

## **ERP Plenary meeting – final minutes**

**MEETING DATE:** 10 October 2013, 09:45 – 12:00

**LOCATION:** 170 Queen's Gate, Imperial College London, SW7 5HF

### **ATTENDEES:**

Chair:	Keith MacLean	SSE, ERP Co-chair
Members:	David MacKay	DECC, ERP Co-chair
	Stephen Trotter	ABB
	Peter Emery	Drax
	Alison Wall	EPSRC
	Duncan McLaren	Friends of the Earth
	Peter Bance	Octopus Investments
	Neville Jackson	Ricardo
	Paul Lewis	Scottish Enterprise
	Angus Gillespie	Shell
	Rob Saunders	TSB
	John Loughhead	UKERC
	Julian Allwood	University of Cambridge
	Ron Loveland	Welsh Government
Non-member attendees:	Richard Neale	Atkins
	Bob Sorrell	BP
	Michael Rea	Carbon Trust
	Karl Cunion	DCLG
	Stephen Fleming	E.ON
	Richard Knight	ETI
	Chris Bennett	National Grid
Invited:	Tris Dyson	NESTA
Secretariat:	Farida Isroliwala	DECC
	Rufus Ford	SSE
Analysis Team:	Andy Boston	ERP Analysis Team
	Mark Workman	ERP Analysis Team
	Richard Heap	ERP Analysis Team
	Simon Cran-McGreehin	ERP Analysis Team
	Helen K Thomas	ERP Analysis Team

### **1. Chair's introduction**

Apologies were noted from: John Perkins (BIS); Martin Grant (Atkins – with Richard Neale in attendance); David Eyton (BP - with Bob Sorrell in attendance), Tom Delay (Carbon Trust – with Michael Rea in attendance); Steven Aldridge (DCLG – with Karl Cunion in attendance), Rod Smith (DfT); Jill Duggan (Doosan); Sara Vaughan (E.ON - with Stephen Fleming in attendance), David Clarke (ETI – with Richard Knight in attendance); Mark Wagner (Isentropic); Nick Winser (National Grid – with Chris

Bennett in attendance); Sue Ion (Royal Academy of Engineering – with John Loughhead representing).

The minutes from the July 2013 meeting were approved.

The key objectives of the plenary meeting were outlined as follows: (i) Discuss and provide feedback on the ERP Public Engagement project (ii) Discuss engagement with Ofgem in preparation for January's meeting (iii) Review ERP's forward work plan and Members' priorities for future projects (iv) Discuss and provide ideas for NESTA's longitude prize (v) Receive brief updates on Resource Use project and the renewal of ERP's Consortium Agreement.

## **2. Public Engagement – working paper**

Ron Loveland introduced the item on Public Engagement and provided a brief overview of work to date. The working paper includes analysis of the public engagement process on local, regional and national scales and focuses on a recommendation for a Strategic Narrative plus ERP's possible role within this. The paper additionally highlights some guidelines for best practice and recognises that 'good' public engagement will require the appropriate resources, which can be costly but also cost effective if designed well.

Ron explained that the paper has built on others' existing work including UKERC's analysis (carried out by Nick Pidgeon et al), which utilises the DECC 'My 2050' tool, and National Grid's work on 'Powering Britain's Future'.

The complexity of the topic of Public Engagement was reiterated – i.e. there are many caveats and designs should be considered on a case-by-case basis. The fact that there are many different '*publics*' (as opposed to one single 'public') was emphasised.

Ron focused Members' attention on a matrix within the working paper that splits public engagement into 'national', 'regional' and 'local' levels. Various stages of development and links between these levels were noted - to include project-based elements e.g. wind farms, or technologies at a more household level.

Members were asked to consider the conclusions and recommendations, particularly regarding the need for a Strategic Narrative (which it was noted, should be descriptive not prescriptive). Members were also asked to consider whether they agreed with the proposal for a subsequent workshop, to involve potential stakeholders required for the development of a Strategic Narrative.

