

AEMO Advisory Council on Social Licence (ACSL)

Notes and actions of Meeting 2, 13 March 2023.

Attendees

Name	Position	Location
Peta Ashworth	ACSL member	Online
Andrew Bray	ACSL member	AEMO Sydney office
Amanda Cahill	ACSL member	Online
Gavin Dufty	ACSL member	Online
Russell Dunn	ACSL member	AEMO Sydney office
Darren Edwards	ACSL member	Online
Lucy Graham	ACSL member	Online
Warrick Jordan	ACSL member	AEMO Sydney office
Karrina Nolan	ACSL member	Online
Joy Thomas	ACSL member	AEMO Sydney office
Craig Memery	ISP Consumer Panel member	Online
Mark Grenning	ISP Consumer Panel member	Online
Mark Henley	ISP Consumer Panel member	Online
Nevenka Codevelle (Chair)	EGM, Government & Stakeholder, AEMO	AEMO Sydney office
Merryn York	EGM, System Design, AEMO	Online
Nicola Falcon	GM, Victorian Planning, AEMO	Online
Andrew Turley	GM, Forecasting, AEMO	Online
Eli Pack	GM, System Planning, AEMO	Online
Matthew Myers	GM, Stakeholder Engagement, AEMO	Online
Kirstan Wilding	Manager, Consumer & Community, AEMO	Online
Oliver Derum	ISP Engagement Lead, AEMO	AEMO Sydney office

Apologies

Name	Position
Andrew Richards	ACSL member
Andrew Dyer	Australian Energy Infrastructure Commissioner (observer)
Jo De Silva	ISP Consumer Panel member

Actions arising

#	Action	Status
1	AEMO to circulate a summary of submissions to the draft 2023 IASR to ACSL members.	Complete. See here .
2	In relation to VNI West AEMO to was asked whether the figure at which the project becomes uneconomic, will be provided in the draft Project Assessment Conclusions Report (PACR)	Open
3	AEMO to schedule a discussion on issues of social licence beyond the ISP at an upcoming Council meeting	To be considered for meeting 3 or 4 agenda
4	AEMO to help ACSL members better understand the Gas and Electricity Statements of Opportunities (GSOO and ESOO)	ACSL members invited to GSOO public briefing on 30 March. Further needs to be assessed with members after that event.

Upcoming Advisory Council meetings

Date	
24 May	ACSL meeting #3
6 July	ACSL meeting #4

Notes of discussions

1. What has happened since the last meeting

AEMO spoke to the ACSL about the multiple social licence-related initiatives in which AEMO is participating and about which AEMO is aware, including on the ground in Victoria, and with jurisdictions including the Commonwealth Government and the Energy and Climate Change Ministerial Council. The ACSL was also updated on progress in the development of the 2023 Inputs, Assumptions and Scenarios Report (IASR).

ACSL members commented that alignment, transparency and effective engagement across these multiple streams was essential to success. Members also emphasised the urgency of such initiatives, but also the significant scope and momentum for such change.

2. VNI West and NEVA Order

AEMO presented on the Victoria-New South Wales Interconnector (VNI) West project and the related orders recently made by the Victorian Energy Minister under the *National Electricity (Victoria) Act 2005* (NEVA).

ACSL members asked about:

- how the most appropriate route for the transmission line will be selected under the NEVA Order, including consideration of community impacts that cannot be considered under the standard National Electricity Rules (NER) framework
- the implications of the fact the Order only applies to the section of VNI West in Victoria (and what this means for regulatory processes)
- latest costings for the project
- how the project can be varied if unmapped First Nations cultural or sacred sites, visual heritage or storylines are found to be potentially impacted in the construction phase
- biodiversity mapping.

3. Social Licence in the ISP

AEMO provided an overview of how social licence has been considered in previous ISPs, the baseline treatment of the issue on which AEMO is seeking to build.

ACSL members noted that communities engage with issues and think about outcomes in different ways to renewable energy investors and the importance of providing people with a 'front door' to the consultation process on major projects. ACSL members encouraged AEMO to re-imagine the ISP and the possibility of making the energy system work for people and the environment, not a plan for a market. ACSL members also noted the importance of engaging impacted communities on the basis that doing so will achieve a better outcome, not to 'manage a problem'. It was acknowledged this would take some time and was unlikely to be achievable for the 2024 ISP but should be considered now if that was the direction for the 2026 ISP. ACSL members noted that preparation for a different approach to the 2026 ISP must start soon.

4. Options to further integrate social licence into the ISP

AEMO outlined additional options under consideration regarding the treatment of social licence in the 2024 ISP.

