



Submission to the Australian Energy Market Operator's Consultation on the draft Transmission Expansion Options Paper

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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 Australia. We do this by listening to the needs of communities involved in the transition, working to achieve best practice across the renewables industry to deliver social outcomes and advocating for meaningful benefits for regions at a policy level.

RE-Alliance recognises the significance that each updated integrated system plan (ISP) carries and we welcome the opportunity to respond as a stakeholder of this work. We note that the ISP can play a key role in communicating, publicly, on the scale and pace of build required for generation and bulk transmission and its connection to pathways to meet a 1.5°C emissions reduction goal — aligned with the Paris Climate Agreement. Ensuring that this is included in an ISP modelled scenario, not just sensitivity analysis, is critical to the public narrative.

AEMO's ISP can inform and educate stakeholders about the grid's requirements. It can also be used to advise and inform decision-makers about gaps in frameworks and processes that are not fit-for-purpose. This is particularly important in the context of approaches to enable social licence, data collection on those approaches and the relationship to cost projections/cost recovery.

RE-Alliance has made a number of submissions regarding the ISP and transmission, including [Building Trust for Transmission](#),¹ Updates on the ISP Methodology, Inputs, Assumptions and Scenarios Report and the Draft 2022 Integrated System Plan.²

¹ RE-Alliance, 'Building Trust for Transmission: Earning the Social Licence Needed to Plug in Australia's Renewable Energy Zones' available at: [Building Trust for Transmission](#)

² RE-Alliance, 11/2/22, [Submission to AEMO's draft 2022 Integrated System Plan](#)

A number of our recommendations have been adopted by AEMO and state governments, namely the introduction of AEMO's Advisory Council on Social Licence which we are on, increased landholder compensation for transmission hosts (in NSW, Victoria and Queensland), earlier engagement and triple bottom line approach to planning (as evident in the multi-criteria analysis adopted in the options assessment for VNI West), and in the development of new state frameworks for transmission in NSW, Victoria and Tasmania.

We welcome AEMO's stated intention to take more account of the criticality of social licence for new transmission and generation in the next update of the ISP — hence this consultation on the Draft Transmission Expansion Options Report.

We are responding to AEMO's consultation questions/requests for feedback on:

- Suggestions on any alternatives to AEMO's approach to considering social licence for transmission projects for the ISP
- Feedback on social licence considerations for the flow paths, REZs or group constraints considered in this report
- Feedback on the flow path augmentation options and REZ augmentation options provided in this report, including their conceptual design, lead time, location and cost estimates and the social licence aspects here.

Our response is split into three areas

1. General comments
2. Approach to social licence for transmission
3. Augmentation options, flow paths and REZs including for offshore

1. General comments

Renewable energy zones and the energy transition

REZ projects are critical for Australia's energy transition and urgently require structures and frameworks to enable accelerated build out that works with host communities to build their trust, respond to their perspectives and — by so doing — build and maintain a path to social licence.

It is good to see the criticality of social licence for new transmission and generation being called out for attention in the next update of the ISP. Addressing and building community engagement to enable social licence is not cost-free. As such, we welcome the moves to allocate appropriate value to better reflect these activities to timelines for each REZ area and major linking transmission projects.

Allocating costs for social licence activities

We recognise that the current practice for cost/value estimations on social licence activities is to rely on activities deemed to be 'proxies for' social licence. As such, from a transmission system planning perspective, social licence costs may be measured based on build-delays, property buy-outs or similar. While using proxies is the practice today, it is sub-optimal.

There is a growing body of evidence around the costs of poor practice which can be measured in delays, disruption and community division. Conversely, investing in proactive and early community engagement can save on costs by substantially mitigating the potential for delay, scale of acquisition, and improving the ability to identify and develop desired mitigation measures and benefit funds.

Proactive activities and initiatives can include things like increased landholder payments, landholder-responsive access practices,³ collaborative co-design approaches to benefit funds, local accommodation options, employment/training and procurement as well as environment; traditional owner; and community-responsive changes to routes, easements etc.

