

High-quality and regular stakeholder engagement is essential for achieving better outcomes and ensuring a timely transition to a cleaner energy future



ACER
European Union Agency for the Cooperation
of Energy Regulators

Renewables
Grid Initiative

CLEAN ENERGY CONTEXT

The transition to cleaner forms of energy is a prerequisite for climate neutrality. By 2050, most of the energy consumed in the EU shall come from renewable sources. With its 'Fit for 55/REPowerEU' package, the EU plans to boost the share of renewable energy by 2030. Such a target will only be delivered with an unprecedented addition of new electricity infrastructure capacity across the EU. Over the past decade, the Union has developed a dedicated infrastructure policy that lays down the rules for the timely implementation of large-scale infrastructure projects that connect Member States' networks. Large infrastructure projects such as electricity grids are key to decarbonising the energy sector.

But building or upgrading such infrastructure may impact communities and the natural environment, both during and after construction. The trans-European energy networks (TEN-E) Regulation established minimum rules for transparency and consultations in the designing and constructing of grid projects. However, experience has shown that there is a need to complement the legal provisions with high-quality regular stakeholder engagement to soften the impact on communities and nature and redistribute benefits to communities and the enhancement of nature protection.

The scale and speed of energy infrastructure needed to reach Europe's ambitious clean energy targets requires meaningful stakeholder engagement to be reinforced.

DEFINING MEANINGFUL STAKEHOLDER ENGAGEMENT

Grid operators collaborating with various stakeholders, including industry, government, civic society, landowners, the public, and local communities, enables us to collectively tackle the challenges of the upcoming decade. High-quality regular stakeholder engagement should encompass all necessary activities to ensure that:



Society understands the **important role of grids** as enablers of the energy transition.



All network development stages welcome the relevant expertise from different sectors to ensure that resulting development plans present **sound and economical pathways to decarbonisation**.



Decisions regarding spatial planning and routing consider knowledge and values of the local community, balancing the **interests of local communities, the necessity to protect and enhance biodiversity, and the broader societal interest**.



Impacts on nature and local communities during construction are **minimised**, preventing negative experiences that may set the scene for future projects.



In a **continuous exchange between relevant actors**, these collaboratively assess the effectiveness of the measures aimed at benefitting communities and protecting nature, determining which ones should be further rolled out.

DEFINING MEANINGFUL STAKEHOLDER ENGAGEMENT (cont.)

This type of stakeholder engagement requires:

- » Efforts from grid developers,
- » Strong support from governments, political actors, and regulatory and permitting authorities,
- » Enabling **the public to play a constructive role as stakeholders**,
- » Empowering activists and civil society organisations, recognising their multiple roles as climate and nature protection experts and opinion leaders, as well as their ability to bridge the gap between European and national policy and on-the-ground implementation.

Stakeholder engagement can take many forms, such as consultations, customer surveys, and citizen roadshows/townhall meetings. A continuous evolution of stakeholder engagement activities helps meet stakeholders' needs to influence the decision-making process.

High-quality regular stakeholder engagement avoids excessive questioning of the need for new grids, unnecessary repetitions of permitting process steps due to failure in incorporating important information in a timely manner, or having to defend decisions in time-consuming court cases.



THE CHALLENGE AT HAND

Quantifying and monetising the successful avoidance of conflicts and delays can be challenging. Often the current frameworks lend themselves more to stakeholder engagement activities that can be attributed to specific grid expansion projects whereas proper public engagement requires continued dialogue, including pre-project engagement and adaptations to projects.



Regulators mainly operate within frameworks that require them to approve the lowest-cost solutions. As a result, local changes to the project (e.g., cabling, re-routing) can be difficult to approve. The **asymmetry of the outcomes of new infrastructure on the local population** (who are often impacted without necessarily seeing the benefits) **remains not sufficiently addressed**, leading to fierce opposition.

Recently, the implementation of solid stakeholder engagement processes has come under pressure due to the multiple policy initiatives that aim at speeding up infrastructure development. This urgency has been further emphasised following Russia's war on Ukraine. While speed is important, we need to be aware that **ignoring the interests of nature and society for the sake of pace can easily backfire**, putting both delicate ecosystems and increasingly fragile societies and democracies at risk. Some project promoters together with regulators and other authorities are aware of this risk and are committed to work towards defending high standards of stakeholder engagement. However, others will take the opportunity to scale down and through efforts, exacerbating the problem.

DISCUSSION POINTS

To achieve the needed scale and speed of energy infrastructure deployment, the **European Commission**, **EU Agency for the Cooperation of Energy Regulators (ACER)** and the **Renewables Grid Initiative (RGI)** see the need to significantly enhance stakeholder engagement. This does not mean that stakeholder engagement processes should delay the planning processes, but rather the opposite.

Stakeholder engagement should be a core part of the relevant phases pertained to determining and implementing infrastructure. Furthermore, ideas from stakeholder engagement processes on how to deliver local-level benefits should be duly considered and not dismissed for the lack of regulatory cost recognition. It is important to allocate time for providing feedback on how such input shaped the adopted approach.

In this context it is important to discuss the following topics:

- ➔ How could governments and regulators actively support system operators in their communication and engagement activities towards stakeholders?
- ➔ What regulatory changes are required to facilitate and enable regular stakeholder engagement which is independent of specific line extensions, and what specific role do regulators play in achieving this?
- ➔ How to avoid unnecessary delays due to shortage of staff in both authorities and industry?
- ➔ How to allow for co-development of tangible local benefits for affected municipalities, and how can we establish a compensatory national/regional budget to design long-term benefits among affected municipalities?
- ➔ How to tackle a necessary change in organisational cultures and in the mindset of relevant individuals to ensure that industry, regulators, and authorities conduct stakeholder engagement processes aligned with the actual needs?

The European Commission, ACER and RGI invite you to a fruitful discussion on these topics at the:



9th Energy Infrastructure Forum

Interactive session | 12 June 2023, 15:00

"The value of working together for successful stakeholder engagement in the planning and implementation of energy infrastructure projects"

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Questions? Contact us at ener-c4-projects@ec.europa.eu

