

ERP Plenary meeting minutes

MEETING DATE: 16 April 2013

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

ATTENDEES:

Chair:	Keith MacLean	SSE
Members:	David MacKay Martin Grant John Miles Tom Delay Jill Duggan David Clarke Mark Wagner Nick Winser Peter Bance Neville Jackson Sue Ion Angus Gillespie Rob Saunders John Loughhead Julian Allwood	DECC, ERP Co-chair Atkins Arup Carbon Trust Doosan ETI Isentropic National Grid Octopus Investments Ricardo Royal Academy of Engineering Shell TSB UKERC University of Cambridge
Non-members:	Stephen Fleming Mike Thompson Nigel Burdett Anthony Burd Bob Sorrell Diego Villalobos David Delpy	E.ON CCC Drax DCLG BP Ofgem EPSRC
Invited:	Anna Stephenson Craig Lucas	DECC DECC
Secretariat:	Farida Isroliwala Rufus Ford	DECC SSE
Analysis Team:	Mark Workman Helen K Thomas	ERP Analysis Team ERP Analysis Team

1. Chair's introduction

Keith welcomed Members to the meeting, and provided a particular welcome to: Angus Gillespie (Shell), Rob Saunders (TSB) and Mark Wagner (Isentropic) as ERP Members attending their first Plenary meeting. Keith also welcomed Craig Lucas, (DECC - guest attendee) and Anna Stephenson, (DECC - presenter of the session on DECC's Bioenergy and Counterfactual Calculator).

Apologies were noted from: Stephen Trotter (ABB); John Perkins (BIS); Rod Smith (DfT); David Eyton (BP - with Bob Sorrell in attendance), Steven Aldridge (with Anthony Burd in attendance), Peter Emery (Drax - with Nigel Burdett in attendance), Alison Wall (EPSRC - with Dave Delpy in attendance), Sara Vaughan (E.ON - with Stephen Fleming in attendance), Paul Lewis (Scottish Enterprise), Ron Loveland (Welsh Government) and Duncan McLaren (Friends of the Earth).

The minutes of the January 2013 meeting were approved.

The key objectives of the Plenary meeting were outlined as follows: (i) Receive updates from the International Engagement and Public Engagement projects; (ii) discuss and agree the draft of the ERP mission Review; (iii) discuss the content of a letter to The Chancellor on the 2015/16 Spending Review; and (iv) receive a presentation on DECC's Bioenergy and Counterfactual Calculator.

2. International Engagement

John Loughhead presented the ERP work on International Engagement. He highlighted that it was a work-in-progress with the present interim report building on the work presented at the Plenary in April last year. At that meeting, Members had requested the use of case studies to make the case for a more strategic approach to UK International Engagement. This work therefore focuses on the case studies of CCS and Energy Storage.

John drew Members' attention to the high-level messages and recommendations from the draft report, which included:

- Though there a number of international initiatives (as outlined in Appendix B of the report), there are currently few mechanisms in place to co-ordinate UK international engagement activity;
- Awareness of the international innovation landscape is integral to identify areas for UK leadership and collaboration in energy system technology development. The LCICG could be a suitable body to undertake this function;
- There may be a case for technology 'champions' (or ambassadors) to be resourced to oversee UK involvement in activities, and bring some coherence/visibility across the community;
- These champions would lead development of a strategic approach to international engagement across the community and funding agencies.

John stated that he felt the work so far had made the case for the need for a more strategic co-ordination of UK International Engagement. Should the ERP feel that more work was warranted, future work could review other technologies to identify areas of systemic commonality and technology-specific engagement opportunities.

The work was welcomed by the TSB who stated that they had identified the need for an International Engagement strategy for UK energy innovation. They fully supported continued ERP work on the topic. This was echoed by The Carbon Trust who expressed a wish to get more involved as well as identifying the need for a more open discussion on the issue. E.ON stated that the work had been enhanced by particular technology focuses, which was similar to the framework that they use. During the discussion, Denmark was identified as a country with a well-developed plan for International Engagement, which provided benefits to the boarder economy - it exports one quarter of its resources to countries such as China and receives three times as much of a return compared to the UK.