Richard Heap provided a more detailed presentation of the work, which included:

- A distinction between the operational 'how to' delivery of public engagement and the strategic 'why' and its importance in the successful transformation of the energy system.
- The need for a 'Strategic Narrative' and what that entails;
- An overview of the main findings, conclusions and recommendations.

The importance of good engagement with the public was summarised as:

- The public interact with the energy system and will be involved in the transformation to a secure, low carbon system;
- Social, technical and economic issues interact and therefore should be considered together;

- UKERC's work shows that the public are supportive of changes to the energy system but their perceptions often don't align with the technical and economic constraints;
- Assuming public ignorance and that they just need to know the facts is wrong and can further polarise debate;
- Poor engagement can undermine trust and reduce future engagement.

Members were then provided with further detail regarding the matrix highlighting the interactions between the national, local and household scale and the importance of early engagement, so as to understand issues from the public's perspective and to avoid making assumptions later on.

Emphasis was put on the strategic importance of engaging with the public and how it can help establish trust in those delivering the transformation of the energy system. Examples were given of some of the challenges including avoiding conflicting messages and 'who is to blame' conversations e.g. regarding price rises and providing honest information and coherent messages to establish trust.

It was recommended that a Strategic Narrative was needed to help deliver coherence across the energy landscape, to include clear links between: overall Energy Targets (set within the broader context of climate change where appropriate), Policies, and the delivery of Plans on a local/smaller scale.

The (descriptive not prescriptive) Strategic Narrative would be government led and would explain key issues including:

- The Energy Strategy and how it will be delivered;
- Roles of the various stakeholders, including the public;
- The role of public engagement;
- An outline of the challenges faced;
- Background to how today's decisions have been reached and the (technological) options that are available now.

Engagement would be embedded into the Strategy and the Narrative, so they are informed by the technological, economic, business and social issues and constraints. The strategy and narrative should be responsive to changing circumstances – i.e. a 'non-linear' process. This requires strong leadership to determine how these changes should be incorporated into the overall Strategy and therefore the narrative.

In the discussion that followed, there was overall positive feedback on ERP's work in this area so far and Members felt the work highlighted both the importance and need for public engagement.

Members went on to provide their feedback and discussed the issues raised. Initial points noted were:

- What would successful public engagement look like within Members' work? Recommendations should assist with what Members wish to achieve;
- It was agreed that public engagement should be carried out as early or 'upstream' as possible.

Guidelines and background work regarding purpose and best practise for undertaking engagement were referenced.

The discussion was moved on to focus on the need for a Strategic Narrative, the role for ERP and whether a narrative would better enable public engagement and the various parties involved. It was noted that:

- Germany has had a positive result from producing a clear Strategic Narrative.
- ERP can raise understanding that engagement is a key issue. It was highlighted that Lord Winston has been made aware and is supportive of ERP's approach – most work addresses trying to *convince* the public rather than *engage*. It was noted that the former does not succeed but engagement can be problematic.
- ERP's role could be:
  - To convince those that carry out public engagement of the importance and the mechanisms to provide it well or;
  - In the creation of a narrative e.g. ERP could be the sounding board or party producing this?

In the discussion, clarity was sought as to what a Strategic Narrative means and what it would entail. In response, it was noted that a range of organisations have developed and used Strategic Narratives including the Military, Corporates, US Government, NHS Scotland and DCLG's National Planning Framework for Sustainability. The Narrative should identify the challenges or 'hotspots' for public engagement (e.g. those that continue to arise) and how they will be addressed.

It was emphasised that the need for a Strategic Narrative has never been greater. It was suggested that ERP should write the 'rule book' for and facilitate the development of a strategic narrative process for the energy system.

Members agreed that a Strategic Narrative should be primarily owned by government but should involve all other parties, with the aim of facilitating dialogue. Members additionally reiterated that building trust was important.

It was noted that a narrative would need to include 'feedback loops' and take on board strong messages and outcomes from carrying out engagement. However, concerns were raised that it is difficult to produce a narrative in the face of political change/uncertainty and Members additionally felt that globalisation has made strategies harder to produce, because audiences are so varied.

