

Locked Bag 14051  
Melbourne City Mail Centre  
Victoria 8001 Australia  
T: 1300 360 795  
[www.ausnetservices.com.au](http://www.ausnetservices.com.au)

28 September 2023  
Ms Anna Collyer  
Chair  
Australian Energy Market Commission (AEMC)

Via electronic lodgement

Dear Ms Collyer

## **Enhancing Community Engagement in Transmission Building Draft Determination (ERC0357)**

AusNet welcomes the opportunity to make this submission in response to the AEMC's Enhancing Community Engagement in Transmission Building Draft Determination (the Draft Determination), following the rule change request lodged by the Honourable Chris Bowen MP, Commonwealth Minister for Climate Change and Energy.

AusNet is the largest diversified energy network business in Victoria and owns and operates over \$12 billion of regulated and contracted assets. It owns and operates three core regulated networks: electricity distribution, gas distribution and the state-wide electricity transmission network, as well as a significant portfolio of contracted energy infrastructure.

As a proponent of greenfield transmission projects, we are acutely aware of the impact energy infrastructure has on individuals and communities who value their land and way of life. Proactive and respectful stakeholder engagement is fundamental to ensure transmission network service providers (TNSPs) are equipped with local knowledge and insights to minimise these impacts and build trust to deliver the thousands of kilometres of new transmission infrastructure required to power our businesses and homes into the future.

In our submissions to the transmission planning and investment review, we highlighted that consumer and community groups are seeking genuine engagement and details across all stages of transmission development, and that the current transmission planning process often left them unaware of transmission projects until after they were significantly progressed and many key decisions were made. This issue is particularly relevant in jurisdictions where responsibility for community and landholder engagement is handed over from the transmission planner to the proponent that builds, owns and operates the infrastructure.

In this context, AusNet is firmly committed to meeting the community engagement expectations as outlined within the AEMC's Draft Rule. Where possible, we are actively exploring opportunities to exceed these expectations by applying on the ground learnings from early projects. For example, involving communities hosting transmission infrastructure in the co-design and governance of benefit sharing initiatives. We are also participating in a range of other industry reviews seeking to build and maintain community acceptance, and respond to stakeholder needs, views and preferences in a meaningful and consistent way. For example, the Energy Charter's Better Practice Social Licence Guideline and Evaluating Transmission Undergrounding Initiative, and VicGrid's Gippsland Community Benefit Sharing Working Group.

The remainder of this submission shares AusNet's perspective on key elements of the draft rule we support and why. This includes the principles-based approach to setting community engagement rules and avoiding an extension of the draft rules to RIT-T projects that are not ISP projects. We also look beyond the rule change and share our thoughts on the broad range of issues that the energy sector, in collaboration with governments, customers and communities, needs to get right to build and maintain community acceptance.

## ***A principles-based rule is the right approach to build and maintain trust between TNSPs and local communities***

The draft rule seeks to provide clarity around the key community stakeholders that TNSPs must engage with during the transmission planning process, while providing TNSPs discretion to engage with other stakeholders reasonably expected to be affected. It also requires TNSPs to use reasonable endeavours to meet a defined set of community engagement expectations. Collectively, these changes are designed to provide a consistent minimum set of best practice across ISP projects.

AusNet acknowledges the challenges and stresses for communities along or near proposed transmission routes is significant, and that many stakeholders would prefer TNSPs to be bound by a prescriptive set of engagement requirements to help manage this uncertainty. However, we consider a principles-based approach to community engagement has several advantages compared to greater prescription and is the right approach to build and maintain trust between TNSPs and local communities. This is because a principles-based rule:

- **Provides flexibility for TNSPs to tailor their engagement activities to the needs, preferences and views of different stakeholders affected by an individual project.** Transmission infrastructure is linear in nature. Proposed routes can be hundreds of kilometres in length, running past dozens of communities and hundreds of unique interest groups and organisations. Each of these stakeholders have different views on the benefits, costs and risks of hosting energy infrastructure and may expect different levels of engagement in key project decisions. A principles-based rule enables TNSPs to apply a 'place-based approach' to meet stakeholders' individual expectations and needs. By contrast, a prescriptive rule is inflexible to different stakeholder needs.
- **Enables engagement to be driven by best practice improvements over time as lessons are learnt from early ISP projects.** AusNet strongly supports the intent of the rule to provide a minimum best set of best practice principles. This recognises that improved community acceptance outcomes are most likely to be driven by lessons learnt from early transmission projects rather than legislative requirements. For example, real world experience has identified the multi-corridor approach used for route selection on early projects is likely to create unnecessary anxiety for hosting communities as it widens the group of potentially affected stakeholders. As a result, many new projects are making a greater upfront investment in preparatory works to propose a socially and environmentally responsible preferred corridor (and ideally route) before engaging communities and landholders.
- **Better reflects the complexity of building and maintaining community acceptance over the full planning and delivery lifecycle.** The ISP and RIT-T is the first opportunity for stakeholders' feedback to be factored into decision making. There are many more opportunities and decisions to be made in subsequent project phases that further reduce uncertainty for communities, such as the more comprehensive planning and environmental approvals phase. As a result, the types of questions stakeholders seek answers to may not have been fully explored at ISP or RIT-T stage. In addition, community acceptance for ISP projects may be lost at any stage along a transmission project's long multi-year planning, delivery and operational lifecycle. It may also be lost due to a small group of vocal opponents or in specific sections along the route. Due to these complexities, a prescriptive approach that seeks to measure how and when community engagement is undertaken is unlikely to promote a mature conversation about actions TNSPs can undertake to build and maintain community acceptance.

