![SEAI - Sustainable Energy Authority of Ireland logo]

Community Energy Resource Toolkit

Community Groups and Governance

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June 2023

Introduction

→ The Sustainable Energy Authority of Ireland (SEAI) is developing an online information warehouse to provide step-by-step support and useful resources for communities that are interested in learning more about developing their own renewable energy generation projects.

A key part of these resources is a Community Energy Resource Toolkit, which will provide a suite of practical guidance modules across different areas (including technology options, business planning, project development stages, setting up an organisation/governance) to support project development and delivery.

This guide covers how to set up a community group and run it well. It is part of a series, of which the first four guides covering the topics of onshore wind, solar photovoltaics (PV), planning process and grid connection are already published and available at www.seai.ie/community-energy/ress/enabling-framework/ 🔗 .

Figure 1: SEAI Community Enabling Framework

Background to community renewable electricity generation

In 2018, the Irish Government approved the high-level design of the Renewable Electricity Support Scheme (RESS)[1] including its ambitious community provisions. The design was based on public consultation, the ambition set out in Ireland's Energy White Paper[2] to support communities, and the emergence of energy communities as a key function of the recast Renewable Energy Directive within the EU Clean Energy Package. The Government decision noted that the scheme would deliver on a broad range of policy objectives, including "the provision of pathways and supports for communities to participate in renewable energy projects". While there have been other types of support schemes to speed up the deployment of renewables, none contained any specific community ownership pathways.

Under RESS, a new dedicated community category was established, with an allocation of 15-year fixed price guarantees exclusively for community-owned projects. This category was targeted towards smaller-scale projects of 0.5 MW to 5 MW in scale. In RESS 1, the first round of seven community-owned projects were successful at the auction stage and this increased to ten projects for RESS 2.

RESS was the first policy to directly support community-owned generation projects. It is recognised that the RESS auction format and strict timeline for delivery are not suited to all community projects and further policies are being developed to provide more flexible opportunities for communities.

One of the key provisions of government electricity support schemes is the Community Enabling Framework for communities. This provides end-to-end support to create a community energy sector in Ireland that can develop sustainably over time and one that will deliver meaningful impact on communities nationwide. The Department of Environment, Climate & Communications (DECC) assigned SEAI to be the implementation body for elements of this framework. These will provide a range of supports including (but are not limited to) advice, guidance, financial support and mentoring to Renewable Energy Communities (RECs), as well as support to maximise the local benefit from renewable energy projects through realising a stake in a commercial project, or maximising the community benefit.

As stated in the RESS terms and conditions, a REC means a legal entity:

(a) which, in accordance with applicable law, is based on open and voluntary participation, is autonomous, and is effectively controlled by shareholders or members that are located (in the case of small and medium-sized enterprises (SMEs) or local authorities) or resident (in the case of natural persons) in the proximity of the RESS project that is owned and developed (or proposed to be owned and developed) by that legal entity;

(b) the shareholders or members of which are natural persons, SMEs, local authorities (including municipalities), not-for-profit organisations or local community organisations;

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[1]   www.gov.ie/en/publication/36d8d2-renewable-electricity-support-scheme/ 🔗
[2]   www.gov.ie/en/publication/550df-the-white-paper-irelands-transition-to-a-low-carbon-energy-future-2015-2030/ 🔗

(c) for any shareholder or member (with the exception of 'Sustainable Energy Communities' as registered with SEAI), that shareholder or member's participation does not constitute their primary commercial or professional activity;

(d) the primary purpose of which is to provide environmental, economic, societal or social community benefits for its shareholders or members or for the local areas where it operates, rather than financial profits;

(e) in respect of which, each shareholder or member is entitled to one vote, regardless of shareholding or membership interest; and

(f) which is, or which has at least one shareholder or member that is, registered as a 'Sustainable Energy Community' with SEAI.

How to use this toolkit

→ This toolkit is designed to be used online. Links are highlighted in blue and denoted with this symbol: 🔗 Click on the highlighted text to activate the link.

Navigation buttons are displayed at the bottom of every page.
The navigation symbols are:

⟨	Page back
⟩	Page forward
⟫	Jump to next chapter
☰	Jump to contents page
⤢	Enter full screen mode

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What is a community renewable electricity generation project?

→ Definition and possible options

Community renewable electricity generation projects are a way of allowing communities to develop and own a generation project from a renewable source that benefits the local community. There are several renewable electricity sources, such as wind, solar, hydro, biogas and biomass. Community-led projects primarily opt for onshore wind or solar as they are the most established and developed.

SEAI supports a wide range of community initiatives, from small projects, such as energy retrofitting of a community building, to larger-scale generation projects. This guide focuses on community scale projects between 0.5 MW and 5 MW in scale, but other SEAI support for smaller projects can be found on the SEAI website at www.seai.ie 🔗 . For wind projects, this will involve the use of individual turbines or small wind farms with a few turbines. For solar projects, this will generally require the use of ground-mounted solar panels on solar farms to achieve the necessary capacity. More detailed information on the development of wind and solar electricity projects are in the dedicated SEAI wind and solar toolkits at www.seai.ie/community-energy/ress/enabling-framework/ 🔗 .

Additionally, to be eligible for some of the state support schemes and to gain access to community supports, the community group developing the project must comply with the definition of an REC. In the RESS terms and conditions, an REC means a legal entity:

(a) which, in accordance with applicable law, is based on open and voluntary participation, is autonomous, and is effectively controlled by shareholders or members that are located (in the case of small and medium-sized enterprises (SMEs) or local authorities) or resident (in the case of natural persons) in the proximity of the RESS project that is owned and developed (or proposed to be owned and developed) by that legal entity;

(b) the shareholders or members of which are natural persons, SMEs, local authorities (including municipalities), not-for-profit organisations or local community organisations;

(c) for any shareholder or member (with the exception of 'Sustainable Energy Communities' as registered with SEAI), that shareholder or member's participation does not constitute their primary commercial or professional activity;

(d) the primary purpose of which is to provide environmental, economic, societal or social community benefits for its shareholders or members or for the local areas where it operates, rather than financial profits;

(e) in respect of which, each shareholder or member is entitled to one vote, regardless of shareholding or membership interest; and

(f) which is, or which has at least one shareholder or member that is registered as a 'Sustainable Energy Community' with SEAI.

RESS was the first policy to directly support community-owned generation projects. It is recognised that the RESS auction format and strict timeline for delivery may not suit all community projects and further policies are being developed to provide more flexible opportunities for communities.

→ Why get involved?

Local communities might choose to get involved in a renewable electricity generation project for a variety of reasons, such as:

- Having an interest in the environment and wanting to tackle climate change in practical, solution-focused ways.
- Contributing to Ireland becoming energy independent.
- Making electricity generation more democratic by putting the ownership and control of those electricity resources into the hands of the local community.
- Developing sustainable revenue streams which can be used for other sustainable projects in the local community.
- Developing the local circular economy.
- Developing community cohesion.
- Making things better for the next generation.

Community electricity generation projects will play an important role in helping Ireland meet its national energy needs in a more sustainable way and contribute to its target of 80% renewable electricity by 2030. They will also bring real benefits to the local community by generating income that can be reinvested in local community projects and create jobs.

→ **Overview of the process**

Starting an electricity generation project from scratch and bringing it through to completion requires completing a series of development phases, which are broadly as shown in Figure 2 below.

Figure 2: Typical Development Stages for Renewable Electricity Generation Project

Stages in your renewable energy generation project

1 Exploration
2 Feasibility Study
3 Securing a Site
4 Grid and Planning Application
5 Financial Modeling
6 Bid into RESS Auction
7 Construction

Renewable Electricity Support Scheme

There is a lot to learn about the development of a renewable electricity project before you and your community decide that you want to progress to the next phase. We recommend that you familiarise yourself with all the guides available here: www.seai.ie/community-energy/ress/enabling-framework/ 🔗 . You should also consider joining the SEAI Sustainable Energy Communities network as soon as possible, as this will give you further access to information, workshops and webinars on a whole host of possible energy initiatives, as well as contact with other people going through the same process. More information on the network can be found here: www.seai.ie/community-energy/sustainable-energy-communities/ 🔗 . You may also be able to access the support of an SEAI-funded Trusted Advisor to guide you through all the development phases of the process.