The importance of access and visibility between initiatives to develop connections, as well as the need to frame programmes in order to identify opportunities for collaboration, was identified as key. The examples of ERP's work on Energy Storage and CCS were mentioned as being insufficiently developed at this stage to identify how and where collaboration could take place but that there was an imperative to seek to do so.

Julian Allwood broadened the discussion to the application of the need for a UK strategy beyond international engagement for technologies, to include other areas such as statistics and forecasting and how we could work with other countries in order to collate information and identify patterns.

Other issues raised relating to the International Engagement work included:

- The EU is moving towards a more multi-lateral orientated collaboration, which the UK should take advantage of in terms of shaping the space. However, this has a cost as civil servant time and effort must be accounted for. Furthermore, the SET-Plan shows that some initiatives have been developed further than ERP's work presently implies;
- What is the most effective way of encouraging collaboration and developing International Engagement? Though it is a 'messy process', it requires strategic co-ordination. The need to cultivate genuine partnerships using well-informed decision-making processes was key with the FP7 tick-box process being considered as a mechanism of questionable value.
- It is important to consider the UK's public sector budget-setting timelines, as these can impact engagement work;
- An assessment of international engagement should be undertaken on a case-by-case basis, as each technology or research area would differ. Indeed the responsible body for oversight in some cases may already exist, for example in transport and CO₂, and where it does not then perhaps ERP could be a suitable organisation?
- It is important that we should consider this work in the context of which co-ordination activity is already underway in the UK and in the context of the LCICG. Additionally, we should consider the work in the context of the structures that already exist internationally, such as the aforementioned SET-Plan for the EU and the energy technology work of the International Energy Agency (IEA).
- The paper's conclusions and any development of its recommendations should therefore be rooted firmly in this wider context and an understanding of existing work. Additional work will be required to capture this in the paper.

Members sought greater clarity around the scope of any future work with the following comments noted:

- It is important to understand the criteria for engagement at a national level and consider the opportunities along the value chain;
- Consideration of the different funding models and wider engagement opportunities needs to be made;
- It is essential to highlight the relevance of the work for the private sector. Future work could assist in the identification of choices for investment plans for large multi-nationals and provide a map for smaller companies who perhaps require more assistance;
- There is a need to identify how many technologies will subsequently be considered.

It was agreed that follow-up work should be carried out as promptly as possible, with areas identified to be presented to members at a subsequent plenary meeting. This would also assist with identifying ERP's potential future role in this area. To this end, it was decided that the International Engagement Steering group would be reinstated to consider next steps and uncover further priority areas for analysis. The ERP would be happy to receive any additional member input and comments.

Action: ERP Analysis Team/John Loughhead to reinstate Steering Group and initiate discussions to uncover priority areas for future International Engagement project work.

3. DECC's Biomass Calculator

Keith introduced Anna Stephenson from DECC to present an overview of a version of the DECC Bioenergy and Counterfactual Calculator (BEAC).

The work is based on the four principles from the HMG Bioenergy Strategy produced in April 2012 and incorporated a counterfactual baseline to assess the sustainability of different feedstock streams on a full life cycle basis. It was emphasised that the calculator was at an early stage of development and required peer reviewing. ERP members were encouraged to comment on the tool either by consulting DECC directly or via the ERP Analysis Team. Literature accompanying the calculator is scheduled to be produced shortly [end of May].

Action: Members to contact Mark Workman of the ERP Analysis Team to volunteer for a sub-group discussion regarding Bioenergy or Anna Stephenson at DECC with comments relating to the DECC BEAC.

4. ERP forward look, Mission Statement amendments and proposal for new Consortium Agreement

Keith provided an update to Members on (1) the current status of recruitment for the ERP Analysis Team and (2) clarity of ERPs role and purpose going forward.