Reference was made to DECC's approach noting that the Government's "Carbon Plan" was designed to be more accessible, along the lines of a proposed Narrative, setting out the 2050 objectives and the issues that need to be addressed. On-going engagement was also underway through the British Energy Challenge, which visits cities around the UK to showcase low carbon initiatives and engage audiences (local communities) in interactive discussions.

Final points raised were:

- Much of the low carbon agenda might resonate better as a 'resource efficiency' narrative;
- Alignment of 'key players' is a necessity to produce a successful narrative - the working paper did not include a time frame for this.
- The working paper assumes there are clear targets for a low carbon energy system, when this is not necessarily the case.
- Trusted, detailed information e.g. regarding loft insulation needs to be more readily available, to allow informed decisions and more successful dialogues.
- The people trying to persuade 'the public' are 'the public' also.

Members returned their focus on identifying a concrete proposal for ERP's action / involvement going forward. Ron (as Chair of the Public Engagement Steering Group) suggested the initial steps of:

- Publishing a paper on the ERP website giving an overview of messages from the workshop and background interviews;
- An exploratory workshop which would help to draft key points / suggestions to be included within a narrative, to inform the public engagement process.

It was emphasised that at present, there is no common view on what a Strategic Narrative is or should look like and the workshop could successfully explore this. It was agreed that a good starting point would be to critique the Government's 'The Carbon Plan', which would help to articulate what a Strategic Narrative should look like, how it could be tested and the possible pathways and constraints. The workshop would need to be non-political at this stage.

As a final note of caution it was raised that a narrative could be seen as a very 'top-down approach'. Therefore a key part should be to ensure it initiates more social interaction with how publics are required to change their use of energy.

It was decided that outcomes from the proposed workshop would be presented at a future Plenary meeting – to provide more detailed recommendations for the production of a Strategic Narrative, plus ERP's and others' roles within this.

### 3. Resource Use Strategies - update

Richard Neale (on behalf of Martin Grant, Atkins - Chair of the Resource Use Strategies project) provided Members with a brief re-cap of ERP's work on the topic(s) so far, which originally focused on Minerals. This work has now been completed and is due to be co-launched with UKERC's work on Minerals Availability in early 2014.

Following the ERP's plenary meeting in January 2013, Members endorsed further work in the areas of Land, Water and Nexus. Richard took the opportunity to brief Members on the scope of this work which intends to:

- Provide an overview of existing research material regarding Land and Water and how this could impact policy design;
- Look into the Nexus agenda, what the term means and to test the resilience of (future) related policies;
- Provide an adaptation focus to these resources, how they fit together and how these issues impact to 2050.

Mark Workman advised Members of parties who have been engaged with the work so far. These included: The Foreign Commonwealth Office, BIS and the Materials Special Interest Group.

Finally, Members were asked, if interested, to present case studies from within their own organisations for a Materials Security Special Interest Group publication on materials innovation in the Energy Sector. This report will inform future calls through the most appropriate of the TSB funding instruments available.

**Action: Members to contact Mark Workman if they would like to put forward a case study from their organisation to the MatSIG publication.**

#### 4. Preparation for Ofgem's visit to ERP Plenary in January 2014

Keith MacLean (Chair) led discussion in this area and provided Members with some background. Keith explained that following a meeting with Ofgem's Senior Partner - Hannah Nixon and Associate Partner involved in Network Innovation - Andy Burgess, Ofgem colleagues had been invited to present at next year's plenary meeting.

Members were reminded that Ofgem are within the top two organisations for innovation spend within the energy sector and it was therefore important to improve collaboration and engagement opportunities with them - to hopefully provide input or advice for how best to structure Ofgem's work with others in the field. It was noted that Ofgem's funding also spans other non-network-related areas such as Hydrogen, Distribution, Generation, Supply and Transport.

