your future partners and connect these objectives directly with yours, because a cooperation will be more likely if both parties will benefit from it.

Further reading

- Kunze, Robert (2012) "Soziologie der Energiewende. Erneuerbare Energien und die sozio-ökonomische Transition des ländlichen Raums." Ibidem Verlag, Stuttgart.
- Uyerlinde, M. et al. (2014). *S3C D3.4: Report on case analyses, success factors and best practices.*
- Walker, G., Devine-Wright, P. (2008). "Community Energy: What should it mean?", *Energy Policy* 36 (2): 497-500.

This guideline was developed in the S3C project, and is freely available from www.smartgrid-engagement-toolkit.eu.

S3C paves the way for successful long-term end user engagement, by acknowledging that the "one" smart consumer does not exist and uniform solutions are not applicable when human nature is involved. Beyond acting as a passive consumer of energy, end users can take on different positions with respective responsibilities and opportunities. In order to promote cooperation between end users and the energy utility of the future, S3C addresses the end user on three roles. The *smart consumer* is mostly interested in lowering his/her energy bill, having stable or predictable energy bills over time and keeping comfort levels of energy services on an equal level. The *smart customer* takes up a more active role in future smart grid functioning, e.g. by becoming a producer of energy or a provider of energy services. The *smart citizen* values the development of smart grids as an opportunity to realise "we-centred" needs or motivations, e.g. affiliation, self-acceptance or community.

S3C (2012-2015) performed an extensive literature review and in-depth case study research on end user engagement in smart grids, resulting in the identification of best practices, success factors and pitfalls. The analysis of collected data and experiences led to the development of a new, optimised set of tools and guidelines to be used for the successful engagement of either Smart Consumers, Smart Customers or Smart Citizens. The S3C guidelines and tools aim to provide support to utilities in the design of an engagement strategy for both household consumers and SMEs. The collection of guidelines and tools describe the various aspects that should be taken into account when engaging with consumers, customers and citizens. More information about S3C, as well as all project deliverables, can be found at www.s3c-project.eu.