## ***Extending the draft rule to apply to all RIT-T projects would be a disproportionate response***

The AEMC's draft determination confirms the draft rule would apply to major transmission network projects such as actionable and future ISP projects but not extend to other RIT-T projects such as smaller augmentation or replacement projects. AusNet strongly supports this position. Extending the draft rule to all RIT-T projects would be a disproportionate response for the following reasons:

- **To date, there is very limited evidence that suggests community acceptance challenges extend to all RIT-T projects.** Many smaller RIT-T projects involve the replacement of existing network infrastructure along or within the same easement or site, and within a similar design profile. For example, a 220kV overhead line replaced along an existing easement, or substation asset replaced within boundaries of an existing site.

AusNet's experience is that these smaller RIT-T projects have a small impact on communities as they do not enlarge facilities and work within sites/easements that are already zoned for electricity supply purposes (as opposed to major ISP project RIT-Ts where new land and easements may be acquired).

This is reaffirmed by the limited interest from communities in our asset replacement RIT-T processes. AusNet only receives submissions to 10 per cent of all our asset replacement RIT-Ts. When we do receive submissions to these RIT-Ts, any feedback is addressed directly as part of the standard consultation process (e.g. PADR, PACR).

- **Applying the rule to all RIT-Ts would increase costs and provide no additional benefit to customers or communities.** Applying the draft rule to asset replacement RIT-Ts would require TNSPs to engage more frequently with a broader range of stakeholders than is current practice, materially increasing the resourcing cost associated with these RIT-T projects. As highlighted earlier, local communities generally have very low interest in these business-as-usual RIT-T projects. In many cases we would expect local communities to question the need for their engagement. Given this, the additional costs incurred to facilitate this engagement is unlikely to be justifiable.

## ***There are a broad range of community acceptance issues for further consideration outside the scope of this rule***

The Draft Determination rightly identifies community engagement as only one part of the broad range of transmission-related community acceptance issues the energy sector is working to resolve. AusNet has identified several focus areas worthy of further consideration. We see value in sharing these with the AEMC and other policy makers for further consideration outside of this rule. They are:

- Improving public awareness about why major transmission infrastructure is required, and the risks should this critical infrastructure be delayed.
- Increasing the availability of accessible, independent and evidence-driven information on topics most pertinent to communities, and where possible promoting consistency in their treatment across major transmission projects. For example undergrounding, electromagnetic fields, and farming around undergrounded or overhead lines.
- Promoting early and ongoing engagement with host communities and landowners, recognising these stakeholders have genuine questions about how transmission infrastructure may or may not affect them, and how their feedback inputs into key project decisions across the full planning and delivery lifecycle. *We note the draft rule sets minimum expectations with respect to the transmission planning process phase of this particular community acceptance issue.*
- Identifying the right process to plan, develop and finalise the preferred project corridor and route, including the right stages to leverage relevant technical inputs and incorporate community feedback. This may include opportunities to minimise impacts from competing land uses through 'micrositing.'
- Developing a fair and reasonable approach to benefit sharing, social value and compensation, which considers the priorities of landowners, neighbouring landowners, traditional owners, local community and electricity users.

We note some of these focus areas are under consideration in other industry reviews, and others yet to receive fulsome attention. Resolving issues within these focus areas will require significant leadership by industry in collaboration with governments, customers and communities. AusNet stands ready to contribute towards the development of practical solutions, drawing on our project insights and relationships.

If you have any questions regarding AusNet's submission, please contact Jason Jina, Energy Policy Lead by email at [jason.jina@ausnetservices.com.au](mailto:jason.jina@ausnetservices.com.au).

Sincerely,



Liz Ryan  
Executive General Manager – Strategy, Regulation and Corporate Affairs

**AusNet**