



Enhancing community engagement in transmission building

The Commission has made a more preferable final rule to enhance community engagement for major transmission projects.

This is in response to the rule change request submitted by the Hon. Chris Bowen, Minister for Climate Change and Energy to implement recommendations made by our Transmission planning and investment review (TPIR).

Our final rule applies to projects in AEMO's integrated system plan (ISP) up until the regulatory investment test for transmission (RIT-T) is completed. Other frameworks and rules apply once an ISP project has completed a RIT-T and to other non-ISP projects. Our rule does not conflict with obligations under these other frameworks.

Our final rule complements broader work undertaken by other entities such as the Australian Energy Infrastructure Commissioner, TNSPs and the Commonwealth to enhance community engagement and support better social licence building under these frameworks for all energy infrastructure projects.¹

Our final rule supports TNSPs to build social licence for transmission

Local communities and other stakeholders affected by major transmission projects are critical partners in the delivery of major transmission. Building and maintaining trust between these stakeholders is necessary for TNSPs to deliver major transmission projects efficiently, and on time. The final rule helps build social licence for transmission by improving clarity and consistency over how TNSPs are required to engage with local communities.

Increased clarity and consistency in the NER around TNSPs' early engagement with communities leads to better outcomes through more proactive and constructive relationships with local communities. This improves TNSPs' planning by helping TNSPs identify local concerns that, when addressed earlier, may improve the timely delivery of transmission infrastructure.

In submissions to the draft determination, stakeholders broadly agreed that TNSPs should engage with communities earlier during the transmission planning process. Stakeholders also broadly supported introducing community engagement expectations against which TNSPs must engage with communities. This is consistent with stakeholder feedback on TPIR.

Our final rule improves clarity and consistency in engagement with local communities

Our final rule addresses current uncertainty and inconsistency, in the national electricity rules (NER), over TNSPs' obligations and expectations to engage with local communities for ISP projects and renewable energy zones (REZ) under the NER REZ framework by:

- clarifying that TNSPs are required to engage with stakeholders who, as part of preparatory activities, are reasonably expected to be affected by the development of the actionable ISP project, future ISP project, or project within a REZ stage. This includes local landowners, local council, local community members, local environmental groups and traditional owners.
- clarifying that these stakeholders are considered interested parties in respect of the RIT-T. This means that TNSPs are required to consult with stakeholders who are reasonably expected to be affected by the development of the actionable ISP project during the RIT-T. This includes local landowners, local council, local community members, local

¹ See [here](#) for more information on other work to improve social licence.

environmental groups and traditional owners. These stakeholders may be considered a disputing party where appropriate.

- introducing community engagement expectations which TNSPs are required to make reasonable endeavours to satisfy when engaging with these local stakeholders.

We made minor changes since the draft rule

Given broad stakeholder support for the draft rule, we have made the following minor changes from the draft rule to improve accessibility for stakeholders and to further clarify the stakeholders that should be engaged. In our final rule we:

- reference local environmental groups as a specific group that TNSPs are required to engage with as part of preparatory activities and during the RIT-T for an actionable ISP project,
- broaden the definition of traditional owners to include affected lands and waters on or near the area of the project,
- extend the requirement to undertake preparatory activities to AEMO in Victoria, consistent with the intention in the draft determination,
- make minor wording changes to the community engagement expectations to improve accessibility for stakeholders, and
- extend the time provided for the AER to make any updates to their CBA guidelines by one month.

Our final rule contributes to achieving the NEO

The final rule contributes to achieving the national electricity objective (NEO) by:

- **Improving outcomes for consumers** - by helping lower energy prices, through supporting the timely delivery of transmission infrastructure required to connect cheaper renewable generation and firming to replace ageing thermal generation.
- **Contributing to emissions reduction** - by supporting the timely delivery of the transmission infrastructure required to increase renewable penetration in the energy system, reducing greenhouse gas emissions and assisting in the transition of the grid to net zero.
- **Promoting principles of good regulatory practice** - by improving predictability, stability and transparency with the regulatory framework and aligning with other reform underway.
- **Providing timely market wide implementation** - by introducing timely reform, that is relatively simple to implement across jurisdictions and can be applied to the next tranche of major transmission projects.

The final rule better contributes to the NEO, than the proposed rule, because it further enhances engagement with local communities. This increases the likelihood that projects are delivered on time which results in better outcomes for consumers.

We consider that our final rule would not impose any material costs on consumers, TNSPs, or any other market participant.

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