Empowering Stakeholders

wbcsd electric utilities

Five principles for meaningful engagement with our stakeholders

Co-chairs' letter

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In the decades ahead, electricity companies will face a dual challenge. They will be forced to respond to an unprecedented global growth in power demand. At the same time, they will have to fight climate change and address several technical, societal and other environmental questions that will surface as the industry strives to satisfy the needs of its customers.

To meet this challenge – one of the most important the sector has ever faced - we envision a future of low-carbon solutions which are both energy efficient and environmentally friendly. Innovative electric solutions will emerge that will require new generation and transmission infrastructure, which will pave the way for smart grids and smart metering systems.

Our companies are mobilizing their resources to respond to this call. We currently offer energy solutions and are creating options for the future. But we also realize that the planning and development of these improvements cannot be done in a vacuum. Successful implementation of these solutions requires active involvement of stakeholders and the public. We all must share and understand the tasks confronting us.

We believe that development of new solutions and infrastructures can only happen through a meaningful dialogue with our stakeholders. We are already involved in a variety of engagement actions.

On this journey we have learned that if we want to be meaningful and successful, we must structure the Stakeholder Engagement process as a continuous activity.
After sharing our experiences in the WBCSD electricity project and mapping the existing initiatives, we now see five guiding principles for organizing this dialogue with our stakeholders: inclusiveness, materiality, responsiveness, measurement and transparency.

By recognizing these principles, our companies show their commitments toward investing in sustainable forms of energy and engaging with stakeholders.

Introduction

Meeting our energy demands until 2035 will call for a U.S.$ 38-trillion investment in infrastructure, according to the latest IEA World Energy Outlook. This investment is linked to growing awareness worldwide that development means insuring all sectors of society have access to modern and sustainable energy services. It is championed by the UN Secretary-General's "Sustainable Energy for All" initiative, which seeks to double the global rate of improvement in efficiency and the sharing of renewable energy.

This investment will affect both private- and public-sector electricity providers. They will need more generation, transmission and efficiency projects to meet the growing demand for electricity. Increasing need is accompanied by a mounting desire by consumers and other stakeholders to have a voice in determining how, when and where such investments are made. The crucial role of Stakeholder Engagement (SE) was also reaffirmed in "The future we want", the outcome document of the Rio+20 summit, which encourages active stakeholder participation "in processes that contribute to decision-making, planning and implementation of policies and programmes for sustainable development".

Power companies are realizing that engaging with stakeholders - sometimes with competing interests - is essential for the success of any project. While sometimes it might be very difficult to overcome the lack of trust by some stakeholders, an honest relationship, begun at the inception of an investment, is the best way to gauge its acceptance and avoid major hurdles once the project is under way.

Vast literature is available on SE drivers and practices, including many initiatives from the private sector. The electricity utilities project of the World Business Council for Sustainable Development (WBCSD), along with its 10 world-leading companies, has developed this document to share lessons learned from our experience in different countries and circumstances.

In the past, SE has often been a reactive practice by companies linked to specific project development and in some cases these have failed due to a lack of appropriate engagement. Nowadays, SE has grown to a higher level of sophistication and is more integrated in the company strategy. Through advocacy activities companies need to work with communities and the public to find balanced sustainable solutions. The purpose of this document is not to highlight groundbreaking practices but rather to provide a simple framework to improve SE activities across the sector.

To develop this document we collected data through a survey which gathered evidence on the project members' stakeholder engagement activities and tried to find a common language between very different contexts and different cultures. The survey was complemented with a literature review of the guidelines and standards addressing SE, which helped identify what are the success factors and key principles when engaging with the public[1]. Our conclusion is that, in general, there are five principles that are key for meaningful and successful engagement with stakeholders in the development of our activities. They are: transparency, responsiveness, inclusiveness,materiality and measurement (Fig. 1). Applying these principles varies according to cultural and national circumstances of course, but they create a continuous process where the five principles are linked in different ways. We hope that by sharing best practices in the sector we can convince others of the long- term societal and business benefits of proper investment in public engagement processes.

1 Especially important are the standards: ISO 26000:2010, Guidance for social responsibility; SA 8000:200; and AccountAbility Stakeholder Engagement Standard AA1000SES.

