

OVERVIEW

On 29 August 2023 the Australian Energy Market Commission (AEMC) hosted a virtual public forum on our draft determination for the [Enhancing community engagement in transmission building rule change](#).

The AEMC co-hosted the forum with the Australian Energy Infrastructure Commissioner, Andrew Dyer.

During the forum, stakeholders had the opportunity to ask questions about the rule change. A summary of the discussion relating to the rule change is outlined below, including additional information on the proposed draft rule. We have consolidated questions addressed to the AEMC and Andrew Dyer which reflect similar subject matter.

We encourage stakeholders to provide their feedback on the rule change through the [submission process](#). Those who have further questions can reach out to the project team by contacting Viashin Govender: Viashin.govender@aemc.gov.au.

SUMMARY: QUESTIONS AND ANSWERS

Stakeholders emphasised the importance of providing communities with accurate information. This included 'the bigger picture around transmission development' and impacts on property value and farming along with discussions around land compensation.

The AEMC considers that the proposed draft rule would require transmission businesses to provide communities with accurate information, early in the transmission planning process, and explain the broader rationale for the project.

This is outlined under the proposed community engagement expectations point (a) "transmission businesses must make reasonable endeavours to ensure that stakeholders receive information that is clear, accurate, relevant, timely, and explains the rationale for the relevant project."

The AEMC notes that work on land compensation is under the remit of state jurisdictions.

Stakeholders suggested that there should be ample opportunity for local input.

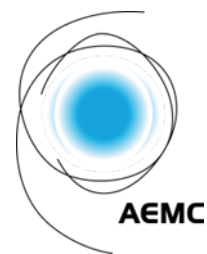
Andrew Dyer considered that it is important to meet with communities on the ground to facilitate local input.

The draft rule includes proposed community engagement expectation point (g) "transmission businesses must make reasonable endeavours to ensure that stakeholders are provided the opportunity to be regularly involved throughout the project."

This means that transmission businesses would be expected to provide stakeholders with multiple opportunities to provide input.

Enhancing community engagement in transmission building

29 August 2023



Stakeholders questioned whether further clarity is needed on who would be considered affected by transmission projects.

Under the draft rule, transmission businesses would need to decide who is reasonably expected to be affected by transmission projects. This change from the proposed rule provides additional clarity and encourages transmission businesses to seek out and engage with affected stakeholders.

The AEMC welcomes stakeholder feedback on whether further prescription is necessary.

Stakeholders suggested consideration of anticipated stakeholder fatigue regarding engagement on multiple infrastructure projects.

The intent of the rule change is to be flexible to enable transmission businesses to tailor engagement approaches based on the unique needs of stakeholders and the kinds of projects being delivered.

Andrew Dyer noted that considerations should not be limited to energy projects as communities may be required to engage with projects from different sectors.

The AEMC welcomes stakeholder views on whether the proposed rule enables flexibility for engagement processes.

Stakeholders raised questions about the evaluation of the community engagement undertaken, regulation and the enforcement of the proposed rule, as well as other avenues for communities to raise their complaints.

Transmission businesses would be obligated to comply with our draft rule. The Australian Energy Regulator (AER) must be satisfied that transmission businesses have appropriately followed the regulatory investment test consultation requirements, in line with the draft rule. If they have not, then the AER may not permit transmission businesses to seek cost recovery for projects.

Depending on the nature of the issue, stakeholders may [lodge a complaint](#) with the Australian Energy Infrastructure Commissioner (AEIC) or complaints may be recorded on AER's [complaints register](#). Transmission businesses must address complaints in this register. Where appropriate, a dispute may be raised with the AER for significant issues related to process if the parameters for dispute resolution are met.

Stakeholders queried whether consideration has been given to who should be engaging with stakeholders on the ground, including those with seniority and decision making powers.

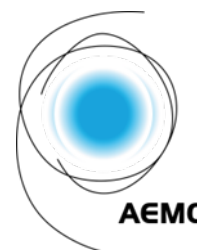
The draft rule places responsibility on transmission businesses and in Victoria, the Australian Energy Market Operator (AEMO) in its transmission planning role, to engage with communities. The draft rule does not specify who from these businesses should be directly meeting with communities.

Stakeholders asked whether the rule provides guidance on the level of influence that stakeholders can exert.

The community engagement expectations are intended to provide broad guidance and are therefore not prescriptive on the level of influence that communities may exert.

The engagement expectations outlined in the draft rule are intended to ensure that communities influence decision making. These include expectations that:

(c) "the stakeholders' role in the engagement process is clearly explained, including how their input will be taken into account", and



(f) "stakeholders are informed about how stakeholder feedback has been taken into account in decision-making."

Stakeholders raised considerations around the integration between community engagement and developing community benefit investment programs.

Andrew Dyer noted that community benefits do not necessarily need to be monetary in nature.

The draft rule includes community engagement expectation (e) "stakeholder feedback, including potential ways to deliver community benefits, are considered". This encourages the consideration of community benefits.

Stakeholders asked for greater clarity around how early in the transmission planning process engagement should commence.

The proposed rule requires transmission businesses to engage with affected stakeholders:

- on future and actionable ISP projects whilst helping AEMO develop the integrated system plan, and
- on actionable ISP projects during the regulatory investment test for transmission,
- on renewable energy zone (REZ) projects when developing the REZ design report

The AEMC considers that engagement should commence early in these planning processes but notes that it may be appropriate to commence engagement with various affected stakeholders at different points in the planning process.

Stakeholders raised other questions related to:

- practical process of engaging with remote communities
- allocation of federal funding to build staff capacity to engage with communities and,
- evaluation of future industries in communities.

AEMC staff acknowledged questions as broader than the focus of the rule change and where relevant, highlighted specific remits or responsibilities of federal government and/or state jurisdictions.