It is hard to be accurate about how long each phase may take as local conditions, such as planning and grid considerations, will impact each project, as will the skills and expertise available within each community. It is possible that some projects may be ready to start construction within two to five years, while others may take longer than this. The guides on developing a community solar 🔗 and wind farm 🔗 provide more detail on likely timeframes: www.seai.ie/community-energy/ress/enabling-framework/ 🔗 .

Developing a community renewable electricity generation project is challenging, with a significant lead-in time before the project is operational. However, the potential benefits are significant and the SEAI Community Enabling Framework provides considerable support for community groups who decide to undertake a project of this nature. More information about the Community Enabling Framework can be found here: www.seai.ie/community-energy/ress/enabling-framework/ 🔗 .

Engaging with the State Support Scheme

→ In order to participate in some of the state-backed support schemes and avail of some supports under the community enabling framework, you will need to set up an REC. More information about RECs and how to set them up is provided in Formalising the group 🔗 and it is important that communities check the definition of an REC in the latest terms and conditions of the scheme your community wishes to participate in to ensure compliance. Later in the process, your REC will need to meet the eligibility criteria set out in these terms and conditions.

Establishing a community group

→ ## Researching the need for a new community group

Before you decide to set up a Renewable Energy Community, research in your area to ensure a new group is necessary. Use the Sustainable Energy Communities interactive map on the SEAI website: www.seai.ie/community-energy/sustainable-energy-communities/sec-map/ 🔗 to find other community groups in your area already working on sustainable electricity projects. You may find a Sustainable Energy Community in your area that would be interested in becoming an REC itself or becoming a member of yours. Either of these options would assist you in meeting the REC conditions.

If there is no Sustainable Energy Community in your area, get in contact with other environmental groups and find out if there is a group already in existence that would be interested in becoming or joining a Renewable Energy Community. If you can join an existing group that would be interested in forming an REC, that avoids duplication and will save time and effort. If you discover that there is no group in your area interested in becoming an REC, you will still have made useful links that will help you as your group develops.

No two communities are the same and no two RECs will be the same. The definition of an REC is extremely broad and presents a host of opportunities for individuals, groups, SMEs and local authorities to collaborate and come together to optimise a community's development potential. Two hypothetical examples of what an REC could comprise are detailed below.

Figure 3: Examples of REC Structures

→ ## Finding the people

If you find you need to start a new group from scratch, you will need to spend time identifying other like-minded people and organisations, such as SMEs, who will work together and offer useful skills. Involving other people and organisations at an early stage is an important part of building understanding and acceptance of your renewable electricity project, building a team, and fostering a sense of common purpose and commitment. It also helps to get into the habit of sharing the work round from the start.

You may have identified some interested people already through your contact with existing environmental groups and the SEAI network of community groups. Also, think about people in your own networks. Have informal conversations with them, about the project and who might be interested in getting involved. Keep an eye out for people who have skills in the areas listed in the following section, Skills and attributes needed 🔗 , particularly those who have renewable energy expertise.

Consider the following possibilities:

- Family, friends and work colleagues
- Social networks such as sports clubs, gardening clubs and pub quiz teams
- Local councillors and local branches of political parties
- Local clergy
- Farmers and local landowners
- People who are part of a wider circle, such as teachers, healthcare workers or local business owners

Getting in touch with local businesses and existing community groups at this stage is very important. You may well find individuals who would like to get involved. You could also tap into resources that you were previously unaware of, ranging from grant opportunities to possible meeting venues. Useful organisations to contact would include the following:

- Local SMEs and larger businesses, especially in the areas of engineering or technology
- Local Chamber of Commerce
- Partnership and Local Development Companies
- Public Participation Networks
- Volunteer Centres

Informal conversations will hopefully lead to the formation of a defined group who will want to work on this idea. It will also provide you with useful advice and contacts that may be very helpful as the project develops, so it is worth bearing in mind the skills identified in the following section. Reaching out to people in this way is also a form of early public consultation, which will be a critical component of your work throughout the development of the project and is a pre-requisite to be eligible for SEAI RESS grants.

Finally, it is particularly important to have a discussion with your local authority at an early stage as good relationships at this level will really help your prospects of success. Significant government funding is available to local authorities to fund decarbonisation initiatives and Climate Action Regional Offices are being set up around the country. In addition, local authorities often have unused land banks that may provide opportunities for community projects. Local Enterprise Offices are another useful point of contact. By making these connections, you may well be able to tap into funding and other support that will significantly assist in the development of your project.

→ Skills and attributes needed

In order to move successfully through the different phases of the project, you will need a wide range of skills and expertise, which are outlined in Table 1.

Table 1: Skills and attributes needed in community group

Task	Skills and expertise
Leadership	• Inspiring people to get involved • Obtaining agreement on vision and goals • Running effective meetings • Encouraging teamwork and accountability
Administration	• Storing contact details • Recording meetings accurately • Managing paperwork
Financial management	• Book-keeping, accounting and reporting • Dealing with insurance
Funding	• Identifying funding sources • Funding applications • Financial modelling
Community engagement	• Organising events • Giving presentations • Facilitating meetings • Networking
Planning	• Project management • Business planning • Policy development
Technical	• Renewable electricity • Planning process • Grid connection • Feasibility studies • Procurement • Construction, and maintenance • Risk management and health and safety
Legal	• Setting up a legal entity • Dealing with contracts • Complying with regulations
HR	• Managing contractors • Employing and managing staff
Communications	• Media spokesperson • Managing social media
IT skills	• Setting up IT systems • Setting up and maintaining website

This may seem a daunting list, but note that not all these skills will be necessary at the start of the project. They may not all need to be present in the community group itself either, as groups receive some support from SEAI's Trusted Advisors and will need to engage consultants and contractors for expert services (e.g. legal, technical, financial) at various stages in the project.

The attitudes and personal qualities within the community group will be just as important as having the right skills. People will need to be dedicated and prepared for the long haul. Developing a community energy project will take hard work and everyone needs to be upfront about the time that they can commit. Being able to work with other people, especially when projects become stressful or frustrating, will also be important. There is likely to be some conflict from time to time, so people will need the ability to work through conflict. And, no doubt, patience and a good sense of humour will go a long way in smoothing the inevitable bumps in the road.

→ Researching the project

Once you have a small group of interested people, or you have joined an existing group, you can move on to researching the project. You are in the learning phase of the process, and there are several practical steps for your group to take at this stage:

- Attend an SEAI information event
- Read the SEAI modules on solar PV, onshore wind, grid connection and planning process at www.seai.ie/community-energy/ress/enabling-framework/ 🔗
- Complete the Pre-qualification form on the SEAI website here 🔗 , or you can request from communityRESS@seai.ie 🔗 .
- SEAI and/or a dedicated Trusted Advisor will then get in contact with you to arrange the next steps

→ Attend a meeting with your Trusted Advisor

If you have a Trusted Advisor, they will guide your group through the learning phase so that the group can make informed decisions about progressing the project. During this phase, it will be very helpful to talk to people who are further down the road and willing to share their experiences.

→ Feasibility assessments

SEAI's Trusted Advisor supports are available to assist community groups in preparing feasibility assessments on the development of potential electricity generation projects in their localities. These assessments will examine key aspects of project development, such as the local planning context, the availability of grid and the resource potential.

→ Agreeing purpose and plan

Once the group has a clearer idea of what is involved in developing and running a renewable electricity project, it is time to agree its purpose. Being clear about the purpose will involve discussing your reasons for doing this and what you want to achieve. It is important that everyone agrees with the purpose, goals and values of the group and this will go some way to avoiding future conflict. For example, your group is less likely to run into difficulty if there is a shared understanding and agreement about how income from the project will be used. You should also agree a working title for the group as part of these discussions.