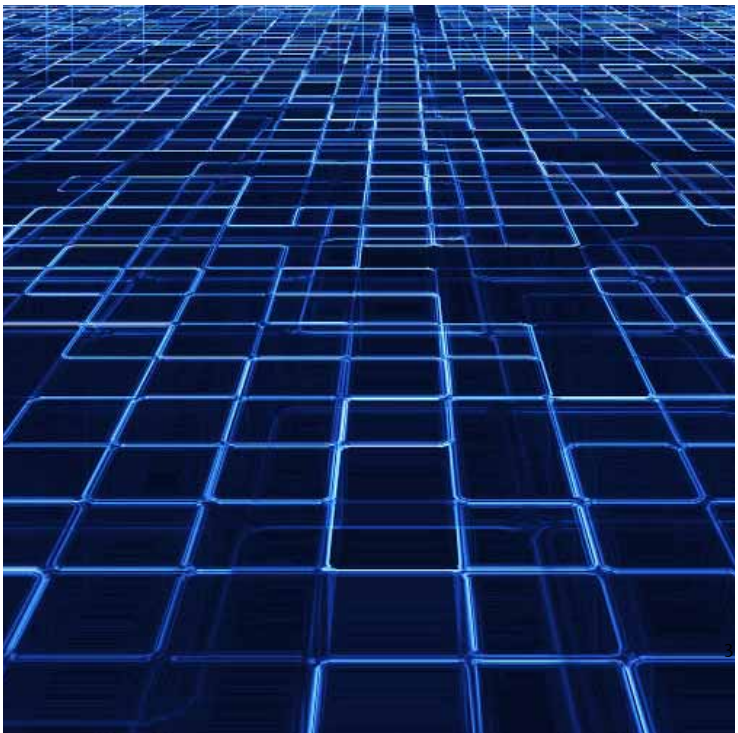
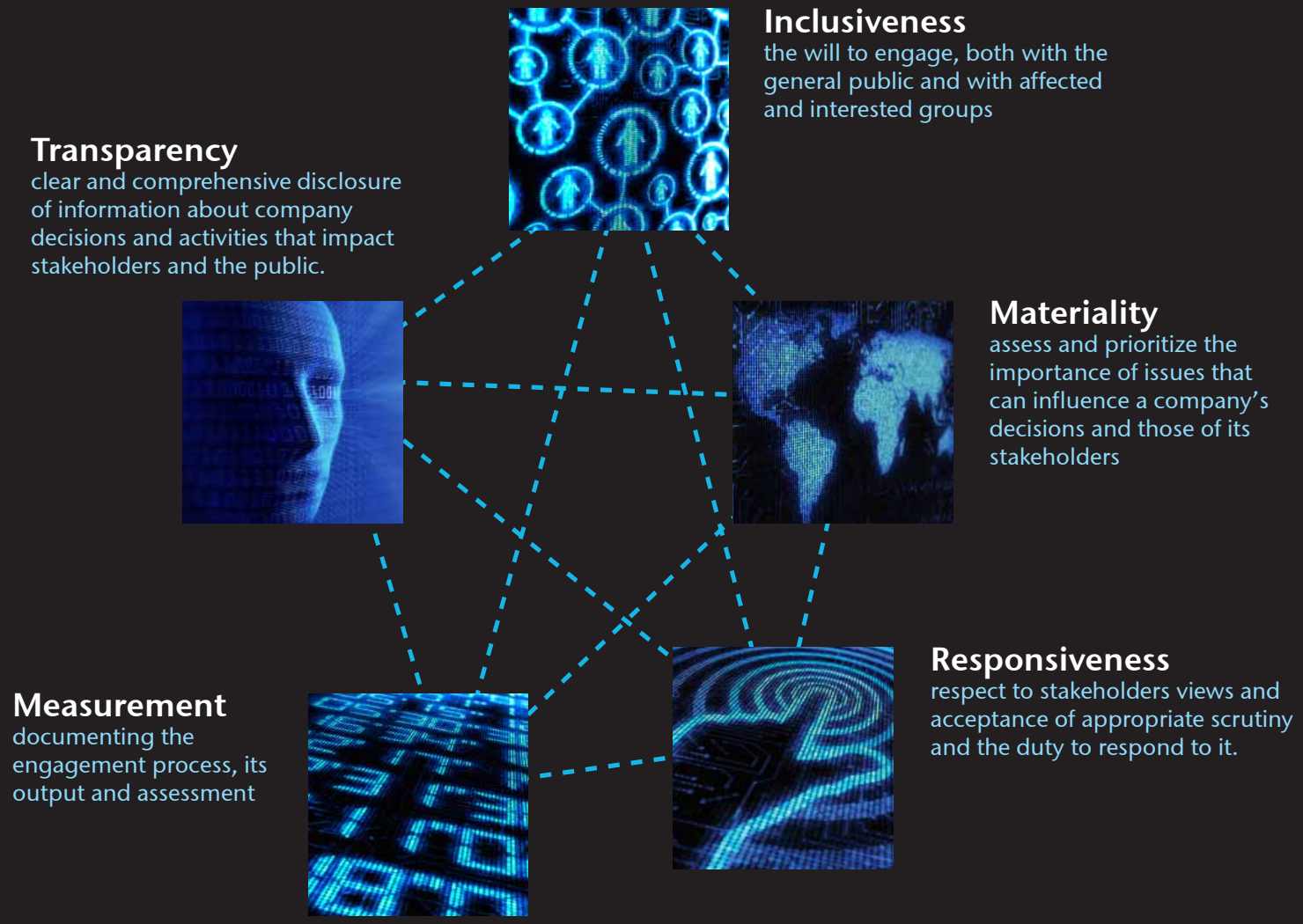


Figure 1 Principles of stakeholder engagement



What does stakeholder engagement mean for electricity utilities?

Modern societies, and their economies, need electricity to operate. Electricity cannot be stored in large quantities and as a consequence the power systems require building huge infrastructures such as power plants, electricity lines, transformers, dams and wind turbines.

