

Advisory Council on Social Licence

Notes and actions

Forum:	AEMO Advisory Council on Social Licence (ACSL) Meeting 3
Date:	24 May 2023, 10am-3:30pm
Location:	AEMO Brisbane office & online

Attendees:

Name	Position	Location
Andrew Bray	ACSL member	AEMO Brisbane office
Andrew Richards	ACSL member	Online
Amanda Cahill	ACSL member	AEMO Brisbane office
Gavin Dufty	ACSL member	Online
Russell Dunn	ACSL member	AEMO Brisbane office
Darren Edwards	ACSL member	Online
Lucy Graham	ACSL member	AEMO Brisbane office
Warrick Jordan	ACSL member	Online
Karrina Nolan	ACSL member	Online
Joy Thomas	ACSL member	AEMO Brisbane office
Craig Memery	ISP Consumer Panel member (guest)	Online
Mark Grenning	ISP Consumer Panel member (guest)	AEMO Brisbane office
Mark Henley	ISP Consumer Panel member (guest)	Online
Nevenka Codevelle	EGM, Government & Stakeholder, AEMO (Chair)	AEMO Brisbane office
Merryn York	EGM, System Design, AEMO	Online
Nicola Falcon	GM, Victorian Planning, AEMO	AEMO Brisbane office
Andrew Turley	GM, Forecasting, AEMO	AEMO Brisbane office
Eli Pack	GM, System Planning, AEMO	AEMO Brisbane office
Matthew Myers	GM, Stakeholder Engagement, AEMO	AEMO Brisbane office
Samantha Christie	Manager, Strategic Planning, AEMO	AEMO Brisbane office
Luke Falla	Stream Lead, REZ planning, AEMO	AEMO Brisbane office
Mitchell Hume	Manager Project Community and Stakeholder Engagement, AEMO	AEMO Brisbane office
Samantha Lloyd	Stakeholder Engagement Lead, System Design, AEMO	Online
Levi Rosenbaum	Stakeholder Engagement Advisor, System Design, AEMO	Online
Isabell Unger	Project Manager, Voconiq	Online

Apologies:

Name	Position
Peta Ashworth	ACSL member
Andrew Dyer	Australian Energy Infrastructure Commissioner (observer)

Upcoming Advisory Council meetings

Date	Meeting	Location
14 August 2023	ACSL meeting #4	AEMO Melbourne office

aemo.com.au

Disclaimer

This document provides an overview of the main points of discussion at AEMO's Advisory Council on Social Licence meeting on 24 May 2023. The purpose of the meeting was to provide information and invite perspectives and feedback on matters relating to social licence. Please note:

- this document is a summary only and is not a complete record of discussion,
- for presentation purposes, some points have been grouped together by theme and do not necessarily appear in the order they were discussed, and
- the views expressed at the forum and reflected here are not necessarily those of AEMO.

Actions

#	Action	Status	Responsibility
1	Invite DCCEEW to present on development of the National Social Licence framework, and the CSIRO energy transition community sentiment survey	Department of Climate Change, Energy, the Environment and Water (DCCEEW) will present at the August meeting.	AEMO
2	Consider potential future agenda topics: <ul style="list-style-type: none"> VNI West update ISP: consumer risk preference work, IASR, sensitivities ISP: Social licence chapter Community benefits approaches and measurement Energy transition national narrative Best practice social licence frameworks Regulatory reform: RIT-T process reform Energy transition acceleration: required regulatory settings and engagement? National Transition Authority 	Under consideration for future meetings.	AEMO

Discussion notes

1 What has happened since the last meeting

AEMO welcomed new attendees and updated the ACSL on a number of activities since the previous meeting, including:

- DCCEEW work on social licence including development of a National Framework and work with CSIRO on community sentiment
- Rule change proposals with the AEMC on Social Licence¹
- A new national Net Zero Authority²
- First Nations Clean Energy Strategy³
- Energy Charter Better Practice Social Licence Guidelines⁴
- Powerlink landholder payment framework now including neighbouring landholders⁵
- National Electricity Victoria Act (NEVA) orders for the VNI West project⁶

¹ See <https://www.aemc.gov.au/news-centre/media-releases/transmission-planning-reform-improve-social-licence-and-boost-energy-transformation>

² See <https://www.pmc.gov.au/news/new-national-net-zero-authority>

³ See [First Nations Clean Energy Strategy | energy.gov.au](https://www.energy.gov.au/first-nations-clean-energy-strategy)

⁴ See <https://www.theenergycharter.com.au/better-practice-social-licence-guideline/>

⁵ See <https://www.powerlink.com.au/news-media/new-supergrid-landholder-payment-framework-australian-first>

⁶ See <http://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S267.pdf>

2 VNI West project

AEMO provided an update on the VNI West project. AEMO received 533 submissions on the draft Project Assessment Conclusion Report (PACR)⁷. Over the coming months, AEMO will work with landholders, local community and other stakeholders to refine and identify a preferred corridor.

AEMO also provided an update on National Electricity Victoria Act (NEVA) orders in Victoria for the project. The NEVA orders allow consideration of factors outside the Regulatory Investment Test for Transmission (RIT-T), including environmental, social and community factors. This will expedite project delivery and increase flexibility in the options assessments, ensuring that consumers and communities are at the centre of the decision. It does not remove any regulatory obligations regarding the final decision or construction phase.

AEMO has established a subsidiary, Transmission Company Victoria (TCV)⁸, to oversee and manage the early project implementation works to ensure all existing and future commitments to landholders are incorporated throughout the project.

