

Enhancing community engagement for transmission projects - draft determination

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About RE-Alliance

RE-Alliance is working to secure an energy transformation that delivers long-term benefits and prosperity for regional and rural Australia. We do this by listening to the needs of communities most impacted by the transition, facilitating collaboration across the renewables industry to deliver social outcomes and advocating for meaningful engagement and benefits for regions.

We welcome the opportunity to provide feedback to the Australian Energy Markets Commission (AEMC) on this draft determination - *Enhancing community engagement in transmission building*.

We welcome the AEMC's work to bring forward this draft determination, its fast-tracked review and its expedited implementation by the end of 2023.

General comments

In general RE-Alliance considers that the proposed changes are straightforward and should be progressed. There is some further room for clarification on what 'engagement' means over time which we believe could be provided in associated guidance for transmission companies.

We also understand that by explicitly stating that community engagement is required, transmission companies will be able to undertake engagement activities and to recover these costs. We recognise that this determination builds on the clarification by the AER earlier in 2023 that transmission projects can recover costs for community engagement.

High quality community engagement is key to identifying and mitigating issues early to help reduce future delays and costs. It is also critical to a sense of fairness for host communities.

Regional and rural Australia will host the majority of this infrastructure and should be fairly and respectfully engaged from early phases through to building and delivery.

The proposed rule comes two years after we published our report — [Building Trust for Transmission](#) — which included the following recommendations:

- That engagement start early during the RIT-T process and include:
 - landholders and asset owners along potential transmission line routes;
 - local community members and groups;
 - local Councils and State Planning Departments; and
 - First Nations, environment and other special interest groups.
- That the RIT-T is expanded to include a social licence line item which could be used to pay for improved landholder compensation and community benefit sharing in affected communities
- The AEMC and/or the AER clarify whether community benefit sharing can be funded under the current NEL and NER including the RIT-T.
- That the RIT-T cost benefit analysis is expanded to include consideration of social and environmental costs and benefits on local communities.
- New regulatory tests should facilitate increased landholder compensation, neighbour compensation, and funding community benefit sharing in the transmission sector to enhance social licence and facilitate the success of the REZs.
- New regulatory tests should also consider cost benefit analysis of social and environmental impacts on local communities.
- The new regulatory investment test should include consideration of non-network solutions.
- That transmission companies consider moving their consultation style from one of inform, consult, or involve to more actively collaborating and empowering their local communities.

Response to the draft determination

The draft determination is good, but could be better with additional wording changes, clarification, guidance, and complementary areas of community engagement being addressed holistically. Our recommendations on these are below.

Recommended wording changes

- **We are concerned that the current wording could have the effect of restricting the adoption of best practice community engagement** in transmission to only applying to those proposed in the AEMO Integrated System Plan and deemed to be “actionable” or “future”. While the addition of “or projects within a REZ stage (as applicable)” should cover most transmission projects, we would like to be more confident that any/all large scale transmission projects are required to embed best practice community engagement. To address this, we suggest the following changes:
 - replacing “actionable ISP projects, future ISP projects, or projects within a REZ stage (as applicable)” with “RIT-T assessable projects” or similar and apply consequential modifications throughout Clause 5.10.2 and 5.15.1.

- In the time since we published the Building Trust for Transmission report, we have engaged widely with other organisations and agree that **the community engagement stakeholder list could be further expanded** to be more clear with regard to environment groups and other special interest groups. This would help ensure transmission projects factor in concerns specifically around biodiversity and cumulative landscape impacts, and future local business developments. To support this clarify, we recommend retaining the 'other special interest groups' term but also adding to the list:
 - representatives of conservation / biodiversity expert groups and marine experts for offshore transmission developments; and
 - representatives of local industry, local business groups and/or large manufacturing and industry sites.
- **Ensure Aboriginal and Torres Strait Islander people are widely included**, with modifications to wording, on the advice of the First Nations Clean Energy Network.

Clarifications and guidance

We support setting minimum expectations for how community engagement should be conducted and welcome the AEMC's attention on this with the draft determination. However, there are some areas where things could be clearer and for consequential action by the AER.

Recommendations:

- **Clarify that this determination applies to the transmission planner, transmission agency and the transmission project developer; and to both onshore and offshore transmission**, so that community engagement is improved across onshore and offshore projects.
- **Clarify that this determination embeds the principles of free, prior and informed consent that are consistent with and informed by the First Nations Clean Energy Strategy**
- **Clarify that this determination applies to any projects already underway (ie. have already gained RIT-T approval), particularly where they are receiving financial support through state governments or the federal government's Rewiring The Nation Fund.**
- **Task the AER with developing implementation guidance for the new determination that includes best practice on community engagement, benefit sharing approaches and ensures that commitments and implementation are subject to oversight, monitoring and periodic public reporting by the AER.**
 - We urge this development to be initiated as a matter of urgency and include a fast-tracked public consultation phase that allows industry, community and stakeholder input to help inform practical guidance to transmission projects.
 - This guidance should drive transmission companies to move their consultation style to involve, collaborate with and empower local communities.

Related areas that would further raise the bar on community engagement

- **Clarify what RIT-T funds can be used for and consider how this would work within the framework** with regard to:
 - community benefit sharing funds
 - a social licence line item which could be used to pay for improved landholder and neighbour compensation and community benefit sharing in impacted communities
 - consideration of social and environmental costs and benefits on local communities

- **Consider the potential to address ‘non network’ options** by:
 - enabling flexibility on the transmission network technology mix and choice and final options given the (sometimes) decade or so between RIT-T approval and build. Eg. if a better technology mix and less cost options become available, could they be taken up, with any cost difference returned? (could it be better for consumers and hosts?).

- **Support stakeholders to navigate state / federal investment tests** by:
 - Developing an explanation to inform stakeholders about how this Rule and state-based investment tests for transmission and off-shore transmission will interact; how communities engage with each level; and where to go for advice, or resolution.