In view of January's upcoming meeting, Members were asked to provide thoughts and ideas around:

- How ERP can engage with Ofgem?
- What topics should be raised at January's meeting?

Members initially raised concerns that Ofgem would be solely interested in conventional networks but went on to discuss possible items for discussion. There was concern that at present there are very polarised views on funding with no coherence between them. Subsequent items for discussion included:

- The Low Carbon Networks Fund (LCNF).
- Whether obtaining advice on the nature of funding would be useful i.e. if the LCNF projects are near 100% funded, is there an incentive for network companies to manage project costs and to ensure that there are sustainable, longer-term benefits after the project?
- The Transition to RIIO and the fact that innovation funding is no longer solely about the LCNF;
- Noting the DNO price control review (RIIO-ED1); Is Ofgem providing the service it should and stimulating long-term innovation?
- Considering energy system innovation - there is a great deal of 'bottom-up' innovative work, which is struggling to find its way through the LCNF. Involving Ofgem in work of the TSB Catapult Centres could encourage groups to help consider how work can be better joined up.
- Wider discussions than just funding arrangements should take place e.g. the future of gas/heating networks seems interesting but looking at price control plans - these are Business As Usual (BAU) rather than incorporating whole system.

It was questioned whether discussion should include the above comments plus transmission and electricity networks – if agreed, prep work in advance would be required.

- Some Members felt it would be beneficial to discuss smart-living/smart-grids and obtain Ofgem's view in these Demand Side areas, rather than solely focusing on the LCNF.
- It was also pointed out that discussions should not be too electricity system focused but should include discussion from the oil and gas perspective also, i.e. how do government / price changes affect them?

- It was decided that Hydrogen, Heat and CO<sub>2</sub> should also be addressed, looking forward to 2050. However, some concerns were raised that this was not within Ofgem's remit.

Funding Body Members from around the table were asked if Ofgem were involved in the Low Carbon Innovation Co-ordination Group's (LCICG) meetings / work. An LCICG steering committee member reported back that Ofgem attend meetings depending on the agenda, but as an associate member of the LCICG they were not a leading act and therefore greater involvement would be welcomed. This point could be fed back at the January meeting.

Government's role in guiding/influencing Ofgem as a regulator was also discussed at this point and was noted as something to explore. ERP was seen as a friendly forum with the ability to step back and ask/address the question.

In summary, Members requested that the debate should be more than just a repeat of what the LCNF has been set up to do. Conversation would need to widen out to look at the wider energy system and structures (not just electricity networks) and how this is integrated with other work.

It was suggested that the ERP Secretariat should request and collate examples from Members regarding ideas for discussion and Ofgem's existing involvement, in preparation for January's meeting.

In order to obtain the greatest benefit from the discussion in January:

- Members were asked to provide suggestions on a practical level and include a range of subjects.
- Co-chairs would pass the collated topics on to Ofgem as early as possible before the meeting – no surprises!
- The purpose of the meeting would be made clear - i.e. this is to gather views and provide a friendly forum for discussion.
- The discussion would take a constructive and non-confrontational approach, which would be more beneficial regarding future engagement.

**Action – Members to submit ideas for discussion with Ofgem and provide examples of current collaborations. Please send these to the ERP Secretariat by Friday 6 December.**

Members were reminded of what the 'R' in ERP stands for – 'Research' and that this should stimulate debate and become relevant to Ofgem too.

## **5. ERP Forward Work Plan and Project Initiation Process (PIP)**

Keith MacLean outlined the aims of the session - to obtain an overview of the new Project Initiation/ Prioritisation Process following edits made since feedback at July's meeting, and to discuss ERP's Forward Work Plan. Members were called on to provide project ideas using the new process in place.

Richard Heap provided a brief re-cap of the new process and explained that the purpose was to initiate a more objective process going forward.

Richard explained that the new process would also enable:

- A re-shuffle of the order of the work-plan (where agreed and required).

- Timelier, quicker, shorter projects to be picked up as required (e.g. in between Plenary meetings) if suitable resource was available.
- The new peer review process to be initiated.