In our view, community engagement on social, environment, cultural heritage and land sector matters, in addition to those currently used as 'proxy' data points, will end up as cost components in every ISP/REZ project. While there is no clear data source for value capture on good community engagement which can build social licence, we believe AEMO can play a key role in developing this resource, building on recently approved and currently in-flight ISP projects and that this forms part of the longer term data set development.

- **Recommendation: AEMO progress development of specific, identified, cost components that are critical to developing social licence on social, environmental, cultural heritage and land-sector considerations.**

Good steps, but gaps remain

In a general sense, there are multiple collaborations focussed on improving practice among transmission network service providers, transmission planners, renewable energy developers, civil society and environment groups including:

- The Energy Charter [#bettertogether](#) initiative and outputs including: [The Better Practice Social Licence Guideline](#)
- Powerlink Queensland's new [Supergrid Landholder Payment Framework](#)

³ See for example, the Victorian Essential Services Commission's [Land Access Code of Practice](#) and Powerlink Queensland's approach to access in the Supergrid Landholder Payment Framework

There is a piece missing between these progressive collaborations, the REZ and ISP nominations/designations, state or national planning bodies and individual project proponents. While we have REZ-scale activities for generation and transmission investment, there is no similar set up for community engagement, despite it being crucial to overall social licence for transmission and generation in the NEM. While the ISP is unlikely to address this gap, we urge AEMO to maintain an awareness of this issue going forward.

New state frameworks step into social licence

We also note that aligned to our multi-year [Building Trust for Transmission](#) initiative, three out of six NEM states have now announced or implemented enhanced landholder payment frameworks for (new) bulk transmission projects:

- Queensland's [Supergrid Landholder Payment Framework](#)
- Victoria's [host-landholder payments for new transmission](#)
- NSW [Strategic Benefits Payment Scheme](#) for new transmission project host-landholders.

The new state initiatives, and the frameworks around them, can potentially inform AEMO's approach to cost and value allocations on social licence activities over time and are key 'building blocks' for the overall delivery of timely REZ infrastructure.

2. Approach to social licence for transmission

AEMO's approach

Our understanding is that social licence for transmission projects is accounted for in the AEMO ISP through considering forecasting and planning scenarios, sensitivity analyses (using proxy information), selection of land use and resource use limits, selection of the transmission augmentation options, consideration of community engagement in project lead times and selection of locations for potential REZs through consultation. AEMO also incorporates TNSP and jurisdictional input and validation on ISP bulk transmission augmentations.

A community-responsive approach

As noted in earlier feedback to AEMO, there is a large body of work in the social sciences that aims to quantify and measure community preferences, social licence risk, and local impact of infrastructure.⁴

In our experience engaging with communities and stakeholders in REZ regions over many years, there is a gap between what AEMO lists as a relevant activity and what is expected by others.

⁴ Ram, B., & Webler, T. (2022). Social amplification of risks and the clean energy transformation: Elaborating on the four attributes of information. *Risk Analysis*, 42, 1423–1439. <https://doi.org/10.1111/risa.13902> and Winter, K., Hornsey, M.J., Pummerer, L. et al. (2022). Anticipating and defusing the role of conspiracy beliefs in shaping opposition to wind farms. *Nat Energy* 7, 1200–1207. <https://doi.org/10.1038/s41560-022-01164-w>

Most states have sought to address this gap with jurisdictional frameworks and specific requirements that address these wider issues. For example, NSW, Victoria and Queensland now apply requirements for earlier and wider community engagement activities with landholders, neighbours, local government, first nations / traditional owner groups and communities. Also, NSW, Victoria and Tasmania have, or have in draft, specific frameworks addressing new transmission builds, land-use and environmental considerations, first nations engagement, wider community engagement, impacts and benefit sharing.

There is also a need for consistent and clear communication around what is meant by 'social licence' and clarification on what is done by AEMO in its national role and its state roles and what is then delivered by others.