Stakeholder engagement relates to activities and processes undertaken to create opportunities for dialogue between an organization and its stakeholders. SE should not be an end in itself, but rather a way of promoting and supporting sustainable-development and corporate social responsibility (CSR) strategies, to reconcile, as far as possible, a utility's activities with those of other collective or individual interests. This requires creating platforms and dialogues to share and respond to all issues. Its essential feature is that it provides a two-way communication. If solutions are not

Family outside their new home. Nongxong Resettlement in 2009

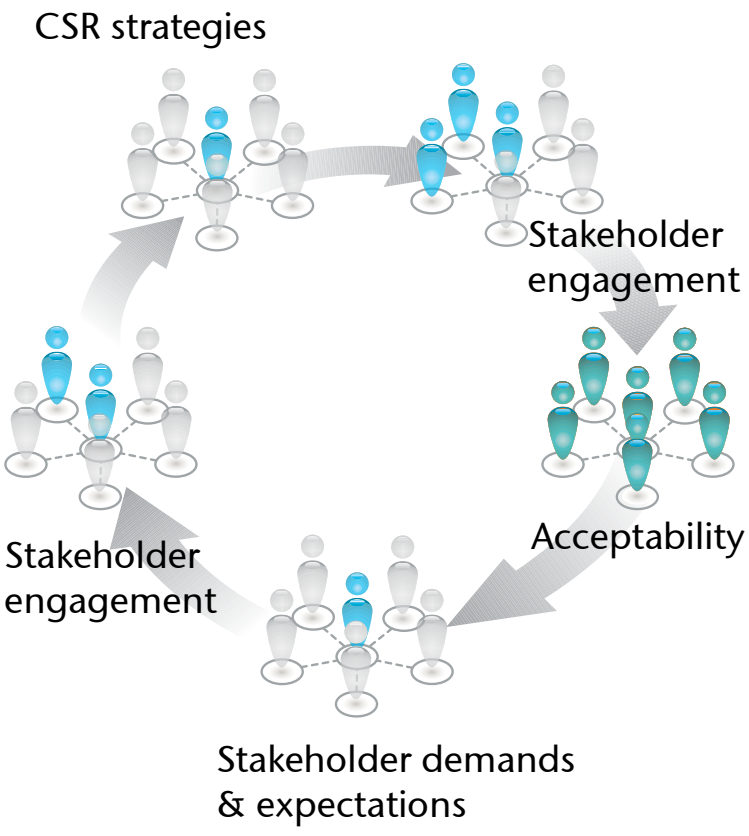
always acceptable to everyone, at least SE can create a channel of information exchange.

To be successful, the engagement should be proactive, constructing a continuous process that feeds the company's long-term CSR and sustainable-development strategies. Some utilities follow a "public acceptability" concept (stressing a continuous process), while others use "public acceptance" (ending when an agreement with the public has been achieved).

SE is a strategic element in the project development phase, where controversies often arise with local communities (e.g.; building a hydro power plant). However, SE strategies are more effective when they relate to the entire life cycle of an installation, from construction and operation of a plant or transmission line to its decommissioning and deconstruction (see Business Case 1).

We believe that SE is not a function reserved for specialists, but a state of mind and a set of good practices to be spread throughout the company. Diffusion of this SE culture is frequently undertaken by the CSR or Sustainable Development departments, or by task forces dealing with a specific SE dialogue. At project level, a company representative is often designated as the focal point to ensure continuity, confidence and quality of dialogue.

Figure 2 a permanent process for long-term strategies



Business Case 1. Managing stakeholder engagement in a Theun-Hinboun resettlement

The Theun-Hinboun Power Company (partially owned by Statkraft) in Laos is this year completing an expansion project that will provide more power to the region, but also involves resettlement of more than 4,600 people. After an in-depth study of the communities affected, and a consultation process that lasted years, the firm developed an entitlement policy. This policy is a public document based on feedback expressing the concerns, needs and priorities of the resettlers. It contains a technical assessment of their options. The resettlement program aims to provide this population with an improved standard of living and a sustainable livelihood.

Experts familiar with the project and the location led consultations with residents, using natives speaking the local dialects. All voices were heard. Resettlement locations, house design, village layouts, ritual observance and all practical aspects of the physical move were thoroughly discussed. The host villages were also consulted, and their entitlements were similar to those of the resettlers.

Stakeholders were invited to visit the site during construction to confirm locations of their houses and community buildings, move materials and belongings, select fields, plant crops or conduct rituals prior to moving to their new homes. A grievance board was also set up. The company explained to all resettlers that any complaints, requests and comments could be freely expressed.

Resettlement involves many challenges, due to significant changes in environment and social circumstances, and often includes introduction of new ideas and technology. A consultation process ensures that people can air their concerns before they become problems. Supporting village leaders and local government in facilitating this process is also important. The project is committed to its policy of sustainable development, which implies a long-term program and dialogue. Work will continue well into the operational phase for at least five years after the physical move. An annual survey will record income levels and social development indicators, and these results will be available to the public on the THPC website: www.thpclaos.com

Business Case 2. Measuring Eskom's footprint in South Africa

The "Eskom Factor"measures the company's footprint in the country through a comprehensive assessment of the economic, social and environmental impact, both positive and negative. It contains an analysis of a series of qualitative and quantitative data sets (150 indicators), which yielded six key areas of influence. The WBCSD Measuring Impact methodology used to develop Eskom's impact assessment encourages stakeholder engagement through open dialogue in order to create a shared understanding of business impacts and societal needs and to explore what the company could do to address these needs.

The initial impact assessment was used as the basis of engagement with a range of stakeholders (financing institutions, major suppliers and customers, NGOs, and employees). An open discussion allowed a better understanding of stakeholders' views on the results presented. Additionally, key stakeholders were encouraged to comment on the online version of the report and to answer a questionnaire regarding their opinions of the document. The results of these engagements indicate a positive response to the report by stakeholders, particularly with regard to Eskom's impact on gross domestic product, direct and indirect job creation, electricity as an important driver of regional cooperation, and the company water efficiency programs. However, there was a general consensus on the need to educate South African communities on how to reduce electricity use. The tool and assessment method was refined to incorporate stakeholder feedback in the final Eskom Factor report. For more information see www.wbcsd.org

What tools for stakeholder engagement?

