

Engaging with stakeholders: Adding value to the energy system

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1. Introduction

The stakeholder dialogue and engagement throughout the country is a priority for REN - Rede Eléctrica Nacional, SA, the Portuguese Transmission System Operator, particularly when it comes to local communities directly affected by its activities.

REN's mission is to guarantee the uninterrupted supply of electricity and natural gas at the lowest cost, meeting quality and safety criteria, maintaining the balance between supply and demand in real time, defending the legitimate interests of market agents and reconciling its missions as a system operator and network operator.

REN focuses its attention in different stakeholders, especially those with an impact on its activities and over which it may have influence. Several communication channels enable the company to assess the satisfaction level of its stakeholders and thereby improve its performance.

From the existing environmental assessment mechanisms, used in the different decision-making phases, stands out the need to use for the first time a strategic environmental assessment (SEA) for the 2009-2014 (2019) [1] electricity transmission grid development and investment plan (PDIRT¹), which REN prepares every two years.

This paper will explain the associated SEA process carried out and the approach and methodology followed to assure the effectiveness of the stakeholders' engagement process.

2. The importance of stakeholders engagement

Since 2006, REN took the first step towards systematizing stakeholder's engagement by identifying, characterizing and assessing stakeholders based on the six criteria in the AA1000 Stakeholders Engagement Standard [2]. The work was based on the stakeholder's impact on REN's decision-making versus REN's impact on the stakeholder's activity or performance.

In 2009, REN conducted a thorough revision of the work previously carried out. The starting point was the validation of the stakeholder group's importance to REN considering the organizational and business changes that had occurred since 2006. This reassessment resulted in mapping the most important stakeholder group by means of consultations with their representatives in order to identify each group's most important issues. [4]

In 2011, REN carried out a revalidation of the stakeholder mapping taking into consideration the international standard AA1000APS [3], and held a new round of auscultation to map and ascertain the relevant issues and expectations.

The data and analysis from this process was the basis to choose the main stakeholders to consult during the SEA process.

One of the aspects taken as a challenge is the selection of the right stakeholder engagement methodology, appropriate to the scope of each Critical Factors for Decision (CFD).

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¹ PDIRT - Plano de Desenvolvimento e Investimento da Rede de Transporte (*Development and Investment Plan for the Transmission Grid*)

In REN's experience the essential requirements for a stakeholder to understand the problems and engage during the SEA process are:

- To conduct *specific* analyses including the effects of direct activities in order to establish different levels of development and environmental quality;
- To make information accessible for interpretation by different stakeholders from different sectors and disciplines.

The SEA stakeholder involvement is, in several processes throughout the world, still facing difficulties in integrating and concerting the different perspectives of stakeholders. The reason lies sometimes in requirements of confidentiality, in the complexity of promoting the involvement of all stakeholders when the assessment plan has a large territorial scope (e.g. national), in tactics of some groups not aiming to alternative ways but simply blocking any action, or inversely, not participating at all in order to be free to oppose in a later phase in whatever direction is most convenient. These difficulties limit the involvement in the SEA process of some stakeholders considered representative (e.g. pressure groups, representatives of national, regional or local administration and groups directly linked to the planning instrument).

The involvement in the decision-making process, particularly of local authorities, contributes to the improvement of the perception and acceptance of the actions planned. Although positive results are not guaranteed, REN's experience proves that the stakeholders engagement, besides being a public imperative within the scope of its activity as a TSO², is equally a rational investment.

2.1. Public participation

Public participation and stakeholder involvement are inherent components of an ideal SEA process, and had become key issues to sustainable development strategies at national, regional and local levels.

Transparency is essential and efforts (and resources) are needed to ensure that all stakeholders have equal access to the process, to avoid unfair advantage that might otherwise occur.

Engaging stakeholders, in an SEA process, is important in order to adequately integrate their knowledge and concerns in assessing the impact significance and acceptability of proposed actions and mitigation measures.

Since SEA Directive does not include explicit statements concerning the concrete procedure to be adopted during consultations, REN took the opportunity to design the participation process beyond mere information of the public and achieve the requirements of the SEA Directive by bringing as much expressions and opinions into the strategic analysis as possible [5].

REN selected as main stages of the planning and environmental assessment process, in which consultations and public participation are legally required and applied in practice, a consultation on the scoping phase, focused in the environmental authorities and specialized agencies or NGOs, a consultation during the discussion of the SEA *draft* report, extended to the general public, and a consultation of the general public during the yearly follow-up report required by law.

To disseminate the information and reach the target groups, and to elicit meaningful and usable contributions, REN assures that the documents circulated are user-friendly, entailing clarity of language and with a pleasant visual layout.

² TSO - Transmission System Operator

3. SEA of the PDIRT

3.1. The public participation process

The selection of the critical factors for decision (CFD) - energy, wildlife and spatial planning - was checked and confirmed during the public consultation [1] [6].

REN adopted the SEA methodology because it suited best to the nature of the analysis at this stage as well as to the nationwide scale of that analysis. The very first step was aware all actors in the process about its specificities and targets, in particular by distinguishing them from those of EIA methodologies, as the systematic tendency of everyone was to address the analysis in that more familiar model.