No suitable candidates from ERP members were put forward to cover for the role of Head of Analysis Team for the remainder of the consortium agreement. Therefore steps have been taken to advertise externally with interviews taking place throughout May.

Keith provided feedback from his discussions with Members regarding ERP's impact, effectiveness and the re-drafting of ERP's Mission and Objectives. This was integral to the development of the new Consortium Agreement for the period 2014-2016. Members were provided with the opportunity to add any final comments to complement those provided in the fortnight before the Plenary Meeting. Key issues raised included:

- ERP Members should be able to pause/stop a specific project when its direction has changed or the overall value is questionable, to ensure upmost effectiveness. The opportunity for quick, responsive pieces of work is important;
- ERP's strong links to Government should be emphasised;
- ERP should undergo a review/refresh of existing Members, particularly to fill any existing membership gaps such as: Heat and Finance. The level of private sector attendance should be maintained at Director level.

- Some existing ERP relationships should be improved with Government Departments, for example the possibility of attendance at CSA fora;
- From the public sector perspective, the use of the word ‘influencing’ in ERP documentation was highlighted as an area for caution, as it implied a lobbying function. The word ‘guiding’ was considered more appropriate;
- ERP should communicate its work more effectively e.g. through the web and via Project Steering Groups.

It was highlighted from some Members that ERP’s current objectives could be better defined with a mechanism for measuring ERP’s success. A common ERP objective could relate to the development of the evidence base for the deployment of the 2050 UK energy system. The following points were additionally noted:

- ERP’s unique focus is innovation, if this was broadened then ERP may become one of many bodies in the energy sector;
- ERP should continue in its aim to *inform* and *advise* the ever-changing energy debate and continue to provide good quality outputs;
- ERP’s Mission Objective should bring coherence to a complicated energy landscape via the appropriate mix of Members, by sharing information and rationalising trade-offs;
- ERP is a powerful private-public sector fusion providing a ‘real-world’ perspective to policy and technology development;
- There is a need to revisit the 2005 ERP Budget statement and the original rationale for ERP.

The Co-chairs noted the comments above and agreed to amend the draft mission statement as appropriate but emphasised how challenging it is to provide an overall, objective summary of ERP’s aims. A process and timeline for renewing ERP’s Consortium Agreement was outlined as follows:

- Refresh the aims and mission statement and circulate before July’s plenary meeting. This will also include an outline of the Analysis Team’s purpose and objectives;
- Members to provide sign-off of draft version at July’s Plenary meeting;
- The agreement will then be circulated to Members and legal contacts between July and October for any final amendments.

Members went on to discuss ERP’s current name, in light of comments that it does not portray a ‘systems’ perspective of the work that is undertaken; in some cases this has hindered outsiders from understanding ERP’s role.

Member’s comments in response to this included:

- The word ‘Research’ should be reconsidered as that implies only focusing on the lower TRLs; it could be dropped altogether or ‘advisory’ could be considered as an alternative. However, this should be balanced with the fact that ‘Research’ adds a unique angle to the organisation and removing it could be detrimental as it would reduce the profile of the analytical function;
- ‘Energy’ is not an overall ‘liked’ topic, so to include ‘Research’ adds a different emphasis. ‘Partnership’ could be up for reconsideration as it was not felt as necessary;
- Changing an organisation’s name brings transaction costs e.g. in historic / legal documents, communication tools and the maintenance of existing links;
- The name should be kept simple but ensure heavyweight value to Members and businesses.

Action: Members were asked to send any final / additional thoughts on re-drafting ERP's Mission, aims and objectives through to the ERP Secretariat by **Friday 24 May 2013**.