Some SE activities are mandatory in certain jurisdictions. Infrastructure projects often require public hearings or environmental impact assessments. These however constitute a small part of a more comprehensive SE process, because the majority of activities take place on a voluntary basis and are usually proactive in nature. Some tools for SE used by electricity utilities include:

- **Surveys.** These are carried out by companies to understand their stakeholders' expectations and opinions of the utility's activities. Results can be integrated into indicators on environmental certification systems, such as ISO-14001. There are also experimental devices (opinion polls or participative experiences) and means to target creative exchange (social laboratories). Sharing results (see Measurement Principle) with stakeholders builds trust and provides an additional opportunity for dialogue.

- **Information sharing** is a valuable tool (see Transparency and Materiality Principle), but it is also important to share information internally on issues, challenges and interest groups (e.g. diffusion of good practice handbooks).

- **Dialogue, platforms or panels.** Panels can be general (covering all a utility's activities) or themed (climate change, monitoring specific sites, sustainability report feedback). Often utilities establish ways to maintain regular dialogue with stakeholders; at least once a year is common. But they are also required to participate in exchanges organized by other stakeholders, in particular those encouraging broader public participation.

- **Voluntary commitment to local and international standards** is often used to structure and sustain SE activities. It requires reporting and monitoring certain indicators, or ensuring they are accepted by external stakeholders. Companies are urged to maintain their efforts, acknowledge stakeholder views and improve their public disclosure – all under stakeholder scrutiny.

- **Reporting.** To ensure transparency and accurate measurement of a company's progress, managers should document engagement activities and outputs, and create a baseline for future activity. These include: the purpose of the engagement; methods used; who participated and who didn't; the overall time frame; a summary of stakeholder concerns, expectations and perceptions; outputs (queries, proposals, recommendations, agreed-on decisions and actions).

- **Research.** Some firms invest in **R&D** and develop partnerships with universities and academics, which can lead to publications.

- **Training.** While there are currently no training courses available that are specific to SE, some firms organize themed courses (on human rights, biodiversity or public participation methodologies) to increase their managers' awareness.

- **Voluntary actions** to preserve biodiversity, compensate for the impact of any project, or fight climate change (carbon offsetting) may involve the company in issues not related to its core activity. This provides another opportunity to gain better understanding of stakeholders' perspectives, while creating a continuous, high-quality dialogue which can be inspiring and mutually beneficial.

Inclusiveness: engaging with whom?

The Inclusiveness Principle is the will to engage, both with the general public and with interested groups. It implies that utilities should not limit their engagement to traditional stakeholders (shareholders, regulators or government), but open it up to a broader community, some of whom may not seem directly concerned, or even hostile to the utility's activities. The concept of inclusiveness enlarges the traditional circle of engagement to include a wider swath of the general public: mass media, the scientific community and a growing index industry.

Why is it important for utilities?

Increased Internet access means that more people are able to influence public perceptions of a utility and its operations. Broader access to information has produced a more informed public, with greater understanding of the potential impacts of a utility's activities and more power to take action on issues, such as climate change and renewable energy. In addition, the proliferation of instant communication platforms has generated a need to respond to a growing – but increasingly fragmented – stakeholder population.

The selection of stakeholders to engage with is a fundamental starting point, but also important is the process of how we listen to our stakeholders or how we understand their concerns. Utilities must find a balance in their level of engagement,information provided, and the most appropriate format for engagement, depending on the project and stakeholder group.

Business Case 3. SGCC Energy Conservation Week

During China's National Week for Energy Conservation (11-17 June, 2011), SGCC launched a wide range of activities around the theme "I will save energy and start a new, low-carbon life." Its purpose was to educate customers about energy and electricity saving, low-carbon consumption modes and life-style changes designed to improve energy efficiency. Nearly 300 "action teams" were set up in 23 provincial utilities to publicize energy-conservation policies, rules and regulations, new technologies and products. The teams also helped citizens implement energy-auditing programs. Over 3,000 companies participated in energy-saving activities during the week-long event.

Ways to reduce energy consumption or environmental impact

What it means for utilities

To identify stakeholders, a company should ask the following questions: Who might be affected by the organization's activities? Who is likely to express concerns about those activities? To whom does the organization have legal obligations? Who can affect the organization's ability to meet its responsibilities? Who can help the organization address specific impacts? Who would be disadvantaged if excluded from the engagement?

The list of stakeholders for electricity utilities is long(Fig. 3), but varies depending on the company's SE strategy and culture. As the number of electricity users expands and new production and transport means are being used, an increasing number of individuals, groups and institutions are becoming stakeholders in utility activities. These stakeholders have a growing desire to be involved.