ACSL members provided a range of views including:

- The complexity of roles and responsibilities in Victoria has led to confusion. Community members need clarity about who does what in each project and who they can go to in relation to each issue, as the disaggregation of responsibilities is confusing between AEMO/VicGrid/Victorian Government/AusNet Services, and increased by the recently created Transmission Company Victoria.
- Landholders, communities and traditional owners are overloaded with many consultations and have engagement fatigue. Messaging and engagement requests from the energy industry must be more coordinated and efficient. A localised and decentralised approach to communications is needed rather than relying on websites.
- AEMO, governments, industry and financiers (including the CEFC) all have roles to play in enabling an accelerated transition. They all need to work together. A suggestion was made to connect social licence commitments and obligations to the finance for projects. This may help ensure social licence commitments and obligations are maintained throughout the entire life of a project. It is important to build a consultation framework that goes forward and establishes an ongoing relationship with the community for the whole life of the project and not just the development phase.
- A best practice social licence guide for application across all jurisdictions is needed for application to all ISP and Rewiring the Nation projects. The Energy Charter Social Licence Best Practice Guidelines are a good start.
- There are pros and cons of engaging early before routes are known noting the balance between early engagement and uncertainty. While the balancing act was acknowledged, the group leaned toward early but strategic engagement. For instance, advising local councils and co-designing strategic engagement plans was suggested, as well as informing all stakeholders in local communities and obtaining public participation in the co-design of strategic engagement plans.

⁷ See <https://aemo.com.au/newsroom/media-release/final-regulatory-report-signals-beginning-of-route-refinement>

⁸ See <https://www.transmissionvictoria.com.au/>

3 Voconiq consumer sentiment research

Voconiq presented its consumer sentiment research methodology and high-level insights for Victoria. AEMO committed to publish the insights and continue to measure social licence sentiment on an ongoing basis, as part of the VNI West project.

4 First Nations - Clean Energy Strategy Roundtables report and ISP approach

Karrina Nolan provided a report back to the Council on the outcomes of the First Nations Clean Energy Strategy Roundtables held in the Pilbara and Alice Springs⁹. Energy security was seen as a critically important issue for communities, with less focus on the opportunity set the transition could deliver for communities. Some communities are overwhelmed with the amount of consultation, with up to 70 proponents talking to them at once about potential land use.

5 ISP: First Nations in system planning

AEMO presented on how the Integrated System Plan (ISP) will consider First Nations and discussed with the ACSL potential areas for improvement, and whether the current consideration of First Nations is reasonable given the ISP's high-level view as a system planning document rather than being locationally specific. The ACSL acknowledged the challenges of incorporating First Nations land use consideration into a high-level plan. Consideration will be given on how to highlight the benefits of Traditional Owner engagement in the ISP.

6 EU experience & Community benefit approaches

Amanda Cahill reported back from her recent study tour in Europe on community/economic transition and community benefit. While the EU had allocated a lot significant funding for community transition, her view was that Australian communities were better placed to participate in how funds could be effectively allocated as grass roots thinking and local capacity was more developed here than in the EU. Rather there is a need to consolidate and action the great grass roots community ideas already in existence here in Australia. An issue in Australia though was funding fragmentation. There are 'thimbles' of money scattered and coordination to deliver a vision for the wider community can be difficult. The Council was keen to understand the scope of the National Transition Authority more.

The ACSL discussed ideas/views on effective approaches to community benefit for transmission projects. ACSL members commented on the following topics:

- The need for a national narrative on the transition to explain what's happening to our country, how our country/economy is changing and why, what it means for them and how they can get more information.
- What does the ACSL recommend in terms of a framework and approach?
 - Transparency and honesty about the likely impacts and benefits
 - Frame it as listening to concerns first rather than benefits
 - Include all impacts, not only the energy related ones
 - Explain the benefits of transmission other than electricity transportation

⁹ See fnces.org.au

- Explain who pays for each component
- Engage local government and ensure they endorse the approach
- Ensure communities have the capacity to meaningfully engage on potential benefit sharing opportunities
- How should AEMO manage (or advise) on the balance of local impact and local benefit vs regional impact and regional benefit?
 - Consider how to ensure reliable and affordable energy for rural communities as a community benefit of hosting transmission. This would require coordination with distribution businesses to explore improvement options.
 - Predetermine the local benefits; reinventing the wheel under duress is suboptimal.
 - Improve local infrastructure, including housing and roads.
 - Consider how best to mitigate short-term local inflation impacts.
 - Maintain a positive legacy following construction and initial implementation that endures during the life of the project.

7 Transmission Expansion Options Report

AEMO summarised the Transmission Expansion Options Report transmission options and explained the difference between Renewable Energy Zones (REZ) resource limits and land use limits, which avoid overbuilding.

ACSL members commented:

- The ISP and all associated reports should also communicate to those who are less technical.
- Publishing 'limits' could signal that each REZ is at capacity. The report should clearly explain what the opportunities are and that generation types within each REZ are not defined.
- Land use limits in the report are derived from general government and stakeholder consultation but did not consult landholders. In addition, the data around land use limits and evidence to support land use limits was queried.
- The ISP Consumer Panel is proposing that social licence requires building trust between landholders and the entire industry. Communication is crucial and the responsibility falls on many stakeholders.

Next steps

The next meeting of the ACSL will be held in August in Melbourne on 14 August 2023.