



# The Power of Energy Justice for Rural Communities

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**Abstract** Rural communities hold a critical role in progressing the energy transformation agenda to reach net-zero emissions. Yet, to date, global energy policies have tended to focus on energy security, availability, affordability, and sustainability in urban regions. This chapter surveys rural communities, which are often in proximity to or host energy developments, as a crucial conduit in the renewed social contract paradigm. A growing scholarly and commercial consensus confirms without energy justice principles, rural community contestation and conflicts over net-zero energy developments are likely to arise. Such conflict may lead to withdrawal from the Social Licence to Operate (SLO) process and create risks and uncertainty for net-zero energy projects. It examines challenges and opportunities for energy justice in rural communities highlighting the need for rural community engagement roadmaps and a more nuanced

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understanding and mitigation of community-level needs to ensure a sustainable energy future.

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## 18.1 INTRODUCTION

Rural communities hold a critical role in progressing the energy transformation agenda to reach net-zero emissions. Yet, to date, global energy policies have tended to focus on energy security, availability, affordability, and sustainability in urban regions. The power of energy justice lies in embedding energy justice principles specifically in rural communities. These communities are “inextricably tied”<sup>1</sup> to sustainable energy systems by hosting renewable energy infrastructure, transmission grids, storage technologies, and critical minerals development. These principles encompass distributive, procedural, recognition, restorative, and cosmopolitan justice,<sup>2</sup> which coalesce to safeguard rural communities by embedding equity, fairness, and direct participation in net-zero energy development. A growing consensus in the literature confirms without energy justice principles, rural community contestation and conflicts over net-zero energy developments are likely to arise. Such conflict may lead to withdrawal from the Social Licence to Operate (SLO) process and create risks and uncertainty for net-zero energy projects.

## 18.2 ENERGY JUSTICE PRINCIPLES FOR RURAL COMMUNITIES

Energy justice comprises tools to mitigate the benefits and burdens of the energy system for rural communities. In so doing, energy justice is a roadmap for law and policymakers to harness and enshrine rural community justice. Energy justice encompasses three primary tenants of

<sup>1</sup> Naumann, M, Rudolph, D. 2020. Conceptualizing Rural Energy Transitions: Energizing Rural Studies, Ruralizing Energy Research. *Journal of Rural Studies*, 73, 97–104.

<sup>2</sup> Jenkins, K, Heffron, RJ et al. 2016. Energy Justice: A Conceptual Review. *Energy Research & Social Science*, 11, 174–182.

energy justice comprise procedural, distributive, and recognition justice.<sup>3</sup> Distributive and procedural justices are “negotiated and contested at community-scale”<sup>4</sup> to disseminate financial and non-financial benefits and provide certainty for host rural communities through transparent benefit-sharing and SIA processes. Recognition justice provides opportunities for rural communities to contribute to energy development design, siting, and ongoing acceptability by recognising differing perspectives. Cosmopolitan and restorative justices are also crucial elements of energy justice. Cosmopolitan justice recognises the global effect of energy development decisions and restorative justice can prevent injustices in the energy sector and identify where risks may occur. Combining all elements of energy justice creates early and ongoing opportunities for rural local community engagement, identification of collective benefits, and risk mitigation. The central tenet of energy justice is the fair allocation of benefits and burdens in the development of energy.

In some cases, the renewable energy transition has created conflict and tension within rural communities.<sup>5</sup> Regulators and courts have refused or placed significant conditions on net-zero energy development in rural communities based on community contestation. For example, litigation refusing the development of onshore and offshore wind is evident in the US and UK due to community concerns. Without recognising the challenges and burdens some rural communities may face or perceive, commercial risks for energy development may also be heightened.<sup>6</sup> This commercial perspective is exemplified in the “energy quadrilemma”, an extension of the traditional “energy trilemma”, encompassing: energy security, energy equity, environmental sustainability, and social acceptability or energy justice. The energy quadrilemma highlights the role of energy justice as crucial to achieving net-zero energy systems.

<sup>3</sup> Heffron, RJ. 2022. Energy Law in Crisis: An Energy Justice Revolution Is Needed. *Journal of World Energy Law & Business*, 15(3), 167.

<sup>4</sup> Forman, A. 2017. Energy Justice at the End of the Wire: Enacting Community Energy and Equity in Wales. *Energy Policy*, 107, 650.

<sup>5</sup> Taylor, M. 2022. Planning the Energy Transition: A Comparative Examination of Large-Scale Solar Energy Siting on Agricultural Land in Australia. *Utrecht Law Review*, 18(2), 70–86.

<sup>6</sup> Taylor, M, Taylor, S. 2022. Applying Energy Justice Principles: A Case Study of Solar Energy in Vanuatu. *The Journal of World Energy Law & Business*, 15(3), 193.