The 2009-2014 (2019) PDIRT was the first one to be submitted to a SEA procedure in Portugal. The Strategic Environmental Assessment (SEA) procedure was carried out according to a SEA methodology based on a strategic analysis approach. The SEA of this PDIRT started in 2007 and was completed in 2008. [1]

In October 2010, REN began the SEA of the 2012-2017 (2022) PDIRT, and soon carried out the institutional consultation of the scope and evaluation criteria presented in the CFD report. [6]

In December 2010, REN published the environmental monitoring and assessment report of the 2009-2014 (2019) PDIRT for 2009. This follow-up report is one of the aspects with greater relevance, making available basic data for assess the effectiveness of SEA and PDIRT's good environmental performance and sustainability. This evaluation in the follow-up phase benefits from the governance framework set up during PDIRT's SEA, in particular through the timely cooperation of the competent authorities for the plan implementation, by combining efforts and partnering towards effective monitoring and post assessment. Also, in this governance framework, REN conducted meetings with several entities, to jointly undertake the identification of the main actions carried out in the area of competence of each one during the implementation of the plan. REN also requested by letter to 284 Municipalities and 6 non-governmental environmental organizations the issuance of an opinion under this procedure. [7]

During 2011 REN produced the report relative to the year 2010. Due to the concurrency of this follow-up process with the development of the 2012-2017 PDIRT (2022), and respective SEA, it was decided, with the aim to optimize and avoid confusion in the listening process of stakeholder, not to make a request for contributions concerning the governance framework during the public consultation process developed for the new PDIRT. This option was further strengthened by the fact that this governance framework had not undergone any change for the 2012-2017 SEA PDIRT (2022). Face-to-face meetings with stakeholders responsible for the management of territory were conducted because most changes occurred in this CFD. [8]

All evaluation reports were submitted to public consultation for a comfortable period of time. Contact with the various stakeholders was carried out mainly through written communications, and availability for telephone calls for any information or clarification needed for an informed participation, attended by personnel with specific expertise.

During the consultation period several advertisements, presentation sessions, press conferences and workshops with all environmental authorities and NGO's were promoted by REN.

REN made also available in its internet site (www.ren.pt) all the reports of this process.

3.2. Methodology of analysis

The methodology for the treatment of the results of the consultations included the reception and registration, which contain the identification of typologies of actors in the consultations and the preparation of a table with the list of the results, including the opinions of the entities and the public and the proposed amendments to the environmental report and the recommendations made.

The analyses of the contributions were grouped under 8 themes.

4. Results achieved

Most of the comments received, mainly from Local and Central Government bodies, are focused on spatial planning theme, indicating somehow the predominance of the concerns. The electrical (technical) theme came mostly from promoters in the area of renewable energies. Note that a high number of comments refer to issues that are should be assess in the subsequent EIA phase of projects.

REN decided, as a methodological principle to be adopted during the public consultation that an individualized answer, to each and every contribution received, should be issued in writing. The public consultation report of the plan, the SEA report, and its annexes have documented in detail the opinions (including those of entities with responsibilities in the area of environment and the electrical sector), its analysis and individual answers.

Under the CFD spatial planning, and particularly in contributions from some local authorities, the concerns regarded to the *presence* of infrastructure of the RNT. These concerns reflect social issues, health issues, property issues, and were individually explained and justified.

Several agents from the energy market presented opinions concerning the new transmission capacity planned for the RNT taking into account the needs of new planned production.

Finally a significant part of the comments referred to the EIA of projects, which reveals some unfamiliarity with the SEA methodology.

5. Conclusions

The diffusion of information regarding PDIRT and SEA, both during public consultations and follow-up phase have contributed to a better understanding by entities, authorities and general public, most notably confirmed by the remarkable fact that the guidelines of the environmental report and the methods for the evaluation of the subsequent project development phase, are mentioned by some stakeholders as a reference (assumed as a compromise).

Public participation has improved the perception of the strategic importance of the projects included in the transmission grid development plan, but made also known the main environmental impacts of the needed infrastructure for electricity transmission to a wider audience. The improvement of the public awareness for the environmental impact of power transmission, in addition to being a social obligation of enterprises, contributes to the medium and long-term existence of stakeholders more informed and aware. The public participation created a platform that strengthened the dialogue between REN and its stakeholders.

SEA influenced the principles and concept of grid planning, assisting with environmental and sustainability priority settings, but also helping to set up dialogues at various levels: technical dialogues between the SEA and planning teams, between private and public authorities concerning energy transmission requirements and capacities, between REN and the land use planning and/or environmental authorities, as well as with NGO's and the general public.

At the subsequent project implementation phase, including the environmental studies, it is very important to keep all these communication channels between REN, directly and through consultants, and the entities with environmental responsibilities and local authorities. During the project development, and throughout construction, REN keeps communication channels opened and develops contacts with local councils to articulate robust solutions for impact mitigation, retaining the strategic dimension of some of those solutions for future SEA procedures.

As a result of this process, a more balanced, sustainable set of decisions on the development of the electric transmission grid in the PDIRT was achieved, taking into account not only possible goals (e.g. more reception capacity for renewable energy) but also the macro impacts from the expansion of the grid.

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