ACSL members commented that:

- People need to be able to see themselves in the ISP and that they are part of it, more than is currently the case
- An enhanced chapter on social licence may have merit, but there were mixed views on whether this should be a dedicated chapter or an expansion of the section from the 2022 ISP.
- A combined project delay/cost increase sensitivity should be included in the 2024 ISP.
- Some ACSL members considered further additional approaches such as multi-criteria analysis should also be considered, and if not for 2024 ISP then for inclusion in subsequent ISPs.

5. Collaboration on social licence sensitivities in the 2024 ISP

ACSL members and AEMO staff held three breakout discussions regarding social licence sensitivities in the 2024 ISP. Consolidated insights from those sessions are as follows – please note this is not an exhaustive list of all suggestions received.

Further refinements to sensitivity analysis for the ISP

ACSL members noted that:

- The population density of areas of infrastructure construction may offer a useful proxy for the level of effort required to achieve social licence for a particular project.
- A template for how to reach agreement with communities on social licence for infrastructure would benefit the entire industry.
- Delay/cost sensitivities could apply to both generation and transmission.
- Environmental and biodiversity impacts of projects must be considered.
- Social licence will vary widely across the length of a transmission line, so a single land use penalty factor for such projects may be less appropriate than for generation development.
- AEMO could utilise the upcoming Transmission Expansion Options Report as a vehicle to start 'on the ground' conversations about social licence for particular projects.
- Preliminary land constraint analysis for transmission projects should be conducted to 'exclude' network options that are not practically or socially deliverable.
- Land use penalty factors for dams/pumped hydro developments should be higher than other types of infrastructure.

Other factors and sources that should be considered

Regarding additional sources of information, ACSL members noted that:

- AEMO could look to local government and regional plans for local communities to understand what is most important to those communities (agriculture, mining, environment).
- Reports from transmission networks may be useful but must also be carefully scrutinised.
- Rather than doing a land use penalty factor AEMO could ask all the TNSPs to feed in specific information on each project.
- The Australian Energy Infrastructure Commissioner has a consolidated library of best practice engagement guidelines at <https://www.aeic.gov.au/publications/best-practice>.

- Resources developed by the Coal Seam Gas industry may be of assistance, see <https://boomtown-indicators.org/compare>.

Additional sensitivities or alternative sensitivities that should be considered

ACSL members commented that AEMO should consider sensitivities regarding:

- Sources of uncertainty – impacts to the environment, impacts to the local communities, skills in community, employment issues
- Time sensitivity (e.g. delay of 3 or 5 years depending on social licence complexities)
- Quality and timing of engagement to date, as a proxy for the likelihood of delay
- Feedback from generation project developers or transmission networks about a particular area
- Higher upper limits for land use for generation (2% of land for solar and 10% for wind)

ACSL members also highlighted the need for AEMO to be aware of the limitations of forecast model, noting that the complexity of quantitative analysis in social licence is inherently complex and challenging.

6. Discussion of a chapter on social licence in the 2024 ISP

ACSL members and AEMO staff held three breakout discussions regarding the inclusion of a specific social licence chapter in the 2024 ISP. Consolidated insights from those sessions are as follows – please note this is not an exhaustive list of all suggestions received.

Inclusion of a social licence chapter

Regarding the merits of a chapter on social licence in the 2024 ISP, ACSL members commented that:

- AEMO should avoid characterising ‘gaining social licence’ or community acceptance of development as a problem to be solved, but rather highlight shared community benefit/outcomes as key elements of successful infrastructure development. The issue should be framed as being about communities, not social licence.
- Some stakeholders take the ISP as a more formal decision document/plan beyond a recommended transmission plan, meaning AEMO must be mindful of the power of whatever is included in the document.
- Lots of organisations are talking about social licence. Some members said AEMO was well-placed and highly credible, while others argued AEMO lacked credibility, based on current landholder and community feedback on the Western Renewables Link process.

Specific content for a social licence chapter

Council members suggested that any social licence chapter could include:

- Examples of best and worst practice approaches to working with communities in infrastructure development (‘what success looks like’)
- A more collective vision of the transition to enable greater advocacy and transparency of a just energy transition
- The Renewable Grid Initiative in Europe is an example of best practice. See <https://renewables-grid.eu/>
- Consideration of different time frames. What must be commenced now, for 2030, and beyond. Setting the scene not just for the 2024 ISP, but ISPs in the future.
- The impact of Free, Prior, Informed Consent laws and their impact on community member and industry decisions regarding development

- Discussion of what the role of the different parts of the energy sector are and what they do. Help people engage with us / the sector better.

Next steps

Across the course of the meeting, ACSL members highlighted a desire for future discussion in two areas:

- AEMO's Electricity Statement of Opportunities and Gas Statement of Opportunities (ESOO and GSOO)
- Social licence for energy development from a broader perspective than the ISP.

The agendas for upcoming meetings will be planned together as a coordinated program, with further input from ACSL members. The above issues will be considered as part of that process, if not before.