When the group has agreed a written statement of purpose, you will have a useful document to share with other people. The statement of purpose will also make it easier to draw up a constitution when the time comes to formalise the REC. There is a sample statement of purpose in Samples and templates 🔗 . Your group should agree a plan for the work the statement of purpose will do over the next year. This work will need to include actions on the following:

- Engaging with the local community (see following section and the guide on stakeholder engagement www.seai.ie/community-energy/ress/enabling-framework/ 🔗).
- Researching the viability of the project in terms of the type of electricity generation that will suit your

local situation, potential sites, zoning regulations, land ownership, potential grid connection and planning process requirements.

- Working on feasibility studies to establish if the project is sufficiently viable to progress to the next stage.

Use the SEAI modules on solar PV, onshore wind, grid connection and planning process for more detail on the actions needed during this period: www.seai.ie/community-energy/ress/enabling-framework/ 🔗 . Your Trusted Advisor will help you get to grips with the work that needs to be done and give you an idea of reasonable timelines.

→ Engaging the community

Engaging with the local community is vital to the success of the project, as objections from the local community have the potential to slow down or stop an electricity generation project. Be open and transparent about the project from the start and regularly communicate with the local community. This will help you achieve buy-in from the community and encourage more participation. You will need members of the community to become members of the project, to invest in the project and to act as allies. You should certainly aim to go beyond the statutory requirements for public consultation in the planning process if you want to ensure community support. You will find more information on the public consultation requirements in the guide on planning process: www.seai.ie/community-energy/ress/enabling-framework/ 🔗 .

Engaging with the community can happen in a range of ways, such as:

- Going door to door
- Information stands in public spaces
- Holding public meetings, particularly during the planning phase
- Website, radio and/or social media

You could involve the local community at the very beginning by holding a public meeting, introducing the idea and asking for volunteers to work with you in developing the project. As the project develops, you will need to be communicating regularly about what is happening, and inviting views and people to get involved.

Engaging with public institutions is also important at this point, particularly your local authority. There will be a lot of work to do in getting planning permission, for example, and pre-planning meetings with the council would be helpful. Seeking advice from the local council at this stage will also help you establish a good working relationship in general and may identify ways in which the council can support the project as it develops.

See the guide on stakeholder engagement for more detailed information on how to engage your local community and other stakeholders effectively www.seai.ie/community-energy/ress/enabling-framework/ 🔗 .

→ Getting organised

During this stage, your REC may well be operating as a working group rather than a formal legal structure, but it will still need to work in an organised way. You will need regular meetings, each with an agenda setting out what needs to be discussed. Keep minutes of meetings, with decisions and agreed actions noted. The written statement of purpose being agreed is one example of a group decision that should appear in the minutes.

Your REC will operate more effectively if you share work out and assign specific roles to individuals within the group, prioritising the following roles in Table 2 below.

Table 2: Roles within a community group

Role	Activites
Chair	Setting the agenda for meetings, chairing meetings, keeping track of actions being taken.
Secretary	Taking minutes at meetings, keeping contact details of group members, acting as contact point for the group, storing documents.
Research	Someone to take a lead in bringing information back to the group. This is an essential role to ensure the project is kept on track.
Community engagement	Someone to take a lead in organising how the wider community are consulted and kept informed about the progress of the project.
Project management	Someone to keep track of the various tasks that need to be done and make sure they are happening.
Financial management	While financing requirements may be low, initially it's important to have someone identified early on that will take responsibility as significant expenditure may arise and members and funders require proper records.

Key message

Communities will need to form a legal entity that is compatible with the objectives of the REC.

When you get to the stage of assigning roles in this way, you may find that some people prefer not to take on a specific role but remain very supportive of the project. It is important that you keep them in the loop and informed of progress.

This is also a time to identify people with other skill sets required to move the project forward to the next stage. In particular, the group will need to access or develop skills and knowledge in renewable electricity, accessing funding and financial management. You should keep this in mind as part of the community engagement work.

Formalising the group

→ Becoming a legal entity

To meet the relevant criteria that will allow you to participate in state-supported renewable electricity generation schemes, it is essential that your group sets up a Renewable Energy Community (REC) that is a legal entity in its own right. This means creating an independent legal structure, and this section explains some of your options and how you might go about it. This is a significant milestone. A legal entity will be essential for most project development steps. It will also help bring governance, structure and clarity to the group. It will take some time, effort and professional support to establish the correct legal structure.

Key message

Apart from meeting eligibility criteria, this will be good news for your group in the long run, as having the right legal structure can help protect individual members from any debts or liabilities that the project might incur. It will also support you in applying for funding from SEAI and other funders and make it easier to open a bank account in the name of your REC.

→ Forming a Renewable Energy Community

Before you set up a legal structure for your REC, you need to look at the REC eligibility requirements for the scheme that you wish to participate in. See Definition and possible options ⊘ for the definition of an REC.

→ Choosing a legal structure

In order to create an REC, the group will need to decide on the type of legal structure that suits their project ambitions best. It is important that you seek independent legal advice in order to select the entity that best suits the objectives of your REC. There are several possible legal structures, but the most suitable options for an REC are likely to be the following:

- Industrial and Provident Society, which is a business owned and run by and for its members and is most commonly known as a co-operative.
- Company limited by guarantee (CLG), which is the most common form of company for not-for-profit organisations.
- Designated activity company (DAC), which is a private company limited by shares that has a narrowly defined purpose.
- Company limited by shares (Ltd. Co.), which is a company that is owned by its shareholders.

Table 3 describes each option in a little more detail.

Table 3: Summary of suitable legal structures for an REC

	Co-operative	CLG	DAC	Ltd. Co.
Members	Min. 7, no max.	Min. 1, no max.	Min. 1, max. 149	Min. 1, max. 149
Shareholders	Members are shareholders Rules can limit membership to certain classes of people to comply with proximity requirement of REC	No share capital so members cannot own shares	Members are shareholders Constitution can limit membership to certain classes of people to comply with proximity requirement of REC	Members are shareholders Constitution can limit membership to certain classes of people to comply with proximity requirement of REC
Activities	Activities limited to stated objects	Activities limited to stated objects	Activities limited to stated objects	No specific objects clause, so separate agreement between the shareholders would be required
Governing document	Rules	Constitution	Constitution	Constitution
Governing body	Board of Management	Board of Directors	Board of Directors	Board of Directors
Liabilities in event of winding up	Limited to unpaid membership fees	Limited to nominal guarantee, usually €1 - €5	Limited to amount unpaid on shares	Limited to amount unpaid on shares
Finance and fundraising	Can issue shares and access loans, grants and donations	Can access loans, grants and donations, but no shares or equity finance	Can issue shares and seek equity finance, loans, grants and donations	Can access loans, grants and donations, but no shares or equity finance

Key points of a co-operative:

- This is a legal structure that several community electricity projects use.
- Members own shares in the business, which can create a strong sense of community ownership.
- It is possible for members to receive dividends, which could be a good business model to generate capital from members.
- Co-operatives are required to file an annual return and financial statements with the Companies Registration Office (CRO).
- There is currently no audit exemption for smaller co-operatives but this may change as the legislation governing co-operatives is currently under review.
- This review may also result in a more streamlined process for raising capital from the community, as well as other improvements which are likely to make it easier to access external funding.
- In Ireland using the co-operative as the legal entity and owner of a renewable energy project is not common and so raising debt finance may prove challenging with this structure. Co-operatives can be quite cumbersome to set up compared with other structures.

It is worth noting that how co-operatives are set up and governed is due to change. In November 2022 the Government published the heads of the Co-operative Societies Bill 2022 which will modernise the legal framework and consolidate some of the existing legislation some of which dates back to 1893.

Key points of a CLG:

- Companies in general are easily recognisable legal structures to funders.
- A CLG cannot issue shares, which prevents equity funding; however, CLGs can borrow money from its members and pay a coupon on this. Many UK community-owned projects are funded this way. Figure 4 illustrates one hypothetical example of how a CLG could raise finance for a project.
- Some renewable electricity generation projects raise finance through the Employment and Investment Incentive Scheme (EIIS), which allows investors to gain tax reliefs. However, currently this method of raising finance is not compatible with the CLG structure.
- All companies have annual and ongoing compliance obligations besides filing an annual return and financial statements with CRO. See Figure 4 below for an example of CLG with loans.

