

## Checklist for contractual agreements

### A DECIDE factsheet on what to consider when setting up a collective energy action

#### CONTEXT

The checklists have the purpose to provide a handy list of relevant elements to be considered in precontractual and contractual agreements made within the collective energy action. The design of these contracts is part of setting up, designing and (re)shaping of an initiative. The checklist is the result of a more extensive research DECIDE carried out that included collaboration with DECIDE pilots, DECIDERS and one-on-one interviews and surveys with collective energy actions across Europe.

Do you want to know more about Collective Energy Actions?

Check out more [HERE!](#)

#### Defining legal documents



##### Social factors

- ✓ Include measures that allow diversity of members (e.g. Include required share of diverse members; decrease lower-limit for financial participation for energy poor)
- ✓ Plan ahead on how to attract new members
- ✓ Plan for annual information sessions/social activities for members to learn about opportunities and get feedback for current organisation
- ✓ Update regularly your policies and procedures, fostering inclusive and democratic participation
- ✓ Agree on the initiative's mission and vision in a written form
- ✓ Ensure that the initiative's employees have diverse expertise (negotiation, communication, etc.) and characteristics (gender, age, socio-economic background)

##### Economical and technical factors

- ✓ From the outset, plan carefully a timeframe within which sustained revenues must be achieved by your community to avoid financial risks
- ✓ [Start with a clear business plan](#) and timeline of implementation of activities
- ✓ Avoid financial dependence on external funding (credit rate below 30%)
- ✓ Define a need to have variety of services, technologies, activities (use KPIs)
- ✓ Define limitations for which risks can be taken when it comes to maturity of the technology used (High share should be use of proven technologies)
- ✓ Ensure a justified balance between production and consumption
- ✓ Define key expertise and the share of internal to external expertise – to decrease complete dependence of the initiative on the external factors.

##### Replication and upscaling factors

- ✓ Engage in an association, umbrella organization or projects where knowledge transfer can happen
- ✓ Require engagement in innovative and research projects which can be used for upskilling and financing of innovative actions/solutions with higher risk

## Contracts with employees



### Social factors

- ✓ Ensure that the leaders of your initiative have diverse expertise
- ✓ Foster formal, structured and regular communication with the initiative's employees and volunteers
- ✓ Encourage employees to provide feedback through anonymous surveys
- ✓ Encourage employees to initiate new activities – provide benefits for such actions
- ✓ Oblige/encourage employees to develop their skills with number of hours a year of training/learning activities

### Economical and technical factors

- ✓ Communicate need for new expertise and find possibilities for upskilling existing employees before reaching to external sources

### Replication and upscaling factors

- ✓ Devote specific number of hours a month/year to communicate lessons learned to public and other potential initiatives
- ✓ Engage in local/regional/nation media to attract diverse and increase members

## Contracts with members



### Social factors

- ✓ Encourage participation in meetings
- ✓ Encourage and allow members to express their opinion (through voting process or anonymous surveys)
- ✓ Consult your members/ customers on a regular basis
- ✓ If aiming for democratic leadership and inclusive initiative, ensure that all members have voting rights (not only shareholders)
- ✓ Use easily accessible language instead of technical/legal terminology

### Economical and technical factors

- ✓ Define a well-thought investment agreement, including an expectation of profits to secure the investor's interests and safeguard the initiative
- ✓ Define maximum risk that can be taken with the new investments
- ✓ Ask for feedback on changes in business plan or new services

### Replication and upscaling factors

- ✓ Provide anonymous feedback or data that can be used to communicate results
- ✓ Encourage voluntary sharing of experience with other members or public

### DO YOU WANT TO KNOW MORE?

- ... What Key Performance indicators that can help in monitoring your initiative?
- .... Which steps should be taken to set up one?
- .... What are Collective Energy Actions and how those relates to Energy Communities?

To answer this and other related questions, check out the [DECIDE Knowledge Hub](#)!

**Note:**

More details and the full analysis of the data are available in the *Final report on Business Models, contractual conditions and recommendation* and background information can be also found in the *Structured overview of existing and emerging business models, related contractual*.

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# PARTNERS



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