- **Recommendation: Further refine what you mean by social licence, informed by experts and guided by the AEMO Advisory Council on Social Licence. This could include engaging social scientists to inform and advise the ACSL.**
- **Recommendation: Include cultural, social, land-sector and environmental layers in options and routes presented in the ISP.**

3. Augmentation options - flow paths and REZs (incl offshore transmission)

Options and flow-paths - conceptual design and presentation

The augmentation options and associated flow paths and how they appear in REZs can play a key role in informing the communities about future opportunities and impacts. However, the information could be taken as 'build plans' rather than conceptual guides to what lines might go where. This risk could be mitigated by AEMO doing more around proactive communication, particularly for options for 'actionable ISP projects'.

Feedback and issues from a community engagement perspective

The presentation of information in this section was noticeably dense and detailed. The information is highly valuable and would benefit from a graphic redesign, losing the use of coded jargon, and being presented in plain language.

A further challenge on these options is the relationship between the AEMO ISP and each state's transmission plan and approach to REZ regions. REZ communities and stakeholders want to be able to rely on an authoritative (and interactive) map that is continually updated.

- **Recommendation: Increase AEMO external engagement efforts around ISP information to raise REZ region awareness and understanding**

- **Recommendation: Revise augmentation options and flow path information in plain language with improved graphic design in final ISP**
- **Recommendation: Align ISP information with state transmission plans for consistency - this could include alignment with state emissions reduction targets and targets for renewable energy generation (incl offshore wind)**
- **Recommendation: Deliver an authoritative and interactive map as part of the output of the 2024 ISP.**

Social licence considerations for the flow paths/REZs/group constraints and offshore REZ areas.

Issues that are arising around community engagement and social licence are consistent regardless. It is applicable to both onshore and offshore and includes:

- Clear communication around the flow path options that are compatible with each other, versus those that are not.
- Clear justification around the public good for these projects, including modelling their impact on emissions reduction and alignment with addressing climate change, impact on renewable energy investment opportunities with higher capacity options.
- Including factors (and layers) around land-use sensitivity in route option presentations that look at whether a new line potentially traverses a state or national park; social considerations; areas of cultural significance or cultural sensitivity; areas of high agricultural land value (irrigated crops); property density (# properties potentially impacted by a new line); and (for offshore) Recreational, cultural/ancestral, aquaculture and other water-way access
- A general preference for options that support state and federal plans to meet renewable energy and offshore wind targets
- A general preference to avoid flow path options that would enable further development near world heritage areas.

We believe there is strong merit in addressing the majority of the above items for any progressed 'actionable ISP project'.

- **Recommendation: AEMO include social licence considerations in flow paths and options which more effectively meet community expectations for clear communication on compatibility, clear justification on public good, emissions reduction and renewable energy capacity/investment grounds, and provide information on world heritage sites, national and state parks, social, cultural, and agricultural land / water-way uses, and property density.**

Summary of RE-Alliance recommendations

- AEMO progress development of specific, identified, cost components that are critical to developing social licence on social, environmental, cultural heritage and land-sector considerations
- Further refine what you mean by social licence, informed by experts and guided by the AEMO Advisory Council on Social Licence. This could include engaging social scientists to inform and advise the ACSL
- Include cultural, social, land-sector and environmental layers in options and routes presented in the ISP
- Increase AEMO external engagement efforts around ISP information to raise REZ region awareness and understanding
- Revise augmentation options and flow path information in plain language with improved graphic design in final ISP
- Align ISP information with state transmission plans for consistency - this could include alignment with state emissions reduction targets and targets for renewable energy generation (incl offshore wind)
- Deliver an authoritative and interactive map as part of the output of the 2024 ISP
- AEMO include social licence considerations in flow paths and options which more effectively meet community expectations for clear communication on compatibility, clear justification on public good, emissions reduction and renewable energy capacity/investment grounds, and provide information on world heritage sites, national and state parks, social, cultural, and agricultural land / water-way uses, and property density.