### 18.3 RURAL COMMUNITIES, ENERGY JUSTICE, AND THE SOCIAL CONTRACT NEXUS

Nations are increasingly seeking to regulate and produce policy tools to involve rural communities in the energy transition spanning from the Pacific Islands to the EU. However, these policy developments often do not expressly acknowledge or apply the power of energy justice. According to Heffron and De Fontenelle,<sup>7</sup> there is a nexus between energy justice and the “new social contract”, embodying citizen participation and communities in proximity to energy development as central to achieving “transformative societal change, protecting rights and ensuring well-being for all, and hence delivering a just transition to a low-carbon economy”.<sup>8</sup>

Rural communities, which are often in proximity to energy developments, form part of this renewed social contract, cementing the need for “new paradigms” whereby “flexible policy framework[s], [take] into account the characteristics and specific needs of hosting economies [and communities]”.<sup>9</sup> The spectrum of legal and policy approaches to energy justice varies markedly across sectors and jurisdictions. However, two legal and policy tools are often applied to achieve energy justice, particularly the three central pillars of energy justice, as previously highlighted: Social Impact Assessments (SIAs) and specific benefit-sharing arrangements.

SIAs were initially developed alongside Environmental Impact Assessments in the 1970s to regulate, address, map, and mitigate “everything associated with managing social issues throughout the project lifecycle (pre-conception to post-closure)”. With the development of novel net-zero energy technologies, SIAs have now evolved to a process of managing social impacts and benefits against the backdrop of increasing pressure to adhere to SLO terms and distributive and procedural justice.<sup>10</sup>

<sup>7</sup> Heffron, RJ, De Fontenelle, L. 2023. Implementing Energy Justice through a New Social Contract. *Journal of Energy & Natural Resources Law*, 41(2), 141–155.

<sup>8</sup> Heffron, RJ, De Fontenelle, L. 2023. Implementing Energy Justice through a New Social Contract. *Journal of Energy & Natural Resources Law*, 41(2), 131–139, 131.

<sup>9</sup> OECD. 2012. Linking Renewable Energy to Rural Development < <https://www.oecd.org/regional/regional-policy/Renewable-rural-energy-summary.pdf> > accessed 21 May 2023, 3.

<sup>10</sup> Vanclay, F. 2017. Principles to Gain a Social Licence to Operate for Green Initiatives and Biodiversity Projects. *Current Opinion in Environmental Sustainability*, 29, 48–56.

Benefit-sharing arrangements have also evolved in regulatory regimes to require or encourage energy developers to provide financial or non-financial benefits to rural communities. Queensland, New South Wales, and Victoria in Australia are recent examples where rural landholders hosting transmission line infrastructure receive increased financial benefits. Non-financial benefit-sharing mechanisms include local content provisions, local training in renewable energy development, compensation, environmental protection, cultural protection, and co-decision-making in energy projects. Several countries<sup>11</sup> require local content provisions for offshore wind and solar energy as an element of financing, tendering, and/or feed-in tariff eligibility to de-risk commercial and social contracts in rural communities. Benefit-sharing mechanisms can create recognition, restorative, and cosmopolitan justice in elevating and assuring a wide spectrum of community and wider regional benefits throughout the lifecycle of net-zero energy development.

#### 18.4 CHALLENGES AND OPPORTUNITIES FOR ENERGY JUSTICE IN RURAL COMMUNITIES

The challenges for net-zero energy development lies in the need to support and provide access to energy justice for rural communities commencing with the energy development siting decision-making process. Conflicts and contestations in energy transition projects highlight that “[t]he social barriers to renewable energy have been underappreciated and underexamined”<sup>12</sup> in policymaking. For example, community objections to wind energy development have arisen due to an absence of local decision-making and participation during project siting and operation. To mitigate community concerns, decision-making processes must adopt energy justice principles to ensure community benefits, participation, and ownership, thus enhancing the success of renewable energy projects.

<sup>11</sup> Including, but not limited to, Germany, France, Greece, India, Indonesia, China, Italy, Japan, Jordan, Malaysia, Morocco, Saudi Arabia, South Africa, some states in Australia, the UK, some states in the US, Brazil, Argentina, and Canada.

<sup>12</sup> Pasqualetti, M. 2011. Social Barriers to Renewable Energy Landscapes. *Geographical Review*, 101, 219.

Secondly, demand for land use for renewable energy or critical minerals and potential conflicts can be mitigated by employing energy justice principles. For example, communities hosting critical minerals mines should be afforded energy justice to mitigate the burden of effective mine rehabilitation through progressive rehabilitation. The progressive rehabilitation process requires early rural community engagement and progressive lifecycle rehabilitation through ongoing reporting and monitoring to mitigate potential community and environmental impacts. This process provides certainty and benefits to rural communities through distributing benefits, providing a transparent process, and recognising and restoring community land uses.

## 18.5 CONCLUSION—ACHIEVING ENERGY JUSTICE FOR RURAL COMMUNITIES

As highlighted by Marsden, “[r]ural areas [have] become central sites for the development of the post-carbon transition”.<sup>13</sup> The importance of rural community participation in the energy transformation should not be underestimated. Achieving energy justice for rural communities can ensure sustainable benefits through engagement in decision-making processes and enabling collaborative participation in the energy transformation. Applying energy justice principles to actively engage rural communities through SIA and benefit-sharing tools is thus a fundamental precondition to a just energy transition. The power of energy justice lies in its underlying principles to create policymaking roadmaps for rural community engagement and a more nuanced understanding and mitigation of community-level needs to ensure a sustainable energy future.

<sup>13</sup> Marsden, T. 2016. Exploring the Rural Eco-Economy: Beyond Neoliberalism. *Rural Sociology*, 56, 597–615.

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