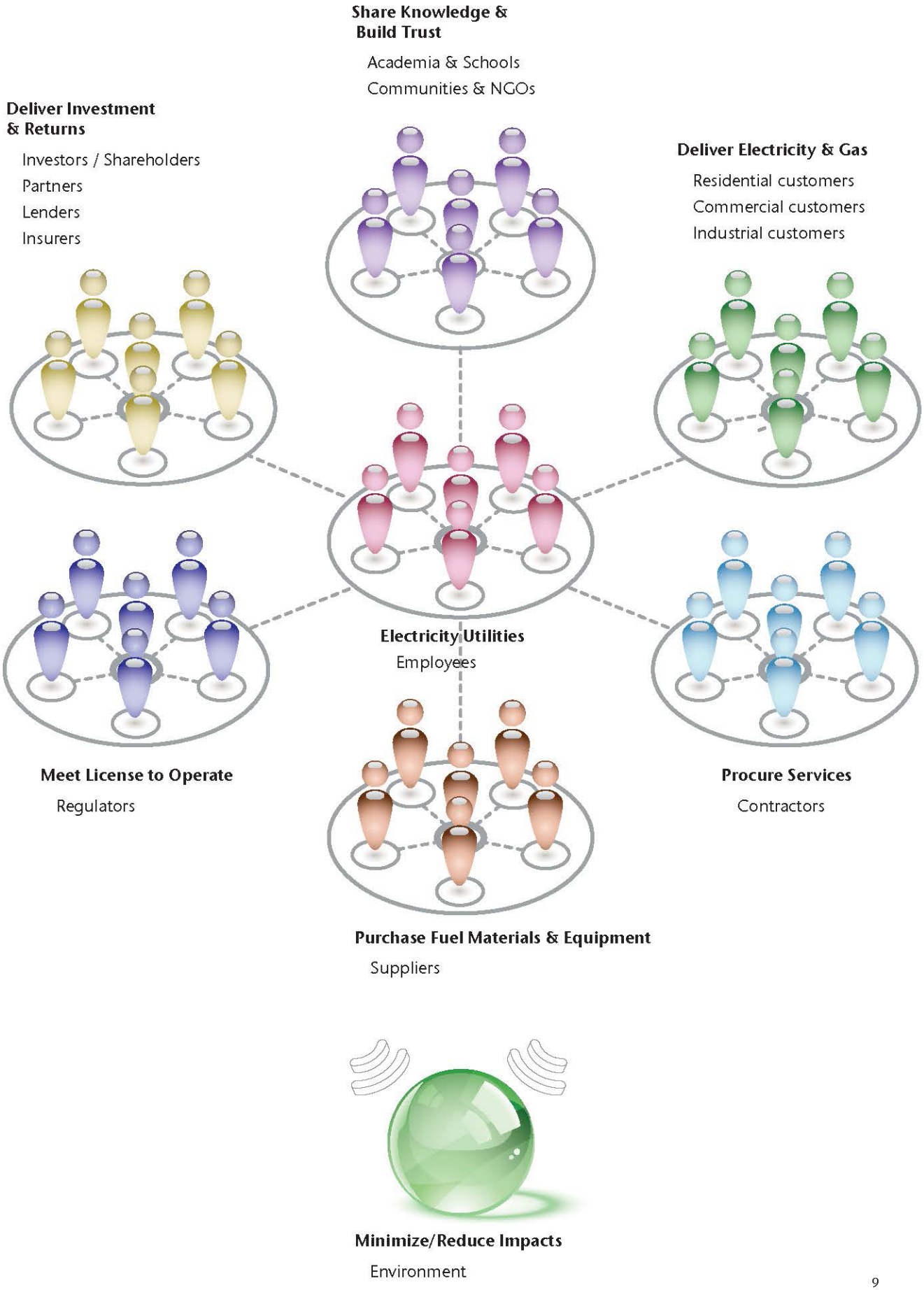
SE varies from country to country, due to differing legal frameworks, cultural understandings and ownership structures. State-owned electricity utilities, for example, support broader government objectives of public interest, and thus may require a different set of SE processes.

What we have learned

The diversity of issues, actors and circumstances makes comparisons between countries or companies on public engagement unrealistic. However, though countries are at different stages of implementing SE, there is a general trend toward including it throughout the value chain and toward developing stakeholder management tools to record, share and understand information. SE is often integrated into project management and training. Furthermore, the collective experience of electricity utilities proves that promoting fairness and showing respect for people and their diverse perspectives can foster a true sense of belonging, thus helping communities to feel included.

Companies may at times need to address stakeholders' knowledge gaps to avoid excluding them or to prevent them from disengaging. They will need to invest time to understand their stakeholders' expectations, interests and objectives, and share their concerns.

Figure 3. Electricity utilities' and providers' stakeholders.



Materiality: engaging on what?

An issue is material if it can influence a company's decisions and those of its stakeholders. The Materiality Principle implies a company readiness to exchange views on strategic issues, thus providing a way to assess and prioritize the importance of material issues (such as environmental or social questions).

Why is it important for utilities?

Efficient management of environmental and social issues in a utility requires a focus on issues with significant external impact. Materiality is not only a selection of such issues, but it is a thoughtful and informed discussion with stakeholders, ensuring that a utility is actively bringing sustainability into its core business-planning processes. It is a fundamental step in the stakeholder engagement process because it recognizes the public's role in providing insights into company operations.

What it means for utilities

Many material issues confront the power sector: macroeconomic (tariff impacts in competitiveness); cross-cutting (climate resilience or new technology developments); and perhaps most important, local issues, or those concerning daily operations and investments in generation (plant siting), distribution (land requisition) and end use (smart metering) (Fig. 4). Beyond this lies an additional set of issues where communities and utilities can both benefit from engagement by sharing information, concerns and possible solutions. The electrification of other energy uses, such as transportation, adds material issues that require utilities to focus on sustainable solutions to meet growing needs.

What we have learned

When addressing and prioritizing material issues, utilities should consider the views and concerns of stakeholders, their company's strategic objectives, and legal or regulatory requirements to properly assess the impacts and risks involved.

As electrification increases across the world - both in electricity access and in replacement of other energy sources - the range of material issues is growing. Utilities showing a readiness to exchange views on the impact (positive and negative) of electrification with the communities concerned create greater chances for addressing public concerns and improve understanding of new operations.

