

UK Marine Energy Programme

Event: Marine Energy Programme Board (MEPB) Meeting

Date: Thursday 13th June 2013

Time: 13:30 – 17:00

Venue: Old Royal Naval College, Greenwich, London

Meeting Notes

The meeting was convened with Minister Gregory Barker, Minister of State and chair of the MEPB who gave the welcome and opening statement.

In his opening statement, the Minister reiterated the Government's support for the sector, commended the MEPB on the achievements made to date and exhorted the sector to rise to the challenge to maintain the lead in the global race for Marine Energy.

The Energy Market Reform (EMR):

Following the EMR update by Ruth Herbert (DECC EMR), Richard Yemm (co-chair MEPB EMR Working Group) gave the update from the EMR workgroup. The group has been feeding views on the CfD and strike price to the EMR team and had attended EMR/investor focus events. During subsequent discussions, participants expressed the need to separate wave and tidal stream and the importance in making sure that the strike price for both technologies are adequate.

MEPB New Structure:

Trevor Raggatt (DECC Small Scale and Emerging Technologies) gave an overview of the new features of the MEPB and of the new Programme Management Group. He reiterated the fact that all working groups are opened to interested parties and encouraged active participation from across the sector.

Policy Update:

Barbara Garnier-Schofield gave a short policy update. She highlighted in particular the new Entrepreneur Fund call and NER300 2nd call. Barbara also announced DECC's intention to host a Wave energy stakeholders roundtable in July to specifically look at the issues faced by the wave sector and identifying a way forward in resolving these. Further details on the meeting will follow.

BIS Minister – Michael Fallon:

Michael Fallon was unable to address the Board due to timing constraint. Instead he responded to questions from attendees. The discussion focused on the need to encourage more large industrials to invest and become involved in the sector. Michael Fallon robustly challenged the sector on future cost reduction. He also highlighted the need for ensuring the sector develops with strong local content as key. The aerospace and automotive sectors (and later biotechnology) were identified as good exemplars of how marine energy should aim to develop in the UK. Minister

Greg Barker said that representatives from these sectors should be invited to address the MEPB at its next meeting.

1st Arrays:

Updates were given by representatives of the schemes funded by MEAD and NER300 towards the deployment of the first array schemes.

Following the short session with Michael Fallon, Minister Greg Barker raised the issue of ensuring high local content in the development of the wave and tidal sector in the UK on the back of the planned 1st arrays. The ensuing discussions brought out the lack of concrete information as to the UK content for establishing a wave and tidal sector. Attendees also raised the difficulty of attracting UK service providers in offshore environment from existing sector such as Oil and Gas industry to develop the sector. The Minister challenged the sector to form a UK Content workgroup to provide the evidence and look for way forward to maximise local content.

Marine Energy Parks (MEPs):

Calum Davidson and Johnny Gowdy gave a joint update on the progress of the MEPs as they are working together to maximize the potential of realising a marine energy sector in the UK. They reported that benefits were already evident from having the pooling of resources in the two regions. Calum Davidson reported that over 300 jobs have been created in the Orkney area so far from activities in the Wave and Tidal sector. The MEPs are currently focusing on infrastructure, supply chain and testing facilities at EMEC and WaveHub.

The SW MEP is working together with the management of the WaveHub to see how best they can utilise the resource. The SW MEP is also considering getting involved with managing the third party leases proposed by The Crown Estate in the current leasing round. The SW region is also seeing many innovative ideas coming through via the universities.

The Minister raised with the audience the issue of the barriers to using the facilities at WaveHub. Attendees commented that reducing the risk of deployment for developers was key.

Scottish Island Steering Group:

John Costyn (DECC) reported on the findings from the Scottish Island steering group and the resulting independent report which was published earlier in May. The UK Government and Scottish Government are considering the report and will publish an update in July 2013.

Richard Round from Aquamarine stood in for Martin MacAdam (Chair MEPB Islands Transmission Charges working group) and reported on the progress of the group. The group has estimated high cost associated with transmission charging at 1.5 ROCs for the Western Isles.