Keith thanked those who had already submitted new project ideas and outlined the 'peer review' process: Members were asked to discuss their ideas with other Members to develop a more substantive proposal before submitting it to the Analysis Team. Members were invited to submit their ideas promptly so they could be considered ahead of discussion at the Co-Chairs' meeting in mid December.

It was advised that more emphasis regarding the purpose or outcome that a project seeks to achieve should be provided, and should be followed up with an impact assessment.

**Action: Richard Heap to amend the process to note the purpose/intended outcome and impact assessment reviews plus a section for time criticality.**

Greater clarity was sought over the prioritisation process specifically. In response it was noted that new projects could be time critical and these would be assessed depending on resource available at the time. Those submitting project proposals would need to stipulate any time critical factors. For larger projects, Members at the wider plenary meetings would be more heavily involved.

Members provided a few more project suggestions and were asked to develop and submit these (as above) to the Analysis Team. Ideas discussed included:

- A project to clarify the use and role of CCS - storage and use of CO<sub>2</sub> as a resource.
- Upcoming work with EPSRC - would there be the potential for ERP team Members to work with EPSRC committees and specific technology groups.
- EPSRC work on Energy Storage and other opportunities for joint work / wider ERP input e.g. for discussion at a plenary meetings.

**Action: ERP to circulate a list of current project ideas.**

**Action: Members to begin using new initiation process by developing their ideas in consultation with other Members, before putting them forward to the ERP Analysis Team.**

## 6. Update on amendment to ERP's Consortium Agreement

Members were provided with a brief update regarding progress for the renewal of ERP's Consortium Agreement.

Updates included:

- Signatures of existing Members have nearly all been collated;
- Co-chairs/The Secretariat are well-advanced with new Member discussions;
- There are some minor amendments - mainly to Members' names/addresses and to include new Member parties – a final document will be re-circulated.

It was raised (and noted) that whilst considering new Members, ERP should strive for diversity within its Membership.



## 7. Nesta – The Longitude 2014 Prize

David MacKay introduced the item and provided Members with background information before welcoming Tris Dyson from Nesta.

Members were informed that the purpose of the prize at this stage is to involve the public in putting forward prize ideas. It was explained that the Committee has split prize ideas into 7 sub-groups, two of which are Energy and The Environment both chaired by Professor David MacKay.

A list of the full 7 sub-groups are:

1. Global Development
2. Technology & robotics for Enhancing Living
3. Improving Access to Communication
4. Feeding the Planet
5. Living within our means (environmental)
6. Living within our means (energy)
7. Extending Life and Improving Health

Nesta hopes to engage people to donate money and obtain media interest with TV programmes to showcase ideas of what the prize could be used for - the public gets the vote! There are prizes for winners of all 7 sub-groups with one larger prize for the overall winner.

It was noted that Nesta would gratefully welcome prize ideas or potential sponsorship from ERP Members. Guidelines for good prize ideas were provided, these should:

- Be solvable but not too easily; within a 5-10 year horizon;
- Provide a solution that will be accelerated (attract new R&D);
- Potentially allow solutions to come from many sources;
- Provide a solution that is relevant to improving lives;
- Provide a solution that will be adopted/taken to market.

Members thanked Nesta for the information and provided some brief feedback. It was felt that the prize should incorporate / find a focus for Demand Side Reduction e.g. an Arts and Behavioural prize idea to persuade (the public) to use less energy. It was also emphasised that international attention for prize ideas / the winning prize would be beneficial.

**Action: Members to contact Tris Dyson with prize ideas or interest for sponsorship by end of October 2013.**

## 8. AOB

Members addressed AOB items, including a brief discussion around the recently proposed 'Price-Freeze'. Members were then invited to lunch followed by a post-plenary session on the uptake of EVs and Heat Pumps, presented by the Committee on Climate Change (CCC).

**Next meeting: Wednesday 29 January 2014, 15:00 – 19:00 (with post-plenary session & drinks reception).**