Business Case 4. CLP and its Energy Vision

CLP's Energy Vision includes increased use of clean energy and aims to build greater awareness of Energy Efficiency and Conservation (EE&C). This vision embraces areas common to SE:

- In offshore wind projects, the company has proactively set up a Stakeholder Liaison Task Force. Made up of academics, local communities and green groups, the Task Force helps address potential environmental and economic concerns.
- In nuclear power, CLP created a Nuclear Resources Centre (NRC), a body that provides accounts of nuclear-power benefits and issues from the environmental, social and economic standpoints. The NRC also displays exhibits with interactive games that turn complex scientific topics into enjoyable and easy-to-understand encounters for people of all ages.
- In energy efficiency, CLP encourages its customers, as well as the wider community at large, to

Figure 4. Material issues for the power sector.

Macro	Climate change Finance Energy efficiency Tarifs		Nuclear Biodiversity Preservation of natural resources Socially responsible business conduct
Local	**Generation** • Power plant siting and construction • Safety • GHGs • Environmental retrofits • Nuclear plant operations / emergency preparedness • Nuclear safety • Use of chemical substances during production • Wind farm siting	**Grid** • Extended outage restoration • Development of the 'new grid' • Transmission line and substation siting and construction: strategy, planning, problems (land requisition, household relocation, civil affairs, environmental protection) • Power line right of way maintenance	**End use** • Meter reading / technology (smart grid) • Industrial / commercial tariff • Domestic tariff • Nuclear • Infrastructure retrofits and upgrades, such as replacing old electricity meters with smart ones • Electrification • Customer service • Integrated demand management
Cross cutting	Human resources Environmental policy / regulations Resilience Technology development (new equipment) Electrification of energy uses		

Responsiveness: to what extent do we engage?

Responsiveness relates to an organization's reaction to stakeholder input on material issues by decisions, actions and communication with stakeholders. Though not all stakeholder requests can be satisfied, it is important that companies respond to all of them with diligence and accuracy. This principle implies that a utility should respect stakeholders and accept appropriate scrutiny and the duty to respond to it.

Why is it important for utilities?

Electricity is such a basic and pervasive good that expectations of utilities are sometimes higher and more diverse than in other sectors. Since the 1970s there has been controversy (environmental and safety concerns, local interests, contesting decisions) concerning local acceptance of industrial plants operating. As a result, projects have been abandoned or modified and some plants have been shut down. Being responsive and accountable can prevent hurdles in company operations and carries positive impacts both in our companies and society. The availability of technological options in the power sector that will curb environmental impacts has put the spotlight on utility operations and choices.
At the same time it has created higher hopes that utilities should be responsive to global challenges.

Salmon tagging
(with anesthetic)

What it means for utilities

For the power sector, responding to stakeholder concerns through SE implies continuous engagement, starting from raising awareness and reaching all the way to full collaboration. Depending on the selection of stakeholders (Inclusiveness) and the importance of the issue (Materiality), the level of engagement in responsiveness will vary, and along with it the way information is communicated (Transparency). As a result, the dialogue with stakeholders can have differing impacts on the company's activities or projects.

In recent years, we have seen utilities move from a self-centered approach (requiring inputs on SE or CSR strategies) to a more inclusive and collaborative method, in which acknowledgement of and response to stakeholder concerns and suggestions is a basic requirement.

What we have learned

We have learned that SE is not about asking for input on a project or company report, but is a means for establishing a dialogue with stakeholders, acknowledging their concerns, and taking into consideration, when possible, their proposals. This helps improve a utility's practices based on stakeholder feedback, which can be highly critical at times.

We have also learned that increases in SE capabilities go hand-in-hand with more intense employee commitment and identification. This is why we feel employee volunteer programs are central to improving an organization's social responsiveness. Such schemes help the workforce understand stakeholder values and allow them to express their own values at work.

Business Case 5. EDF Poutès Dam

In 2006, when EDF submitted its renewal application for a concession for the Poutès Hydro Dam in central France, some stakeholders challenged the bid because of the effect the project would have on migrating salmon. The issue was raised by some NGOs and some local stakeholders for years. EDF had already implemented technical solutions but those did not satisfy the stakeholders. An impact assessment survey was carried out that same year which led to a favorable opinion on the concession renewal. The survey included recommendations on how to improve the infrastructure to allow the salmon their traditional pathway through the waters. EDF designed a new system based on these recommendations. Working with the French National Agency for Water and Aquatic Environments, a lower water intake height was defined, which ensures a balance between environmental objectives and optimal hydroelectricity generation.

Business Case 6. AEP Potomac-Appalachian Transmission Highline (PATH)

A proposed U.S.$ 2.1-billion backbone upgrade to the regional electric transmission system was to run for 275 miles (442 kms) in the eastern U.S., across 17 counties in West Virginia, Virginia and Maryland through the Potomac-Appalachian mountains. Project managers anticipated opposition to the 765-kilovolt line from stakeholders who would raise objections concerning cost, health, land use, aesthetics and environmental impact. To address these issues, AEP, and its project partner, Allegheny Energy, held 25 public open-house meetings in local communities. They met with government agencies and gathered more than 5,000 public comments on potential siting issues. The two companies freely communicated information on their efforts to reduce the impact of the project in both human and environmental terms, highlighting their responsible approach to right-of-way acquisition and the general need for infrastructure improvements. Input gathered at these sessions was used to modify the preferred-line routing to address specific concerns voiced by stakeholders.

Measurement: how and how much do companies engage?

