



27 Wellington Row  
Saint John, NB  
Canada  
E2L 3H4  
506-674-9425  
[info@atlanticaenergy.org](mailto:info@atlanticaenergy.org)

**Energy Projects and Host Communities:  
Recommendations for Mutual Engagement**

*By Tim Curry  
President, Atlantica Centre for Energy*

1 September 2006

## Contents

---

<b>Contents</b>	<b>1</b>
<b>Introduction</b>	<b>1</b>
<b>“Governments grant permits: communities grant permission”</b>	<b>1</b>
<b>The Saint John “True Growth” Network</b>	<b>2</b>
<b>Criteria for Evaluating Proposed Energy Projects</b>	<b>3</b>
1. To engage in all aspects of community life	3
2. A commitment to excellence	4
3. A community investment that enhances quality of life	4
<b>Implementation</b>	<b>5</b>
<b>Summary</b>	<b>5</b>

### Introduction

Oil and natural gas, nuclear power, conventional electricity generation and renewable energy such as wind, solar, tidal and biomass: within the next 25 years the Atlantic region could be home to all these forms of energy production and distribution. A significant investment in energy is necessary as our own demand for power increases. That demand stretches across North America and while we must ensure our own citizens have access to energy, the region is ideally placed to also provide northeastern North America with energy products and services.

There’s a lot at stake when an energy project comes to town. Citizens of host communities will want to know how these new developments will impact – both positively and negatively - their quality of life and the surrounding environment.

This paper provides a framework for how citizens and company officials may engage in a meaningful conversation to determine whether proposed energy projects can become positive additions to the community. It also outlines recommendations as to how both project proponents and citizens may set clear expectations for maximizing mutual benefits and avoiding negative impacts.

### **“Governments grant permits: communities grant permission”**

The announcement of a company’s plan to develop an energy project in a particular location can result in rapid polarization of public discussion, often to the detriment of real information flow within the community. Communication can quickly deteriorate.

Let’s be clear: energy projects throughout the world have given ample justification for concern among citizens in host communities for any new projects being contemplated. Development projects in the past have had negative impacts on the quality of life in host communities through an increase in air, water, ground and/or noise pollution; land

use conflicts; and unanticipated demands on local infrastructure and services. These are legitimate areas of concern and should be thoroughly addressed by any proponent of a new project.

On the other hand, public discussion is often impeded by highly vocal posturing of confrontational anti-development groups who oppose any and all new energy developments in their community. Oftentimes these groups are motivated by rigid attitudes and ideologies about private sector-led development. They often seem to be more interested in ‘opposing’ than in ‘understanding and critiquing’ a potential project or development.

Citizens are done a great disservice when public discussion is polarized between these openly confrontational groups and individual project proponents. The inevitable acrimony that develops between ‘pro’ and ‘anti’ forces puts enormous pressure on others to choose a side in the argument. People who simply want to understand and evaluate the merits of a proposed development are often intimidated by the acrimony (will I offend my employer, my co-workers, my customers, my neighbours?). Rather than speak up, they stay silent, they don’t ask questions, and they don’t participate in the forming of community opinion as to the desirability of the project.

This lack of participation is of critical concern. It means politicians at all levels do not get broad-based input into their decision-making on policy measures affecting development. It means citizens effectively lose the opportunity to shape and influence the nature of a development and its potential to contribute positively to their community. It means civil servants in regulatory agencies may introduce additional (and unnecessary) delays in rendering their decisions, due to the politicization of public discourse on a project. It can ultimately introduce enough uncertainty and delay in the project timeline that external investors lose interest, opting

instead to invest in other projects in other locations. The result can be lost opportunity for new investment in the community, and the loss of any associated benefits.

How, then, can we ensure that prospective host communities retain the opportunity to arrive at broad-based, well-informed decisions as to whether they will grant or withhold permission to prospective developments? What is the appropriate framework to support such engagement, information exchange and decision-making?

### **The Saint John “True Growth” Network**

The City of Saint John, N.B. and its neighbouring suburban municipalities have developed the True Growth network, an innovative framework in which to consider the nature and impact of growth within a community. True Growth strives to strike a balance among the interests of three broad stakeholder groups within the community:

- *the supporting community*, which includes non-profit, public service, environmental protection and other agencies and interests that strive to nurture and protect citizens in the local community;
- *the enriching community*, which includes arts and culture groups, educational institutions, research & innovation groups and other proponents of intellectual curiosity, development and growth of intellectual and artistic knowledge; and finally,
- *the economic community*, which includes business groups, economic development agencies, investors, employers, and employees including their associations and interest groups.

Developing effective communications and establishing congruity of interest among the supportive, enriching and economic

communities is at the heart of the True Growth network. Established in 2003, it has become a powerful way for the greater Saint John community to represent itself with “one voice” in engaging governments at all levels as well as the media and other external stakeholders.

The Saint John True Growth model is an excellent guide for communities that want to develop broad-based community engagement regarding proposed energy projects.

### **Criteria for Evaluating Proposed Energy Projects**

The Atlantica Centre for Energy recommends three broad criteria by which citizens and stakeholder groups within host communities may evaluate prospective investors in local or regional energy projects. Each of these criteria provides a means of assessing whether a prospective investor’s project may or may not be a good fit within the social and economic fabric of the prospective host community.

