



Australian Government
Australian Renewable
Energy Agency

ARENA

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Renewing AEMO's Engagement Model
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ARENA submission to AEMO's consultation on renewing its engagement model

ARENA commends AEMO on its effort to renew its stakeholder engagement model. This submission shares insights from ARENA's experience facilitating collaboration in the energy industry over the past 8 years, for your consideration.

The current pace and complexity of change means both that more information is needed when making decisions, and that it must be acquired at a progressively faster pace. Collaborative studies and proof-of-concept trials, such as those noted below, can accelerate the transition to new technologies and practices and build awareness and capacity for change among stakeholders. Deeper engagement with stakeholders allows organisations to access richer information to inform changes that create value for the market. ARENA is working with the market institutions to help mainstream this important component of the energy transition.

A recent evaluation of ARENA found that our activities in knowledge sharing, building networks and collaborating have helped to build skills and encourage dialogue across the energy sector, which helps to meet the emerging challenges of the energy sector.¹ ARENA is keen to continue the strong collaborative work we have been doing with AEMO through initiatives like the DEIP *Electric Vehicles*, *Operating Envelope* and *Interoperability* working groups, and build on successful joint projects such as the *Reliability and Emergency Reserve Trader (RERT) trial* and *Short-term Forecasting* funding rounds.

Who should AEMO be engaging with?

AEMO's consultation paper sets out three models of working group structures based around the thematic 'verticals' of Operations, Planning Markets and Western Australia. A central theme of the paper is what levels of management in stakeholder organisations AEMO should be engaging with (i.e the 'who'). A further theme is how AEMO can better engage with stakeholders and strengthen collaboration on strategic issues (i.e the 'what' and 'how').

¹ <https://arena.gov.au/assets/2019/11/evaluation-of-arenas-impact-and-effectiveness.pdf>

An orderly energy transition will be enabled by a wide variety of stakeholders, with different views and perspectives, working effectively towards common goals. Where this is not achieved, decisions may be based on incomplete information or lack the social licence required to continue implementation.

A challenge for each institution involved in the transition is to identify its own strengths and weaknesses, biases and blind spots and engage with others to ensure that issues are understood from all angles and, to the extent possible, everyone is brought along for the ride. For AEMO, this could mean including a range of non-traditional stakeholders such as consumer/prosumer representatives, distribution network businesses and new energy service providers. ARENA sees an opportunity to strengthen engagement outcomes by engaging these groups earlier and in a more 'open ended' way, to build trust, a shared understanding of challenges AEMO faces and to support consensus around reform options.

Tailoring engagement approaches based on purpose

ARENA supports AEMO's consideration of how it can strengthen knowledge sharing and collaborative design in the sector. We believe that there is no 'one size fits all' stakeholder engagement model, and that engagement approaches should be tailored to the purpose of the work.

The public participation spectrum is a useful framework which provides flexible and fit-for-purpose approaches to stakeholder engagement, varying around the level of control stakeholders have in developing the end product or solution (see Attachment A). When designing and implementing a stakeholder engagement approach it is important to consider where the approach will fall in this spectrum and to be mindful of the stakeholder engagement 'promise' that is implicit in the chosen approach.

DEIP Access and Pricing experience

The Distributed Energy Integration Program (DEIP) is a collaboration of government agencies, market authorities, industry and consumer associations aimed at maximising the value of customers' distributed energy resources (DER) for all energy users.² DEIP has the following guiding principles:

- Collective leadership – DEIP will develop and project a shared vision for change.
- Collaborative approaches – DEIP will promote genuine and open collaboration targeted at information sharing across industry and with energy customers.
- Outcomes focused – DEIP will move quickly, and deliver real outcomes that create value for customers and industry.
- Agile and fit-for-purpose – DEIP will build on existing work, approach challenges flexibly, and select the best suited techniques for each task.

DEIP has provided an important avenue for knowledge sharing across the industry as well as building consensus around the need for reform in areas such as DER access and pricing. As an active participant in DEIP, AEMO is well placed to promote collective ownership of the challenges it faces while facilitating collective ownership of the resulting solutions.

² More information: <https://arena.gov.au/knowledge-innovation/distributed-energy-integration-program/>

Knowledge sharing activities

Knowledge sharing is an important statutory function for ARENA. There is considerable demand from industry for project knowledge and to make connections across organisations and industry groups. ARENA's knowledge sharing activities are tailored to the purpose of the initiative and span the public participation spectrum as described in [Attachment A](#).

For example, [ARENA's Insights Forums](#) are information-sharing events designed to inform audiences of new knowledge arising from ARENA-funded projects. Two-way information sharing is encouraged through Q&A platforms and dedicated networking time, though control of the Forum design and delivery ultimately rests with ARENA. In contrast, initiatives like the [DER State of Technical Integration](#) are designed to involve a broad range of industry stakeholders throughout the process. With a technical reference group testing alpha versions of project outputs and a broader stakeholder group providing input on beta versions, this approach is tailored to involve stakeholders through surveys, webinars, interviews and meetings and ensure views are reflected in the final product.