Figure 4: Community structures – CLG with loans
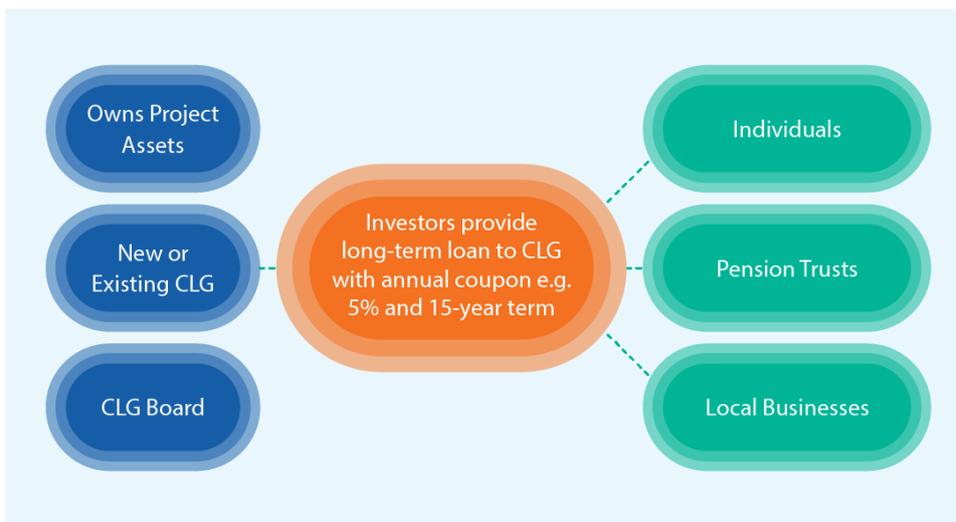
Key points of a DAC:

- DACs in general are easily recognisable legal structures to funders.
- A DAC can issue shares to members and offer equity in the company to external investors, which may make it easier to attract funding.
- All companies have annual and ongoing compliance obligations besides filing an annual return and financial statements with CRO.

Key points of a limited company:

- The limited company cannot include an objects clause to set out its primary purpose in its constitution, so a separate shareholders' agreement will be required for this for an REC.
- Many renewable electricity projects that are developed utilise this structure and often the limited company will sit underneath a CLG or co-operative structure with community generation projects, such as the illustrative figure below.

Figure 5: Community structures – Ltd Co as subsidiary of CLG

Before you decide which legal status works best for your group, you should seek further advice, as the list of factors above does not cover all the possibilities and considerations for a community. For example, it may be feasible in a co-operative or a DAC to differentiate between member shares that confer the right to vote but may not provide a dividend, and investment shares which do provide a dividend but no membership rights.

It is also worth bearing in mind that some electricity projects have set up as companies with co-operative principles.

There are other types of company that are permissible for RECs but are less likely to be suitable options for developing a renewable electricity project. We recommend that any REC seeks independent legal advice to ensure their chosen company structure fulfills their requirements adequately. The REC may need to consider slightly more complex arrangements according to what is happening in practice.

→ Drawing up a constitution

Whichever legal structure you have chosen, you will need to develop a written constitution. This document is required as part of the registration process of companies and co-operatives. It will set out the purpose of your REC and a set of rules about the way you will run your REC, which will be legally binding on you. It is likely to be required by SEAI if your REC is applying for state support such as a grant.

You should seek independent legal advice in the formation of your legal structure to ensure that your constitution fulfills the requirements for your project, including relevant scheme terms and conditions, and that it accurately reflects your wishes for your organisation.

Key message

If you want to amend your constitution at a later date, you must be very careful not to change certain clauses. Doing so might put your route-to-market contract at risk, as compliance with scheme terms and conditions such as RESS is required for the full duration of the relevant schemes contract. It is important that community ownership and the intended benefits to the community are maintained so that you remain compliant with the route-to-market contract that you have signed.

If you decide to form a co-operative, it would be best to consult the Irish Co-operative Organisation Society (ICOS) as they will have the most current information about the process. Contact details are in Further resources 🔗 . Legal advice in relation to company formation is available from accountants, solicitors or company formation agents. In addition, The Wheel, Social Enterprise Ireland and Social Impact Ireland provide information on low-cost sources of advice on legal structures. Although some advisors only work with charities, there are others that will provide a service to community groups in general.

There are several elements requiring a group decision and drafted accurately in your constitution or rules before you register the legal structure of your choice.

- **Name.** Choose a name for your REC and check that the name (or something very similar) is not already on the Register of Companies, Business Names Register or the Trade Mark Register. You can check the first two on the Companies Registration Office (CRO) website at www.cro.ie 🔗 . You can check the Trade Mark Register with the Intellectual Property Office of Ireland at www.ipoi.gov.ie 🔗 .

- **Objects clause.** The objects clause sets out the main purpose of your REC and, as defined under EU legislation, should read along the following lines: *"The primary purpose is to provide environmental, economic, societal or social community benefits for its shareholders or members or for the local areas where it operates, rather than financial profits"*. You should follow this with more specific statements of purpose about developing and running an electricity generation project, and the dispersal of profits. It is a good idea to include a general clause allowing the REC to fund projects to provide the community benefits listed in the main purpose.

- **Powers.** These are a list of the things that a company or co-operative is allowed to do, such as the power to borrow money and/or issue shares. There are likely to be several standard powers in company constitutions and the rules of co-operatives so you will need advice to ensure that they are appropriate for your REC.

- **Membership.** Your constitution will need to cover the membership requirements in the relevant scheme that you wish to participate in, such as RESS terms and conditions, which can be found here: www.gov.ie/en/publication/36d8d2-renewable-electricity-support-scheme/ 🔗 .

- **Governing body.** The governing body (normally known as the board) is the group of people elected by the members to direct the running of the organisation. See Samples and templates 🔗 for more information about the role of the board and the way it should operate. Your constitution should set out some basic information about the way you will elect your board. Board members are typically elected for a term of three years, after which they stand down and may stand again. This allows other people the opportunity to stand, which encourages a turnover of board members. It is helpful to include a minimum and maximum number of people on your board, as this gives you some flexibility. A minimum number ensures that the board is not so small that too much control lies with a small group, and a maximum number prevents the board becoming too unwieldy.

→ Forming your legal entity

The process of forming your legal entity differs depending on the type of legal structure you have chosen. You must register CLGs, Ltds and DACs with the Companies Registration Office by completing Form A1 and submitting a constitution made up of a Memorandum of Association and Articles of Association. You can do this online by creating a Core account at www.core.cro.ie 🔗 .

You must register co-operative societies with the Register of Friendly Societies, which is administered by CRO at www.cro.ie 🔗 . You will need to provide the constitution of your co-operative (known as the Rules) which must be approved by the Registrar of Friendly Societies.

Companies and co-operatives need to comply with the requirements of the Register of Beneficial Ownership, which can also be found on the CRO website at www.cro.ie/en-ie/ 🔗 .

Once your registration as a company or a co-operative has been accepted, you will need to operate according to the rules in your constitution and the requirements that apply to your type of legal entity. Your first step should be to appoint a board, unless that has already happened as part of the registration process. When it meets for the first time, the board should appoint a chairperson and any other officers that you want to have. Board members of a company have specific legal duties in relation to how their company is run. In practice, the board of management of a co-operative follows similar rules, although the current legislation is not as detailed as the Companies Act. Good governance 🔗 gives more information about the way the board should operate in general and the specific legal duties of board members.

Developing the project

→ Development activities

Once you have completed your feasibility studies and set up your REC as a legal entity, the project will have entered the development phase. This phase is likely to take some time, with the amount of work to be done moving up a gear. In order to get your project closer to the point of securing a route to market such as a state support scheme, several key activities will have to take place:

- Securing the site through a lease or option agreement.
- Securing development funding for technical design and applications for planning permission and grid connection.
- Engaging planning and design consultants.
- Securing a grid connection offer and planning permission.
- Securing financing for all aspects of project development before applying for a route to market for the electricity generated.
- Preparing the project to participate in the scheme you intend to use to sell the electricity, such as the RESS auction bid.
- Appointing an Owners Engineer to oversee and project manage the development and construction of the project
- Ongoing community engagement, which is particularly important leading up to applying for planning permission.