5. ERP's Letter to the Chancellor

ERP Members were reminded that the Consortium Agreement included provision for the public sector Co-chair to provide an annual update to the Chancellor. It was felt that this was an opportunity to write to the Chancellor about the importance of continued innovation support as part of the 2015/16 Spending Review process. A draft set of suggested points has been outlined by the ERP Secretariat and will be circulated to Members.

As timelines for drafting and finalising the letter were tight, Members were asked to raise any initial key points at the meeting but to also email points for inclusion in the letter though to the ERP Secretariat by **Wednesday 24th April 2013**.

Members welcomed the opportunity to input into the letter. A selection of points were highlighted for inclusion, these included:

- The need for support for SMEs and high-end training and skills; to reinforce the positive environment for investment; and for continued support regarding key technologies;
- Reiterate that public support enables other actions and that underinvestment (which occurs in energy R&D in the UK, relative to other OECD nations) has an impact on the economic performance of the UK, especially regarding job creation;
- Highlight the importance of continuing to invest in technologies with a strategic role in the future energy system, such as Nuclear and Bioenergy.

It was additionally noted that:

- ERP should provide examples wherever possible and returns should be quantified in terms of ROI;
- Context and finance are important areas for focus and wording such as '*we are moving towards a more expensive energy world*' should be included;
- ERP should avoid using the word '*carbon targets*' and focus on green growth with the carbon targets being incidental.

Action: Members to email points for inclusion in an ERP letter to The Chancellor by **Wednesday 24th April 2013**. Seek two to three volunteers to review the draft letter with a view to sending this out by the end of April at the latest [now been done].

6. Update on work on Public Engagement

In Ron Loveland's absence, John Loughhead introduced the Public Engagement item, which provided Members with information regarding the upcoming ERP workshop, taking place on **Friday 10 May 2013**.

It was agreed by Members at a previous meeting that the workshop should take place as an initial step for uncovering key messages and areas of consideration for Public Engagement, particularly in relation to achieving a future low carbon energy system. The work aims to identify gaps in research or understanding, highlight existing issues for Public Engagement and investigate how these may be mitigated.

Subject to membership approval, there was scope to develop further analysis in the area of public engagement, perhaps focusing on more particular technology-specific or alternatively wider process-based issues. Findings from the workshop would be presented to members at July's plenary meeting.

Helen Thomas provided an update on progress to date, which included pre-workshop interviews with contacts from Academia, Government departments, NGOs, Industry, Community Groups, Local Authorities and others and provided the framework around which the workshop would be based.

A selection of messages repeatedly mentioned during the pre-workshop interviews were summarised and included:

- The need to understand the different types, levels and multiple meanings of public engagement;
- The need to understand the target audience that 'public engagement' is aimed at, as well as the need for clear aims and honesty to and from all parties;
- Public engagement is required at all stages of a decision-making process but is especially essential early on in policy / project development (up-streaming).
- Within this context it is important to develop a tool for understanding, two-way learning and for helping to meet future energy system targets and challenges;
- Public Engagement is best carried out by an independent (third) party who is trusted by 'the public'.

Action: Members were encouraged to provide any thoughts and feedback ahead of the workshop to Helen Thomas, Richard Heap or Ron Loveland (Chair of the Public Engagement work) **before Friday 10 May 2013.** [now passed]

7. Any Other Business

Keith thanked the ERP Analysis Team for their updates and invited Members to stay after lunch for the post-plenary session on the Offshore Renewable Energy Catapult Centre, recently set up by TSB.

David MacKay stated that they were after volunteers to peer-review the new DECC report on Shale Gas.

Action: Members to make contact with ERP Secretariat Member Farida Isroliwala should they wish to peer-review the DECC's Shale Gas report. [Post meeting note: some members volunteered, no more volunteers sought].

Next meeting: Tuesday 16 July 2013, 3:00 – 5:30, followed by dinner [speaker subsequently confirmed as being Michael Fallon, Minister of State for Energy in the Dept. of Energy and Climate Change, combined with role as Minister of State for Business and Enterprise in the Department of Business, Innovation and Skills].