

# Renewable energy cooperatives in Costa Rica

## COOP CARD\*

**Location:** Costa Rica

**Year of foundation:** 1965 and 1972

**N° of members:** around 200,000

**Sector:** Electric cooperatives

**Key themes:** Renewable energy, climate action, community development



## CONTEXT

Costa Rica is a very small country which accounts for only 0.03% of the earth's surface, but contains nearly 6% of the world's biodiversity. The system of National Parks and Reserves covers an area of 1342 hectares (25.6% of its land area). These areas include islands and beaches, rain forests and dry, active volcanoes, hot springs, caves, river canyons and waterfalls.

Such richness in terms of natural resources is also crucial from a perspective of electricity generation. Indeed, in 2019, more than 98% of the electricity generated in the country came from renewable sources (67.5% hydropower, 17% wind, 13.5% geothermic and 0.84% biomass and sun) and the country has pledged to become carbon neutral by 2021. Renewable energy cooperatives are key players to reach this goal. In addition, Costa Rica is an outstanding example of a country with universal public services delivery. 99.4% of the people in Costa Rica have direct access to electricity. San José was the third city in the world to install public electric lighting. The Instituto Costarricense de Electricidad (ICE, Costa Rican Electricity Institute), a public enterprise active in the fields of energy and telecommunications, was founded in 1949.

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\*Information collected during a fieldwork carried out in July 2019.

It was initially focused on building up the country's supply system and developing the national grid. Distribution remained the concern of the municipal and private electricity companies. Later on, rural electrification became a hot issue on the political agenda. This was a crucial moment when electric cooperatives came to play a key role in the country's electrification.

## COOP STORY

In Costa Rica there are four electricity cooperatives, namely Coopelesca, Coopeguanacaste, Coopesantos - the three of them founded in 1965 - and Coopealfaroruiz, founded in 1972. All together, they form the Conelectrica Consortium and gather around 200,000 members.

Initially, these cooperatives were created to meet rural communities' need to access electricity in remote areas. Nowadays, these cooperatives have three main functions: to produce electricity from renewable sources (hydropower; solar and wind); to distribute electricity to every single remote corner of the country; and to reinvest profit in their own communities by supporting sustainable development projects.



## HOW HAS THE COOPERATIVE CHANGED MEMBERS' LIVES?

- **Access to electricity:** It provides high quality electric services at fair tariffs;
- **Environmental conservation:** It produces renewable energy and by engaging in collective action with NGOs and other entities in defense of natural resources;
- **Access to internet:** It reduces the digital divide, helping households access internet at fair prices;
- **Community wellbeing:** It brings power that in turn helped people improve their health (by enabling access to drinkable water and food storage); access to information via TV and radio; and access to education by giving the possibility of studying at night;
- **Local development:** It supports small enterprises to use appropriate power-driven technology;
- **Reinvestments in the community:** It supports income generation projects at community level, by reinvesting their profits in initiatives identified by members.

## SELECTED QUOTE

"I am a smallholder organic coffee producer and until a few years ago, there were major concern in the area among producers. We were aware that we were doing things in the wrong way, that we were contaminating and destroying the environment. And this led us to get organised in a group of small-scale producers. Coopesantos is a cooperative that I appreciate very much because it's ours and has managed to reach even the most remote corner in the region"

Manuel Corrales – member of Coopesantos R.L.



## KEY LEARNING POINTS

- Investing in a diversified matrix of renewable energy is a key strategy to cope with climate change and at the same time reduce dependency on hydrocarbons. Cooperatives are key actors in this regard.
- The difference between the multinational energy provider and the coop is that the latter reaches even the most remote households and reinvests its profit in local development.
- Renewable energy coops can be a means to raise awareness about environmental conservation and sustainable development, as coops, beyond producing and distributing energy, provide trainings and engage with communities in collective action in defense of natural resources.

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