You will find more detailed information on these activities in the modules on onshore wind, solar PV, grid connection, planning process, business planning and stakeholder engagement at www.seai.ie/community-energy/ress/enabling-framework/ 🔗 . While your Trusted Advisor cannot do any of the design or technical work, they will be there to support you through the process.

Your project may be eligible for funding available from SEAI to help with the development costs. Significant grants of up to 80% of eligible costs are available and SEAI and your Trusted Advisor will provide you with more information on this once the feasibility studies are complete.

→ Managing the work

One of the biggest challenges for your REC will be to manage these varied development activities, some of which will happen in parallel. Although you will be engaging consultants to do some of the work for you and your Trusted Advisor will be there to support you, the responsibility for getting the work done rests with your REC.

During this phase, you will need to put more formal management structures in place. Your board will work most effectively when people take on specific tasks and report to the board on progress being made. At this stage, your board will need the following roles in Table 4 to be carried out.

Table 4: Roles of board members

Role	Activities
Chairing	• Setting the agenda for meetings • Chairing meetings • Keeping track of actions being taken by board members
Administration	• Taking minutes at meetings • Keeping contact details of board members and wider group of REC members • Acting as contact point for the REC • Managing correspondence • Managing storage of documents • Acting as Company Secretary (if necessary) • Organising the annual general meeting (AGM) • Setting up IT systems • Setting up and maintaining website
Funding	• Developing business plan • Making grant and loan applications
Finance	• Setting up a bank account • Preparing budgets and accounts • Financial reporting to the board • Making sure annual accounts are audited or independently examined as necessary and made available to stakeholders • Putting financial controls in place • Dealing with insurance • Financial modelling to support RESS auction bid
Community engagement	• Keeping REC members and wider community informed about the project's progress • Organising consultation processes • Organising public engagement meetings
Communications	• Acting as media spokesperson • Managing social media
Legal	• Setting up the legal structure • Dealing with contracts • Identifying and complying with relevant legal and regulatory requirements
Technical	• Liaising with Trusted Advisor and consultants • Reporting to the board on technical aspects of the project

You might not have people in place to fulfil all these roles at the start of this phase. People can share the roles or one person may take on more than one role, depending on skills sets and availability. This is one reason why it is important to keep engaging with your local community and the wider SEAI network. While you will need independent expert advice at various stages, you will also need to be attracting new people into the project who can help you with the work and the building of the board as the project develops.

You may find it useful at this stage to set up sub-committees or working groups that take on a particular task and report back to the board. This helps to move the work along as more things are happening between board meetings. It may also be an attractive option for people with a particular skill set who would like to help but do not want to sit on the board. See Setting up sub-committees and working groups 🔗 for more information.

Construction and operational phase

→ ## Getting ready for construction

By the time you get to this phase, you will have secured your site, planning permission and grid connection offer, and secured a viable route to market for the electricity you will generate. The next stage will involve getting ready for construction, overseeing the construction process and managing the project during the operational phase.

This list below gives you an outline of the activities involved but you will need to consult the relevant guides for the detail you will need: www.seai.ie/community-energy/ress/enabling-framework/. As in the previous phase, several activities are likely to overlap and good project management will be needed. Before construction begins, you will need to do the activities in Table 5.

Table 5: Getting Ready for Construction Checklist

Task	Role / Activities
Procurement	• Finalising quotations • Tendering for suppliers and installers
Appointing an Owners Engineer (OE)	The role of the Owners Engineer: • The OE should be appointed to prepare employers' requirements and the procurement process. It is a **critical piece of work** and key input into financial modelling and bid formation • The OE ensures work is carried out within the technical and legal specification and requirements and reports to a nominated board member on progress. This board member will need to be involved in all aspects of the management of the project • They can also support design optimisation and yield analysis • Most OEs will agree a phased role which covers pre-financial close activities and post financial close
Engaging with ESB Networks	• Liaising with ESB Networks Project Manager • Onsite meetings • Applying for a license from the Commission for the Regulation of Utilities (CRU) • Undergoing testing and compliance process before receiving the Operational Certificate
Securing a Power Purchase Agreement (PPA)	The PPA sets out the price and conditions for your project to sell power to another party (off-taker)
Compliance	Complying with conditions of the planning grant
Engaging legal and financial advisors	The role of legal and financial advisors: • Assist with financial modelling • Due diligence • Contract draft and negotiation
Securing project finance	This will provide around 80% of the overall capital requirement on a long-term loan

When all appropriate permissions and planning conditions have been met, the project financing has been finalised and the Owners Engineer appointed, construction can begin. While your Owners

Engineer will oversee the construction and connection to the grid, your REC owns the project and will still have overall responsibility for the project.

These are the key activities that will be involved during the construction and operation of your energy project:

- Ensuring the site is safe for workers, the general public and the environment during the construction and operational stages.
- Putting a maintenance schedule and contract in place.
- Negotiating an extension to the PPA as necessary.
- Making sure there is a plan in place for de-commissioning.

→ **Overseeing the work**

During this phase of the project, some tasks listed above will still need to be carried out by board members. Your Owners Engineer will do other tasks, but your board will still be responsible. This means that your board meetings will need to focus on overseeing the work being done by others and the work being done by board members.

Besides the roles listed in Managing the work 🔗 , your board will need to be doing the following, or working alongside specialists in the areas in Table 6.

Table 6: Areas of work for the board

Role	Activities
Community Benefit Fund	• If a CBF is required as part of your route to market you will need to set up and run the fund according to the applicable terms and conditions of that scheme
Managing income	• Meeting the conditions of the funder • Paying the fixed costs such as land rent, contribution to the Community Benefit Fund, loan repayments and maintenance contract • Maintaining a reserve fund for future costs and distributing the remaining income according to your constitution • Annual accounts
Health and Safety (H&S)	• Developing H&S policy and plan • Receiving reports on implementing H&S plan
Recruitment	• Recruitment and selection of consultants and contractors
Compliance	• Putting systems in place to manage compliance with scheme requirements, energy regulation, planning conditions and Companies Registration Office requirements
Risk management	• Developing a risk management policy for risks not already covered by the H&S policy • Receiving reports on risk management
Stakeholder engagement	• Maintaining communications with the community • Holding an AGM • Staying in touch with other RECs and the renewable energy sector in general

Some roles listed in Managing the work 🔗 will become even more significant during this phase. For example, the person who has taken on responsibility for legal matters will have an increasing number of contracts to deal with. Even with a legal advisor engaged, you will still need at least one person on the board who can liaise with them on contractual matters. The person who is taking a lead on funding will work with the financial advisors to secure the level of funding needed during this phase.

→ Defining governance and the role of the board

In any organisation, whatever its size or structure, there are three roles that need to be carried out:

- **Governance:** taking overall responsibility for the work of the organisation.
- **Management:** organising the work and making sure that it happens.
- **Operations:** carrying out the work.

Your REC board must be a clearly defined group of people chosen by the general membership to take responsibility for the running of the REC. During the different phases of developing your electricity project, your board will have been involved in operations and management, but its main role is always governance. If things go wrong, 'the buck stops' with your board.

Key message

The Board's main role is always governance.

As a community-owned REC set up for the benefit of the local community, it is important that your board is clear about its governance role. The following principles set out in the Charities Governance Code are a useful guide to good governance for any organisation:

1. Achieving the purpose of your organisation by making sure you have a plan in place and adequate resources to meet your goals.
2. Leading people by making sure everyone understands their role, and what they are expected to do.
3. Behaving with integrity by being honest, fair and independent, managing potential conflicts of interest and protecting the organisation's reputation.
4. Exercising control of your organisation by complying with all of its legal and regulatory obligations, and managing the risks associated with its work.
5. Being transparent and accountable to all of its beneficiaries and other stakeholders.
6. Working effectively as a team, through good times and bad, with productive meetings, clear roles and responsibilities, and effective board processes.