Mutual consideration and discussion of these criteria between representatives of the host community and the investor should provide a means of exchanging objective, fact-based information so they may work together to resolve areas of potential conflict and maximize opportunities for benefit.

The process of engagement in discussion of these criteria does not presuppose that the project will proceed. It does, however, provide an effective means to communicate mutual expectations among stakeholders, establish a common base of verifiable information, and, most importantly, reduce uncertainty for all parties to the discussion. Uncertainty (primarily caused by lack of information and poor or incomplete communication) is the bane of rational evaluation of projects. It causes anxiety for citizens of host communities and sometimes intolerable financial risk for project proponents.

The criteria are:

#### ***1. To engage in all aspects of community life***

A healthy community depends on its citizens to play many roles in maintaining and developing its social, cultural and economic fabric. Communities often seem to run on volunteer power, and there is never enough time, talent and human energy to do all the things that people would like to do to improve life in their communities.

Energy companies employ well-educated, highly skilled people throughout their operations. Some companies adopt the approach that employee time, energy and attention must be focused on the work at hand, and have little tolerance for extra-curricular activities that are outside the scope of corporate priorities. Other companies adopt a more open stance, actively encouraging employees to get involved in their communities, mainly through volunteer work and other activities that allow them to get to know their fellow citizens.

The latter approach is more productive for both the host community and the firm sponsoring the project. It is a rare community indeed that can’t put additional well-educated, highly-skilled and motivated volunteers to good use. From the company’s perspective, strong volunteerism by its employees can be a very effective way of not just tapping into but establishing a strong relationship with the grassroots of a community.

To be effective, corporations should encourage people throughout their organizations to participate in a discussion about energy development. Senior managers and executives should lead by example and weave themselves into the fabric of the host community. This is not something that can be delegated to corporate public relations staff.

## **2. A commitment to excellence**

This involves understanding the project proponent's attitudes, track record and corporate policies with respect to how it manages four key aspects of its projects and operations. These are:

- Environmental management;
- Safety and security;
- Protection of human health; and
- Employment practices.

The societal values of communities in the Atlantic region would demand that energy project clearly demonstrate a commitment to using best established technologies and practices in their operations.

## **3. A community investment that enhances quality of life**

When a large energy project is announced, oftentimes the community's initial reaction is "What's in it for me/us?" The True Growth network provides a model for how communities and corporations may work together to develop community projects that benefit the social, cultural and/or recreational aspects of a community.

This should not be viewed by the prospective host community as "holding the company to ransom"; nor should it be viewed by the project proponent as "buying its way to public support". Rather, the intent is a mutually respectful dialogue vis-à-vis corporate citizenship and its ability to adapt to the unique values and culture of a host community.

Political leaders and project proponents alike tend to quickly gravitate to the impact on the economic community. Information is usually available on such questions as:

- The number of jobs to be created (including type, skill set and salary levels) during the construction and operation of the project;

- Economic spin-off benefits that will accrue to local or regional commercial, industrial and retail businesses;
- Tax revenues that will flow from the project; and,
- Additional costs various levels of government will bear for improvements to roads, bridges, other public infrastructure and services.

These impacts on the economic community's interests are typically well-established early during the evaluation of major projects.

This impact, while important, is but one leg of a three-legged stool. Equally important to citizens is the investment project proponents will make in the supportive and enriching communities.

In terms of developing broad-based community engagement, a project proponent needs to realize that not all citizens will feel the direct economic benefits of the project. For them, the evaluation of a particular project's impact on their quality of life may in fact be negative. However, if the project proponent considers an investment in the supportive and the enriching communities' projects, it could positively impact the number of people who are prepared to consider support for its project. Such investments could include; local recreation facilities, medical or educational facilities, arts and cultural groups, or some other form of direct investment in 'the other two legs of the stool'. Project proponents would be well advised to talk with citizens regarding their desires and their dreams for their community.

## **Implementation**

Even in the industrial city of Saint John, home to the True Growth network, and the energy hub of the Maritime provinces, this process of community engagement on energy projects is not yet fully evolved. While the level of public dialogue and engagement has improved in recent years, examples of the shrill ‘pro vs. con’ acrimonious posturing still exist.

Following the release of this paper, the Atlantica Centre for Energy will begin a consultation process with representatives from the True Growth network’s three community sectors to hear their views of energy development and to determine what their priorities, and concerns, may be. This will provide a base for future community engagement.

## **Summary**

Investments in new energy projects will be an important aspect of modern life for many years to come. These investments, while necessary to meet increasing global demand for energy, have often profound implications, both positive and negative, for the communities in which they are established.

Citizens of host communities can evaluate the desirability of encouraging additional investment from project developers based on the three criteria set out in this paper. They are briefly:

1. How willing is the project proponent to engage meaningfully in all aspects of life within the host community?
2. What is the level of the project proponent’s commitment to excellence in the areas of environmental protection, safety and security, preservation of human health and employment practices?
3. To what extent is the project proponent willing to invest explicitly in improving the quality of life in the host community?

Mutual commitment by citizens and project developers to consider the impact of energy investments on the whole community – supportive, enriching and economic sectors – is essential in establishing productive and meaningful communication with respect to new energy project developments.