Producing a documented record of the engagement process, its output and assessment is one of the best ways to build trust in the SE practice. This assessment is key for putting into practice the other principles (Inclusiveness, Responsiveness, Materiality and Transparency).

Measurement monitors and evaluates progress towards achieving quality SE, using both quantitative and/or qualitative indicators. This helps the company identify areas for improvement and demonstrates the added value of such practice.

Why is it important for utilities?

As in other sectors, accurate measurement and reporting of a utility's SE coverage can reduce contentious issues, both internally and externally. It demonstrates to management the value of the initiatives, and contributes to improving performance. Sharing credible information with stakeholders also builds trust and creates the foundation for continuous dialogue.

What it means for utilities

Mapping the different initiatives (standards, guidelines and tools) used to record SE activities demonstrates that SE is becoming a central issue for the power sector. Keeping track of the SE engagement processes and lessons learned can help build or maintain trust with the company stakeholders and provides societal and business long-term benefits. Social investment indices provide criteria to judge the social performance of a corporation. Indeed,the Dow Jones Sustainability Index gives more weight to SE than to any other social impact measure. Global Reporting Initiative's social reporting guidelines also recommend that companies report on their policies and procedures for engaging with communities.

Regular monitoring helps enforce a utility's commitments and provides public evidence of its SE processes. Reporting can focus on the process used or provide details on issues discussed, in order to analyze the strengths and extent of a firm's SE capabilities within the company units or geographic locations.

What we have learned

Utilities are moving toward more sophisticated means of measuring their public engagements for three reasons: to improve the effectiveness of the SE process; to build trust with stakeholders; and to improve company performance.

Business Case 7. The London Benchmarking Group Methodology in CLP

In 2009, CLP adopted the London Benchmarking Group (LBG) methodology to measure and evaluate its community program performance. The LBG model is a global standard that measures a company's contributions to the community and enables companies to fully understand the difference their contributions make. It evaluates elements such as cash, time, management costs, in-kind donations and long-term benefits of CLP community investments. Using results produced from the LBG benchmarking exercise, CLP was able to evaluate its initiatives to identify possible areas for improvement. It also learned which of its programs brought the most meaningful help to the communities and where best to focus future efforts.

Transparency: How do we inform our stakeholders?

Access to relevant information is a key driver for positive dialogue with stakeholders. Transparency consists in the clear and comprehensive disclosure of information about any company decisions and activities that impact stakeholders and the public. The transparency principle also extends to the SE process through different tools (minutes, reports, publications, and websites). A company can be held accountable for transparent information. Transparency is also linked to the principles of Inclusiveness (sharing information with all stakeholders) and Materiality (sharing information on issues that are important).

Why is it important for utilities?

Providing transparent corporate and project information is crucial for a utility when building trust with its stakeholders. Complex technologies (from generation to end use) and their cost make this even more relevant. Utilities must take care that any technical communications must not only be accurate but also understandable by stakeholders.

Some activities that increase transparency are: public disclosure of reports on company engagement, and responsiveness to stakeholder expectations; seizing opportunities for

sustainable development; preventing social and environmental risks; and promoting the maximization of the business' comprehensive value.

Traditional media (newspapers, TV and radio) allow companies to reach out to stakeholders, but faster-moving social media require project developers to keep pace in exploring new communication tools. In both, stakeholders must be accurately informed and the utility must be transparent and responsive to their needs.

What it means for utilities

There are several ways electricity utilities can ensure transparency. These range from voluntary proactive actions to compliance with legal obligation. Regulatory requirements impose a structured approach to the release of information, including deadlines, official documents and descriptions of all representatives involved in the process. These requirements vary considerably by jurisdiction and by type of project or process.

In France, for example, an independent commissioner issues a public statement after hearing public comments on small projects. When the project is larger, a national committee names a special commission, which organizes hearings, circulates information and summarizes the issues that have appeared in the debate. In South Africa, regulations require extensive public participation for any new project that is a listed activity; such involvement can also be in the form of stakeholder dialogues, skills training and capacity building.

Companies are often ahead of legal requirements, either because of the firm's values and commitments, or because local communities have higher expectations of SE than those stipulated by the law. These voluntary processes can include industrial site visits or partnerships between groups to share expertise or collaborate on projects responding to common issues. Public visits of facilities are powerful educational initiatives which help stakeholders understand, through transparent processes, how electricity utilities generate, transmit and deliver electricity safely.

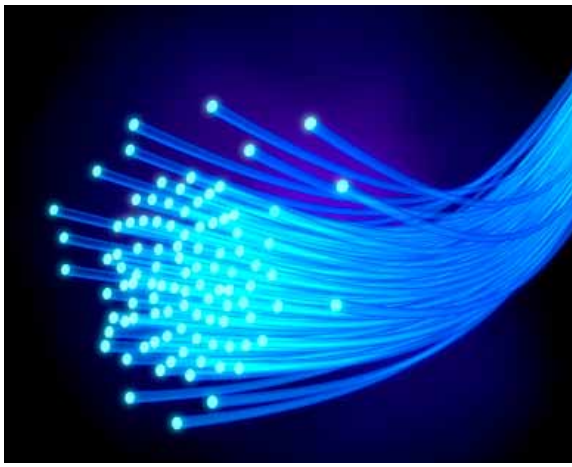
Business Case 8. AEP Toxics Release Inventory

In 1998, the U.S. Environmental Protection Agency expanded its Toxics Release Inventory (TRI) program to include fossil-fuel-burning utilities. Its purpose was to inform communities about toxic chemical releases.