→ Individual roles and responsibilities

Whether your REC is a company or a co-operative, you should clearly define the role of the members in the constitution. Typically, these are the decisions that only a general meeting of members can take:

- Making changes to the constitution in line with the rules in the constitution.
- Receiving the annual report and accounts from board members.
- Appointing and removing the auditors.
- Appointing and removing board members.
- Removing members of the organisation, with the appointment of members usually delegated to the board.
- Winding up the organisation or decisions on mergers or change of type of legal structure.
- Decisions on the dispersal of surplus funds (only relevant to distributing co-operatives).

The members of the board (called directors or board members) have the following duties under common law, whether their legal structure is a company or a co-operative:

- They must act in good faith and in the company's interest.

Good governance

- They must act honestly and responsibly in relation to the company.
- They must act in line with the company's constitution and the law.
- They must not use their powers for personal gain or for the benefit of others at the company's expense; for example, directors should pay the same as everyone else (the market value) for company assets.
- They must act with due care, skill and diligence; for example, they should meet regularly to review the company's finances and take action to correct any problems.

There are also statutory duties under company legislation, so company directors must do the following:

- Provide some personal information to the Companies Registration Office (CRO).
- Keep accurate accounting records and prepare financial statements that give a 'true and fair view' of the company's position.
- Arrange the annual audit.
- Report to members annually.
- Arrange the Annual General Meeting and any Extraordinary General Meetings that may be necessary.
- Keep minutes of general meetings of members, board meetings and any sub-committee meetings.
- Keep registers, such as registers of members and registers of directors.
- File the necessary documents with the CRO.
- Appoint a Company Secretary.

More detailed information on the legal duties of company directors can be obtained from the Corporate Enforcement Authority and contact details are in Further resources 🔗 .

The existing legislation for co-operatives is the Industrial and Provident Societies Act, 1893: www.irishstatutebook.ie/eli/1893/act/39/enacted/en/print.html. This Act does not go into the same level of detail in relation to the legal duties of the board members as with the Companies Act, but typically co-operatives would do most of these things in practice. The current updating of legislation governing co-operatives may well result in a more detailed documentation of the legal duties of the board members of co-operatives.

All board members share legal duties but an effective board will delegate some of the work involved to individual board members or to a sub-committee. As your REC develops, it will be helpful to document the roles of the officers of the board, such as the Chair, Treasurer and Secretary. Sample role descriptions are in Samples and templates 🔗 .

Effective meetings and decision-making

One way of ensuring that you are abiding by your legal duties and the principles of good governance is by holding effective meetings. In the early stages of your REC, meetings are likely to be more informal and membership of the working group may be quite fluid. Once you have decided on a legal structure and your REC is ready to engage consultants and contractors, you should have a board in place and meetings will need to be more formal. Whatever stage you are at, your meetings will still need to be effective and not drift into a talking shop where nothing is decided and no progress is made.

An effective meeting will need some planning. You will need to be clear about the purpose of the meeting and have an agenda of the items that need to be covered. It is also useful to think about the purpose of each item, so it is clear if it is a report on information or advice, a matter for discussion, or

whether a decision needs to be made. In the early days, you can agree the agenda at the start of the meeting, but once a board is in place, a written agenda should go out before the meeting. Ideally, the chairperson and secretary should discuss and agree the agenda which the secretary then sends out to the board members. A sample agenda is provided in Samples and templates 🔗 .

Effective meetings also require accurate minutes. If you are still operating informally, action notes may be all that you need so that everyone is clear on what has been decided and who is doing what. You may want to share around the role of note-taker, although it is simpler if one person is prepared to take it on consistently. Once you have a board in place, you will need to produce more formal minutes which detail dates, attendance, the main point of matters discussed and decisions taken. Your secretary will produce the minutes and should check them with the Chairperson before circulating them. The next meeting of the board will agree them as an accurate record of the last meeting, or amend as necessary. A template for board minutes is provided in Samples and templates 🔗 .

Decision-making in any type of meeting can be difficult and it is the responsibility of the Chairperson to help the meeting come to a decision if that is necessary. It will speed up the process if it is possible to identify options with arguments for and against, and include this material in the papers for the meeting.

It is important that enough time is scheduled at the meetings for the necessary discussion to take place. Depending on the complexity and/or importance of the issue, it might be necessary to give the item a slot at two consecutive meetings, allowing for an exploration of the issue at the first meeting and an examination of the options and a decision to be taken at the second. The role of the Chairperson is crucial here in keeping track of the process so that people do not decide too quickly if more analysis is needed, or conversely, restate their opinions repeatedly when a decision should be taken. At some point, the chairperson will need to summarise the discussion and 'test out' the option that they think the meeting favours. If the meeting has reached a deadlock, the chairperson may need to put the decision to the vote, with the chairperson usually having a second casting vote.

→ Setting up sub-committees and working groups

Setting up sub-committees or working groups can be a good way to get work done between meetings of the board. Sub-committees usually focus on specific ongoing responsibilities such as financial management or compliance, whereas working groups usually tackle a time-limited project, such as putting a funding proposal together or working on a planning application. More detailed discussion can take place in sub-committees or working groups and specific recommendations go to the board for decision. It is also a good way of involving people who are not on the board but who may consider becoming a board member in the future.

However, it is important that all concerned are clear about the purpose, membership and remit of any sub-committees and working groups to avoid decisions being taken without the agreement of all board members. Having a written terms of reference which are agreed by the board will help to avoid any problems down the road. A template for drawing up terms of reference is provided in Samples and templates 🔗 .

→ Governance policies

Behaving with integrity and being transparent and accountable are integral parts of good governance. In order to make sure your board fulfils these requirements, you will need to have a conflict of interests policy and a code of conduct for board members.

A conflict of interest is a situation where a board member has a personal interest that could prevent them from making a decision in the best interests of the REC. Your conflict of interest policy should spell out the steps your board will take to identify potential conflicts of interest and how to manage them. Some conflicts of interest may be so significant that the board member should step down from the

board. In other situations, it may be enough for them to leave the room when the relevant issue is being discussed and decided on. A sample conflict of interest policy is provided in Samples and templates 🔗 .

A code of conduct for board members sets out the behaviour that is expected of them. It should cover legal duties, such as the duty to act in the best interests of the REC, as well as expectations about attendance and behaviour at meetings. A code of conduct that requires board members to sign up to a good level of attendance and behaving respectfully makes it easier for the Chairperson to take action if a board member fails to meet these standards.

Your code of conduct should also cover collective decision-making and confidentiality. Your board is the decision-making part of your REC, apart from the decisions that your general membership must take (see Individual roles and responsibilities 🔗 above). The board's decision-making should take place at official meetings with appropriate notice. The board makes decisions collectively, so each member must stand by the decision made, even if they disagreed with it or even voted against it.

Maintaining confidentiality about the work of the board can be challenging, particularly in a local community, but the board will discuss matters that must remain confidential in the best interests of your REC. Your code of conduct should cover this issue. A sample code of conduct is provided in Samples and templates 🔗 .

→ **Dealing with conflict**

During the life of your REC, it is possible that conflict may arise. Electricity generation projects can face significant resistance from members of the local community. This is why regular community engagement from the beginning of the project is so important. Opposition is far less likely if you have consulted with people from the outset, informed them about the possible benefits and invited them to become members.

Internal conflict may also arise as tensions between people who are working together for a period of time are not unusual. There are several things you can do to make it easier to deal with conflicts when they arise.

First, make sure you have clearly defined and agreed your REC's purpose and values at an early stage, and follow them consistently. There should also be clarity and mutual understanding of different roles and level of authority within your REC. This is why your statement of purpose and values, as well as written role descriptions and terms of reference for sub-committees and working groups, are important. With these things in place, there is more chance that people will understand what to expect of the organisation and what is expected of them.

Second, communication is critically important in building trust and constructive relationships internally as well as externally. Once you have a board in place, general members may feel more disconnected and out of the loop, particularly as progress may be slow during some phases of development. A regular channel for two-way communication will help by providing regular reporting from the board and REC members, and members of the wider local community know they have a mechanism for asking questions or giving feedback to the board.

Conflict may arise within the board from time to time and a certain level of robust debate is necessary to ensure that the right decisions are made. If the conflict escalates to the point where it is no longer helpful or regularly impedes the work of the board, the chairperson will need to step in. If an informal, individual approach cannot improve the situation, it may be necessary to try mediation. The Mediators' Institute of Ireland provides an online directory of mediators and contact details are provided in Further resources 🔗 .