A-Lab

A-Lab is ARENA's innovation lab which aims to create cross-sector partnerships and projects and bring people together to bring to progress a clean energy future. A-Lab seeks to achieve this through hosting events to drive idea generation, develop project ideas and support co-design of large multi-stakeholder funding programs.

Major outcomes from A-lab to date include:

- Development of the Short Term Forecasting Funding Round with AEMO,
- The Hydrogen A-Lab, which informed the design of the Hydrogen Deployment Funding Round, and
- A-Lab Incubate, which brings together teams to work up demonstration projects for ARENA funding.

Stakeholder surveys indicate that ARENA's innovation labs and industry events bring 'the right stakeholders' together 'in the right place'. This is highly valued by stakeholders and seen to be critical to the collective advancement of the industry as a whole.

Lessons we have learned

Through these and other activities, ARENA has learned that:

- There is significant demand by stakeholders for information that can uplift their working knowledge of the technical and regulatory aspects of the energy system and there is goodwill to participate in engagement forums that provide a vehicle for change. This goodwill needs to be matched by a genuine interest in understanding and responding to stakeholder perspectives.
- Developing consensus around potential reforms requires a considerable prior investment in building a shared understanding around the nature of the problem that the industry is

seeking to address. It is often helpful to engage early and at the stage of defining the problem, rather than commencing consultations with a preferred solution.

- Reform processes can be strengthened by actively engaging with non-traditional energy industry stakeholders including academics from a range of disciplines, emerging technology providers and social and environmental representative groups.
- Genuine collaboration and co-design can be difficult for market bodies due to statutory and other institutional constraints. Multi-organisation forums, such as DEIP, can create safe spaces for the market bodies to develop genuine stakeholder collaboration and this can strengthen reform outcomes.

About ARENA

The Australian Renewable Energy Agency (ARENA) was established in 2012 by the Australian Government. ARENA's function and objectives are set out in the *Australian Renewable Energy Agency Act 2011*.

ARENA provides financial assistance to support innovation and the commercialisation of renewable energy and enabling technologies by helping to overcome technical and commercial barriers. A key part of ARENA's role is to collect, store and disseminate knowledge gained from the projects and activities it supports for use by the wider industry and Australia's energy market institutions.

ARENA looks forward to continuing working with AEMO to deliver high value engagements that build knowledge and capacity across the industry to contribute to the energy transition.

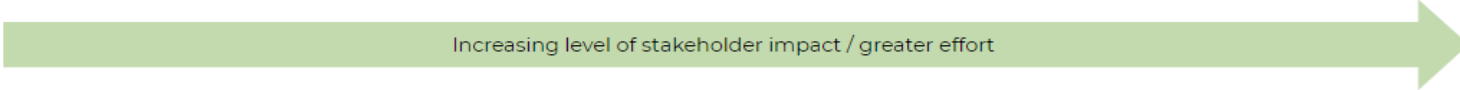
Please contact Jon Sibley, Principal Policy Advisor (jon.sibley@arena.gov.au) if you would like to discuss any aspect of ARENA's submission.

Yours sincerely

Darren Miller

Chief Executive Officer, ARENA

Attachment A - Stakeholder Participation Spectrum³



	Inform	Consult	Involve	Collaborate	Empower
Stakeholder engagement goal	To provide stakeholders with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions	To obtain stakeholder feedback on analysis, alternatives and/or decisions	To work directly with stakeholders throughout the process to ensure that public concerns and aspirations are consistently understood and considered	To partner with stakeholders in each aspect of the decision including the development of alternatives and the identification of the preferred solution	To place final decision making in the hands of the stakeholders
Stakeholder engagement promise	We will keep you informed	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible	We will implement what you decide
Example techniques	<ul style="list-style-type: none"> • Fact sheet • Brochure • Video • Speech/presentation • Media release • Web page 	<ul style="list-style-type: none"> • Survey • Focus group • Open meeting • Workshop • Online consultation 	<ul style="list-style-type: none"> • Stakeholder forum • Round tables • Working groups • Consultative committee 	<ul style="list-style-type: none"> • Expert advisory panel • Hackathon • Partnership • Workshops 	<ul style="list-style-type: none"> • Deliberative engagement (eg citizen jury) • Participatory budgeting • Co-design
Example initiatives in the energy sector	<ul style="list-style-type: none"> • ARENA Insights Forum • ARENA Insights Newsletter • AEMO Renewables Integration Study consultations 	<ul style="list-style-type: none"> • AEMC technical working groups • Rule change consultation papers • ESB Post 2025 working groups 	<ul style="list-style-type: none"> • AEMC technical working groups • DER State of Technical Integration • ARENA-AEMO short term forecasting funding round 	<ul style="list-style-type: none"> • DEIP Dives • DEIP Access and Pricing working group • AEMO-CSIRO Gencost working group • AEMO-ARENA DR trial design workshop 	<ul style="list-style-type: none"> • A-Lab • The Energy Charter

³ Adapted from [https://iap2.org.au/wp-content/\[...\]/IAP2_Public_Participation_Spectrum.pdf](https://iap2.org.au/wp-content/[...]/IAP2_Public_Participation_Spectrum.pdf)