AEP organized a series of awareness-raising activities to build trust and goodwill with the local population. These included open-house events at 16 fossil and two hydro plants to update neighbors and employee family members about plant operations. AEP also released its TRI data in advance of the EPA's publication of it, and reported estimated mercury releases, even when the levels were below those which the law stipulates must be made public.

What we have learned

Transparent, open and honest communication is vital to winning stakeholder trust. This is more important for utilities which are often in the limelight, thanks to the size and impact of the investments required. Utilities have learned that a voluntary approach can result in original and creative ways to provide relevant information, and that it offers opportunities to engage local stakeholders around company installations, operations and safety measures.



About the World Business Council for Sustainable Development (WBCSD)

The World Business Council for Sustainable Development (WBCSD) is a CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment. Together with its members, the council applies its respected thought leadership and effective advocacy to generate constructive solutions and take shared action. Leveraging its strong relationships with stakeholders as the leading advocate for business, the council helps drive debate and policy change in favor of sustainable development solutions.

The WBCSD provides a forum for its 200 member companies – who represent all business sectors, all continents and a combined revenue of more than $7 trillion – to share best practices on sustainable development issues and to develop innovative tools that change the status quo. The Council also benefi ts from a network of 60 national and regional business councils and partner organizations, a majority of which are based in developing countries.

WBCSD electricity utilities project members

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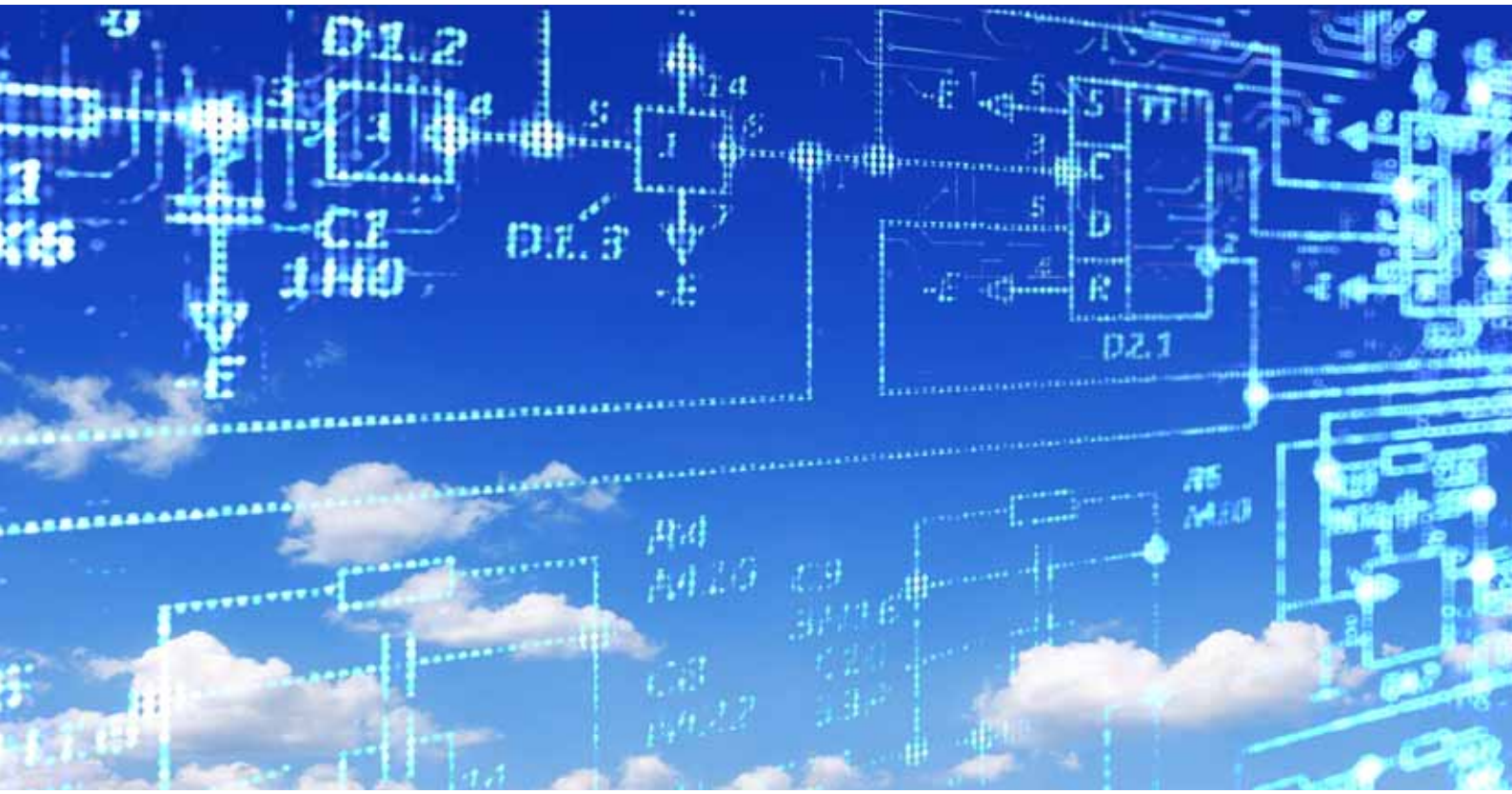
Disclaimer

This report is a result of collaborative work among executives from eleven member companies of the WBCSD Electricity Utilities Sector Project. This work was convened and supported by the WBCSD Secretariat.

All member companies of the project have thoroughly reviewed drafts of the report. However, this does not mean that every member company necessarily agrees with every statement in the report.



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