⟶ Recruitment and induction of board members

When you are setting up the legal structure for your REC, you will probably find most of your board members from the general group members. Sometimes during the lifespan of your REC it will be necessary to recruit new board members. At certain points, you will need people with specific skill sets. People will resign from the board when they feel they have done all they can or if their personal circumstances change. Some turnover at board level can bring new ideas and fresh energy into the group.

There are several ways of finding new board members. The first place to look is within the existing group membership and among sub-committee members. If you are looking for people with a specific skill set, you may need to approach relevant local businesses or talk to people you know with those skills. If they cannot join the board themselves, they may suggest other people you can approach. It is also worth contacting your local volunteer centre for people who are interested in volunteering on boards.

Once you have identified potential candidates, it is a good idea for the chairperson to have an informal conversation with them. This gives them an opportunity to find out more about your REC and what being a board member entails. You can find out more about them, their motivations, knowledge and skills. It is also an excellent opportunity to find out if there are any conflicts of interest. If everyone is happy to proceed, you can appoint the new board members according to the rules of your constitution.

New board members should be warmly welcomed and receive a proper introduction to your REC, its structures and their role in it. They should receive a pack that contains essential information for their governance role. If they need any training to fulfil their board obligations, this should be agreed and a suitable opportunity identified. Information on organisations that provide board training for volunteer board members is provided in Further resources 🔗 .

Samples and templates

→ This section contains samples and templates referenced in Good governance.

N.B. These are for guidance and information purposes only and each community should seek independent advice in drafting these documents.

Sample Statement of Purpose

Sample Statement of Purpose for

[Name of Renewable Energy Community]

Vision

Our vision is that our local community becomes environmentally and economically sustainable.

Aims

We aim to achieve this by developing and running a renewable electricity generation project that is fully owned by the local community, with the profits being invested in the development of the local area in environmental, social and economically sustainable ways.

By doing this, we aim to:

1. Contribute to Ireland's target of 80% renewable electricity by 2030.
2. Keep the benefits of renewable electricity generation in the local community.
3. Fund projects that will make our community more energy efficient, reduce our carbon emissions and support biodiversity in our local area.
4. Create sustainable jobs that provide benefits to the local community.

Values

We commit to:

1. Involving people in the local area by keeping them informed, consulting them about our plans and inviting them to join [Name of Renewable Energy Community].
2. Working with SEAI, other groups in the SEAI network, our local council, local businesses, environmental groups and non-profits.
3. Working honestly, transparently and effectively to achieve our goal.

We, the undersigned, are fully supportive of the vision, aims and values outlined above.

Signature: **Position / Title:**

_____   _____

_____   _____

Sample officer roles

→ *N.B. These sample roles are typical of officer roles on non-profit boards but can be adapted to fit the needs of your REC. Possible adaptions are included below.*

Chairperson

1. Providing leadership to the board and ensuring the effective running of the REC.
2. Setting the agenda of board meetings in conjunction with the Secretary.
3. Making sure that board responsibilities delegated to individual board members, sub-committees or others are reported on regularly.
4. Chairing board meetings, allowing time for discussion and ensuring decisions are made where necessary.
5. Checking the accuracy of draft minutes before they are circulated and signing-off on the minutes when they are agreed as an accurate record at the next board meeting.
6. Initiating board recruitment, training and periodic reviews of board effectiveness, as well as conflict resolution or mediation, if necessary.
7. Addressing any breaches of the board code of conduct.
8. Acting as the formal representative of the REC where necessary.
9. Acting as a joint signatory on behalf of the board in relation to the authorisation of payments.

Possible adaptions:

10. While the Chairperson will need to act as the formal REC representative from time to time, attendance at networking meetings or day-to-day communications on behalf of the REC can be delegated.
11. If the organisation employs a member of staff to manage the organisation, it is usually the Chairperson who oversees their recruitment and provides support and supervision. However, this may be delegated to another board member with HR experience.

Qualities and skills required:

• Good leadership skills;

• Good communication and interpersonal skills;

• Understanding of the roles/responsibilities of the board;

• Awareness of current issues that might affect the REC.

Treasurer

1. Overseeing the preparation of budgets, accounts and financial statements.
2. Presenting regular financial reports to the board in an understandable way.
3. Making sure the annual accounts are audited or independently examined as necessary, presented to the AGM and made available to other stakeholders.
4. Having an overview of the financial resources of the organisation in order to advise the board on financial policies, financial implications of proposals, cash flow problems and matters such as appropriate levels of insurance.
5. Liaising with financial advisors in relation to business planning and funding proposals and reporting to the board on potential funding strategy.
6. Ensuring that appropriate financial management, accounting procedures and controls are in place.
7. Acting as a joint signatory on behalf of the board in relation to the authorisation of payments.

Qualities and skills required:

- Experience of business planning;
- Experience of financial control and budgeting;
- Excellent record keeping skills;
- Good communication and interpersonal skills.

Secretary

1. Liaising with the Chairperson in setting the agenda for board meetings.
2. Sending out the notice for board meetings, preparing and circulating the agenda and any papers and making practical arrangements for board meetings.
3. Checking that a quorum is present when any decision-making takes place.
4. Taking the minutes of board meetings, recording decisions clearly, checking the draft minutes with the Chair and circulating them to board members.
5. Keeping the records of all board meeting minutes.
6. Keeping up-to-date records of membership details.
7. Bringing any correspondence for the board to the attention of the board.
8. Arranging the Annual General Meeting, or an Extraordinary General Meeting if required and sending relevant documents to members.

Possible adaptions:

9. If the REC is a company, there is a legal obligation to appoint a Company Secretary who has specific duties in relation to maintaining registers and ensuring that the correct documents are filed with the CRO. These duties may be combined with the role of the Secretary above, delegated to another board member, or outsourced to an accountant or company formation agent.

Qualities and skills required:

- Excellent organisational skills;
- A good eye for detail;
- Experience of committee work and procedures;
- Ability to take accurate minutes of meetings;
- Ability to work well with the chairperson.

Sample agenda for a board meeting

→ *N.B. This template describes the items that should be covered on any board agenda and gives suggested examples that may be relevant to your REC.*

Meeting Agenda

1. Welcome and apologies (10 minutes)

Make sure you welcome any new members to the group. New people may be unsure of their role and feel daunted by new faces. Note who is not present and who has given their apologies for non-attendance. It is a good idea to review the agenda at this point so that everyone is clear about what will be discussed. It is also a good idea to ask if there is any other urgent business, so that you are not taken by surprise by extra items when you think you have finished.

2. Minutes of last meeting (5 minutes)

Ask the group if it agrees that the minutes are an accurate record of the last meeting. The secretary should make a note of any corrections, otherwise you can move on to matters arising. If people try to start a discussion about something in the minutes, remind them that this part of the meeting is just to check for accuracy. If the issue is already on the agenda, tell them it will be discussed then; if not, ask them to raise it again under any other business. The chairperson should sign approved minutes.

3. Declaration of conflict of interest (5 minutes)

Ask the group if anyone has a conflict of interest with any item on the agenda. If there are no conflicts of interest, record that in the minutes. If anyone declares a conflict of interest, you will have to follow your conflict of interest policy.

4. Matters arising not covered elsewhere on agenda (5 minutes)

Make sure that these are minor points and not major discussion items. They should really only be information updates since the last meeting. If more discussion is necessary, make them agenda items. It is disheartening to spend most of a meeting on matters arising.

5. Detailed feasibility study (30 minutes)

For example: Colm will report on progress and outstanding matters which need to be resolved.

6. Finance sub-committee report (15 minutes)

For example: Mary will report on recent advice from SEAI and lead a discussion on our options.

7. Community engagement (15 minutes)

For example: Discussion on leaflet about proposed solar farm; Jean will bring options to meeting.

8. Any other business (5 minutes)

It really helps if you know at the beginning of the meeting if there is any other business. If you think it is a big, non-urgent issue that will go on too long, do not be afraid to say that it needs to go on the agenda of the next meeting.

