

Local Authorities as a Strategic Stakeholder

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One of Terna's main activities is planning and implementing new investments in development of the Italian electricity grid. The aim, set also by the Government concession act, is to improve efficiency and security of the electric service.

Electricity High-Voltage lines are big infrastructures, affecting the landscape; their construction is resisted by local communities in a typical not-in-my-backyard opposition.

As an attempt to overcome such an opposition, Terna's choice is negotiation with local Authorities. Negotiation is not about, at least in a first phase, economic compensation, but on the best place were to put a projected new line. Starting with the relevant Regional Authority, Terna identifies the criteria of repulsion or attraction to be applied to the new project. Repulsion criteria reflect most of all environmental objectives, such as area to be preserved, as well as archeological constraints; attraction criteria reflect, for example, the preference of industrial areas as location for new infrastructures. The outcome of this dialogue phase is a shared set of criteria, that determines priorities in choosing the actual line location.

Once an agreement with the Regional Authority is reached, district Authorities below the Regional level (such as municipalities) are called in to participate in the dialogue. Step by step, a final agreement is reached with all Authorities, that identifies a narrow corridor for building the new line. As far as the adopted criteria reflect local stakeholders' views, the defined location is the one that has the least (environmental) impact.

The outlined process takes place *before* a formal authorization phase begins. The agreements reached are not binding: any local Authority could reject them in the authorization phase. But this not easy to motivate, as they lie upon shared criteria .

We consider the outlined process as a real stakeholder engagement process. So far, it eased the implementation of our investment projects. There are, however, some pitfalls. For example, the shared solutions may not be accepted by people living near the projected line (stakeholders not directly involved in the previous negotiation phase); a Nimby opposition can raise and induce local Authorities to withdraw their approval.