Australian Energy Regulator Community Engagement Review 1 December 2023

Stephanie Jolly
A/Executive General Manager – Consumer, Policy and Markets
Australian Energy Regulator
GPO Box 3131
Canberra, ACT, 2601

Subject: Enhancing Genuine Community Engagement for Transmission Infrastructure in Australia

Dear Stephanie Jolly

The Carbon Zero Initiative (CZI) is a new organisation dedicated to achieving a fast, fair and sustainable transition to a carbon-neutral Australia by 2040. As part of this transition, we recognise the importance of developing new clean energy and upgrading transmission infrastructure. New clean energy infrastructure will play a pivotal role in achieving a carbon-neutral Australia by 2040, while simultaneously lowering prices within the National Electricity Market (NEM).

In our pursuit of a sustainable, clean energy future, CZI views effective and genuine community engagement as the cornerstone of success. We believe that genuine community involvement is essential not only to address legitimate concerns but also to highlight the multitude of benefits that can arise from new clean energy projects.

To this end, we contribute the following key points to the Community Engagement Review:

Social licence is more than just a checkbox. It is imperative to understand that social licence is not a one-time, static approval but a dynamic, ongoing relationship between project proponents and the communities they serve.

The foundation for good community engagement is genuine relationships. While the AER is primarily interested in regulatory requirements, it is equally important to recognize that genuine community engagement must necessarily go beyond regulatory compliance. Social licence should be viewed as a continuous commitment to fostering open communication, addressing community concerns, and building mutual trust. It is not a static approval but a living agreement that evolves with time, reflecting the responsiveness and adaptability of proponents to the needs and expectations of the communities they impact.

In light of this perspective, we recommend that the Australian Energy Regulator (AER) acknowledges the nuanced nature of social licence and incorporates measures that go beyond the checkbox approach. Encouraging energy providers to develop comprehensive, long-term



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engagement strategies that contribute to the sustainability of their operations, fostering a positive relationship with the communities they serve.

For guidance on what a long-term, deep and meaningful engagement strategy should look like, Carbon Zero Intitiative can recommend the bodies of work produced by the Renewable Energy Alliance and the Community Power Agency.

The key feature must be an emphasis on ongoing, meaningful dialogue and incorporating community feedback into decision-making processes. The AER can strengthen the social licence framework and ensure that energy providers are not only compliant with regulatory standards but are actively contributing to the well-being of the communities they operate in.

Recommendation: In relation to the Regulated Transmission Infrastructure Test (RTIT), we propose a pre-condition for assessment that requires Transmission Network System Providers (TNSPs) to demonstrate their capability and willingness to achieve genuine community engagement.

This precondition will ensure that TNSPs prioritise and invest in establishing strong ties with local communities before undergoing the RTIT assessment. Genuine community engagement should be a fundamental aspect of the evaluation process, as it not only aligns with the broader goals of fostering social licence but also contributes to a more comprehensive understanding of the potential impacts of transmission infrastructure projects on the communities involved.

By incorporating these considerations into the social licence review process, the AER can encourage a proactive, community-centric approach from Transmission TNSPs. This approach will not only benefit the communities impacted by energy projects but also enhance the credibility and sustainability of the energy industry as a whole.

Thank you for considering our observations and recommendations. We look forward to contributing to the ongoing development of a robust social licence framework in collaboration with the Australian Energy Regulator.

Sincerely

Jack Redpath
Principal
Carbon Zero Initiative (CZI)

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