

# A Social License to Operate for Energy Development

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“..the boom of activity in the planet's underworld has brought to the surface not only an abundance of hydrocarbons, but a deep reservoir of buried political and social tension.”



Photo: High Country News

Patty Limerick, *The Fractured Terrain of Oil and Gas Opposition*, High Country News (Feb. 22, 2016)

# Social License to Operate

- Society's or a local community's acceptance or approval of a firm's activities or operations

Gaining the Social License



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# Social License Ingredients

- Trust
- Transparency
- Inclusion
- Ongoing communication and engagement
- Broadened decision-making procedures
- Establishment agreement that includes social, economic and environmental aspects.
- Accountability between corporations and communities.

# Social License and Collaboration

- Achieving social license includes meaningful forms of public engagement
- Collaboration:
  - Share interests
  - Mutually investigate problems
  - Develop consensus-based alternatives and solutions

Photo: Ohio State University



# Amazon: Two Community Approaches - New York City and Virginia



- New York City: Big money, behind closed doors. Many questions, many assumptions = little legitimacy, credibility or trust.
- Virginia: Less money offered, transparent process, and commitment to provide employees but boosting related education = community legitimacy, credibility and trust.

# Saturday University Question to Participants:

What factors need to be taken into consideration regarding Carbon Capture and Storage for entities to gain social license to operate in your communities?

# Questions from Gillette and Sheridan

1. Corporate Engagement: What are the companies engaged in this project going to do to stay engaged with the impacted communities? What if they fail?
2. Impacts: General community impacts must be considered, from environmental (road, dust, drinking water, surface water, brines, carbonic acid underground, induced seismicity) to societal (safe technologies, higher energy prices, impacts on renewables), to workforce (jobs, training, impacts on renewables).
3. Regulatory Structure: Do we trust the experts (see, e.g., EPA & Flint, Michigan). Even if a regulatory structure is in place, can we rely upon it?



# Questions from Gillette and Sheridan

4. Ownership: Who owns/will own the captured CO<sub>2</sub> at Dry Fork Station?
5. Community Education: Broader community education is needed regarding climate policy, how these technologies work; information should be cast from international, national, regional and local perspectives
6. Workforce: What jobs will these technologies generate? What workforce education is needed?
7. Benefits: What are the benefits to Wyoming? Fiscal? Economic? What are the benefits nationally and internationally? Is CCUS really a benefit? Doesn't it just result in combustion of even more coal?

# Questions from Gillette and Sheridan

8. Uses of CCUS: The “utilization” aspects of CCUS are important, too – CO<sub>2</sub> for products, EOR. Are there other uses?
9. Longterm Planning: Are CCS/CCUS really needed? How much longer will coal be used? Does it make economic sense for society to go to all of this expense and trouble for a fuel that may be transitioning out of the energy system?
10. Social License: Social License is likely the most important aspect of this project.

# In Summary

- Social license to operate as a concept is a tool that is increasingly being used by the energy sector.
- Meaningful participatory community engagement – collaboration – is a direct corollary to social license.
- In some cases it should be the first tool to reach out for, and will be worth every penny.
- Social license does not mean that either a community or any individual stakeholder will have all interests met.
- Social license does mean managing expectations, transparency, long term value creation and building of trust for reliable energy operation.

Dr. Western's presentation is based on work conducted with Temple Stoellinger, J.D. and Steve Smutko, Ph.D. at University of Wyoming and our article "Collaboration through NEPA: Achieving a Social License to Operate on Federal Public Lands (2018) **Public Land & Resources Law Review 203.**

## QUESTIONS AND DISCUSSION