Template for board meeting minutes

Name of board:

Location of meeting:

Date of meeting:

1. **Present –** Record all members present at the meeting

2. **Apologies –** Record all apologies received

3. **Minutes –** Agreed and signed

4. **Conflict of interests –** Record any declarations and action taken, or no declarations if none were made

Topic	Concise summary of key issues	Decisions made	Action to be taken, by whom, by when
5. **Agenda Item 1**			
6. **Agenda Item 2**			
7. **Agenda item 3**			
8. **Any other business (AOB)**			
9. **Date of next meeting**			

Template for sub-committee Terms of Reference

→ *N.B. This template sets out the areas that should be covered in any sub-committee Terms of Reference and gives suggested examples that may be relevant to your REC.*

Name and purpose

Write a brief statement describing the purpose of the sub-committee and name it accordingly.

Suggested examples:

1. *Funding sub-committee: to advise the board on business planning and financial modelling and implement board decisions on funding proposals.*

2. *Community Engagement sub-committee: to develop and implement a Community Engagement strategy.*

3. *Project management sub-committee: to take responsibility for procurement and engaging with a consultant and/or SEAI Trusted Advisor on the feasibility studies, planning permission process and grid connection application and report to the board on progress.*

   - *To monitor and advise the governing body on the financial activities, controls and budgets of the organisation*

Members

Each sub-committee should include at least one board member who is responsible for chairing the sub-committee and reporting to the board. There may be a mix of board members and people who are not on the board on each sub-committee. The board should agree the membership of each sub-committee.

Powers

State whether the sub-committee has any decision-making powers or acts only in an advisory capacity.

Suggested examples:

1. *Funding sub-committee: acts in an advisory capacity to the board and implements decisions agreed by the board.*

2. *Community Engagement sub-committee: proposes a Community Engagement strategy to the board and implements the agreed strategy within agreed spending limits.*

3. *Project management sub-committee: manages the development of the project to agreed timelines and costs, reporting to the board on progress.*

Meetings and reporting

Determine how often meetings are to be held and how often the sub-committee reports to the board.

Sample Code of Conduct

Code of Conduct

As a board member of [NAME OF REC], I acknowledge that it is my responsibility to:

1. Act within the constitution of the REC and the law.

2. Act in the best interests of [NAME OF REC] as a whole.

3. Act independently in a personal capacity and not as the representative of any other group.

4. Manage conflicts of interest effectively by abiding by [NAME OF REC]'s conflict of interests policy.

5. Maintain confidentiality on all business conducted by the board unless I have been expressly authorised to speak on matters outside of meetings.

6. Attend meetings and other appointments on time or give apologies.

7. Prepare fully for board meetings by making myself familiar with all the agenda items sent to me in good time.

8. Actively engage in discussion, debate and decision-making at board meetings.

9. Accept and support decisions made by the board even if I was not in favour of the decision.

10. Act honestly, fairly and respectfully to my fellow board members, other volunteers, staff, members and anyone I come into contact with in my role as board member.

11. Work to protect the good name of [NAME OF REC] by acting with integrity and avoiding bringing the organisation into disrepute.

12. Work to promote a culture of openness and transparency so that REC members, funders and members of the local community can have confidence in the organisation.

I understand that any substantial breach of this code may result in my removal from the board. Should I wish to resign, I will inform the chairperson in writing, stating my reasons.

Name:

_____

Signature: **Date:**

_____   _____

Sample Conflict of Interests policy

Conflict of Interests Policy

Scope

This policy supports our code of conduct for board members and applies to all board members. It also applies to all sub-committees of the board whose membership may also include non-trustees.

Definitions

We understand a conflict of interest as one that arises when private interests compete with a board member's duty to act always in the best interests of the organisation.

We understand a conflict of loyalty as one where a board member is, or is perceived to be, influenced by considerations other than the best interests of the REC. Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.

Process

- Each board member must tell the board if they believe they have a conflict of interest or loyalty on a matter to be decided on at a meeting.
- Any board member who feels there is a potential conflict of interest or loyalty that is not being declared should raise this for discussion.
- If the board decides that there is no conflict of interest or loyalty, the meeting proceeds as normal.
- If the board decides that there is a conflict of loyalty, this will be minuted and the meeting proceeds as normal.
- If the board decides that there is a conflict of loyalty that is serious enough to warrant being a conflict of interest, it will be treated as such.
- If the board decides that there is a conflict of interest, the board member(s) in question must temporarily leave the meeting at which the matter is being decided upon.
- On return, the board member(s) should be told what decision was reached.
- Conflicts of interest are recorded in the minutes of the meeting.

Review

This policy will be reviewed in three years or sooner if circumstances change.

Signature: **Date:**

_____   _____

Chairperson

Further resources

→ Technical information

All Toolkits available at www.seai.ie/community-energy/ress/enabling-framework/ 🔗 .

- SEAI Community Energy Resource Toolkit: Solar PV
- SEAI Community Energy Resource Toolkit: Onshore Wind
- SEAI Community Energy Resource Toolkit: Planning Process
- SEAI Community Energy Resource Toolkit: Grid Connection
- SEAI Community Energy Resource Toolkit: Business Planning and Procurement
- SEAI Community Energy Resource Toolkit: Stakeholder Engagement and the Community Benefit Fund

→ Legal structures

- Companies Registration Office (CRO) provides information leaflets on company incorporation, filing annual returns and business name registration: www.cro.ie 🔗
- Corporate Enforcement Authority (CEA) provides information booklets and quick guides on the duties and powers of companies: www.odce.ie 🔗
- Irish Co-operative Organisation Society (ICOS) provides information on starting a co-operative: www.icos.ie 🔗
- The Wheel provides information on low-cost sources of advice on legal structures: www.wheel.ie/advice-guidance/managing-your-organisation/legal-resources-nonprofits 🔗 . N.B. Some sources in this document may only apply to charities or a specific geographical area.

→ Establishing and running a community-led organisation

- Boardmatch specialises in board recruitment: www.boardmatch.ie 🔗
- Carmichael provides training, support and resources to improve organisational effectiveness and governance: www.carmichael.ie 🔗
- Clann Credo provides loan finance to community and voluntary groups, sports clubs and social enterprises: www.clanncredo.ie 🔗
- Community Finance Ireland provides social finance to community projects, social enterprises and sports clubs: www.communityfinanceireland.com 🔗
- Irish Social Enterprise Network provides networking opportunities, information and advice for social enterprises, social entrepreneurs and social innovators: www.socent.ie 🔗
- Mediators' Institute of Ireland is a professional association for mediators which provides an online directory of mediators nationwide: www.themii.ie 🔗
- Partnership and Local Development Companies provide support for community development social enterprises: www.ildn.ie 🔗
- Social Enterprise Republic of Ireland provides information and support for social enterprises: www.socialenterprise.ie 🔗
- The Wheel is the national association of charities, community groups and social enterprises and provides training, advice and guidance on governance and management: www.wheel.ie 🔗
- Volunteer Centres support local volunteering: www.volunteer.ie 🔗

$\longrightarrow$ **Engaging the community**

- Carlow Public Participation Network has produced a useful guide to engaging the local community:
  www.carlowppn.ie/membership/community-consultation-toolkit/ 🔗

- Communityplanning.net is a UK website with resources on consultation methods:
  www.communityplanning.net/methods/methods_a-z.php 🔗

- PublicConsultation.ie is an Irish Government website with information about ways in which public
  consultation can take place: www.publicconsultation.ie/ 🔗

Glossary

AGM	Annual general meeting
CEA	Corporate Enforcement Authority
CLG	Company limited by guarantee
CRO	Companies Registration Office
DAC	Designated activity company
DECC	Department of Environment, Climate & Communications
EIIS	Employment and Investment Incentive Scheme
H&S	Health and Safety
ICOS	Irish Co-operative Organisation Society
OE	Owners Engineer
PPA	Power Purchase Agreement
REC	Renewable Energy Communities
RESS	Renewable Electricity Support Scheme
SEAI	Sustainable Energy Authority of Ireland
SME	Small and medium-sized enterprises
SSG	Small Scale Generation