The stakeholders expressed the urgency of resolving the grid issues before October 2013 as investment decisions on projects would otherwise be affected. The sector summarised possible solutions as being either greater subsidies for the Islands or a change of regulatory approach. The latter they believed would only happen with Ministers stepping in as feedback from National Grid and Ofgem was that they couldn't do anymore and this was now a policy issue.

Minister Greg Barker suggested he should discuss the issue at his upcoming meeting with Scottish Energy Minister Fergus Ewing

Consents & Licensing (C&L) Group Update:

David Krohn from RUK gave the update on the C&L workgroup. The group is working with regulators to get a wave and tidal regime which is fit for purpose. The group also has a standing agenda item and incorporate wave and tidal into the offshore renewable energy licensing group (ORELG) list. The group organised a consenting stakeholder workshop and is currently working on two main deliverables for the remainder of the financial year:

- Development of position papers with NERC
- Development of a mapping exercise prioritising the impact of wave and tidal which will be hosted on a website

The Crown Estate (TCE):

Martin Simpson gave the update on behalf of John Callaghan. Application is now open for a UK wide leasing for further testing and demonstration sites for wave and tidal devices. TCE will be prioritising sites which are in close proximity to where there is grid capacity. The decision follows the recent consultation by TCE on the leasing process. TCE will also be implementing a new 3rd party management arrangement for the management of these zones and is keen on getting local support/participation.

TCE will also be investing £20M towards the development of 1st array projects. Decisions are pending on which projects will be initially supported.

The Knowledge Sharing workgroup which was led by TCE launched the Wave and Tidal Knowledge Network in April. The network currently has over 1000 references and provides a one-stop-shop for wave and tidal stakeholders to share and access information. TCE welcome feedback on the site, in particular on ideas on how the Knowledge Network can move forward. TCE is committed to fund the site for the 1st 12 months and would like another party to take over thereafter.

Closing:

In wrapping up the meeting, the Minister stressed the importance of the MEPB to continue with the work they are doing. He summarised the main hurdles which must be overcome for the wave and tidal sector to move forward; the EMR and the grid issues. For the EMR, he stated that CfD will become easier when the strike price is

clear. There is also the recognition or the urgency around the Scottish Island issues and the need for a solution. He also made it clear that the sector also needs to get it right with consents and licensing.

Hence in closing, the Minister acknowledged that the above workgroups need to continue the work they are doing. In addition, the need for a new working group investigating the UK content potential of the sector was flagged. The sector also flagged up the need for closer engagement with BIS. This could be achieved through the new UK content working group.

For the UK content group, industry requested a template from the Minister of how the Government wants the industry to assist.

Meeting Actions:

Action	Responsibility
1. Formation of a working group to look at UK content.	MEPB members following DECC Secretariat initiation.
2. Provide template with the asks of Government on UK content from the sector.	DECC Secretariat.
3. Invite other industries to attend the next MEPB to share lessons learnt	DECC Secretariat.

Attendance:

Trevor Raggatt	DECC
Barbara Garnier-Schofield	DECC
Karen Dennis	DECC
Ruth Herbert	DECC
Alan Mortimer	SPR
Richard Yemm	Pelamis Wave Power
David Ainsworth	MCT
David Krohn	RenewableUK
Richard Round	Aquamarine Power
John Callaghan	TCE
Amaan Lafayette	E.ON
Dan Pearson	MeyGen
Martin Murphy	Tidal Energy Limited
Alexandra Malone	SSE
Stephen Brooker	MMO
Lucy Parsons	Narec Capital
Kate Hallet	BIS
John Costyn	DECC
Alan Taylor	Fred Olsen
Tore Gulli	Fred Olsen
Calum Davidson	HIE
Elaine Hanton	HIE
Johnny Gowdy	RegenSW
Oliver Wragg	Atlantis
Martin Simpson	TCE
Stephanie Merry	REA
John Leggate	Carnegie
Charles Reynard	Eversheds
Stephen Wyatt	Carbon Trust
Rob Saunders	TSB
Mat Desforges	State of Guernsey Government
Anjoum Noorani	DECC