

EMR Collaborative Development Process: Terms of Reference for the Implementation Steering Group

Introduction

The objective of the collaborative development process is to:

- Develop refined EMR process maps¹ and associated design features, where these processes will involve industry and delivery agent participation;
- Develop an implementation plan for establishing and testing those processes; and
- Secure joint responsibility to ensure the delivery of the EMR programme to time.

The outcome will be to develop an understanding of how EMR proposals can be implemented in practice and work at an operational level, in particular how relevant participants within the EMR regime will be required to act within that process. We intend to make material relating to this process publicly available on the DECC website.

Purpose of Implementation Steering Group:

- To support the collaborative development process to move EMR from policy development to successful implementation
- To agree the TORs, membership and provide the necessary resources required for the implementation working groups
- To ensure there is a balance of views present at the working groups

Activities:

The above objectives will be achieved by carrying out the following activities:

- Advising DECC on the scope of the collaborative development process
- Advising DECC on membership of working groups
- Raising issues with the operation of the working groups or the solutions developed as they relate to a company's implementation
- Supporting and sharing responsibility for the emerging EMR Implementation Plan
- Feeding relevant issues into the parallel process of drafting the Regulations

Meetings:

The collaborative development process is expected to take place from summer 2013 to the end of 2013. The Implementation Steering Group (ISG) will commence meetings in July 2013 in advance of the first phase of working groups to agree the scope and overall approach to collaborative development.

¹ Process maps will capture how individual processes within the EMR regime work and interact. They sit underneath an overarching process architecture diagram which breaks down all organisational activity into a set of processes.

It is proposed that the ISG meets three or four times in total over the six month period, as required. Ad-hoc meetings can be requested if urgent issues arise that need to be dealt with before the next scheduled meeting. The duration of an ISG meeting will depend on the number of issues that DECC and other members wish to raise. It is envisaged that the meetings will last approximately 2 hours but may be required to be extended if necessary.

Secretariat:

DECC will provide the secretariat to the ISG and the meetings will be chaired by the EMR SRO, currently Jonathan Brearley. The secretariat will be led by the EMR Programme Team in DECC with input from project teams.

DECC will aim to circulate any papers for the Group a week in advance of meetings taking place. Papers will be put up onto a dedicated webpage to ensure open access.

Membership:

It is proposed that the ISG be comprised of members from industry at Director of Operations level (or similar, as identified through agreement with each company / organisation) or those responsible for implementing changes through participating in EMR. The individual is likely to have budget and staff at their disposal for EMR participation and experience of implementing change on a similar scale.

The intention is to keep ISG membership a manageable size but to ensure a balance across companies and to enable a wider audience to attend as observers. Individual companies should avoid raising partisan issues and should aim to resolve cross-industry issues through the collaborative development process. Umbrella organisations can attend as observers to represent groups of a similar profile, particularly to ensure small and medium sized companies are represented.

Proposed membership is outlined in Annex A with members' biographies in Annex B.

Annex A:

EMR Collaborative Development: Implementation Steering Group Membership

	Stakeholder type	Organisation	Member
1	Government	DECC	Jonathan Mills (Chair)
2	Government	DECC	Emily Bourne / Ruth Herbert
3	Government	DECC	Harriet Thompson
4	Government	DECC	Chris Hemsley
5	Government	DECC	Andy Shields
6	Delivery partner	National Grid	Mark Ripley
7	Delivery partner	Ofgem	Giuseppina Squicciarini
8	Delivery partner	Elexon	Mark Bygraves
9	Delivery partner	CFD Counterparty	Kenneth MacRitchie
10	Large Supplier/Generator	Scottish Power	Rupert Steele
11	Large Supplier/Generator	EDF	Frederic Mayoux
12	Large Supplier/Generator	EON	Sara Vaughan
13	Large Supplier/Generator	RWEpower	Tom Glover
14	Large Supplier/Generator	Centrica	Sue Wheeler
15	Large Supplier/Generator	SSE	Deirdre Powers
16	Independent Generator	GDF Suez	David Alcock
17	Independent Generator	Intergen	Andy Taylor
18	Independent Generator	ESB	Geraldine Heavey
19	Demand side response – large industrial user	British Sugar	Paul Gardiner
20	Demand side response – demand aggregator	KiWi Power	Marina Hod
21	Small Supplier	SmartestEnergy	Andy Cormie
22	Small Supplier	Simple Power	Harry McCracken
23	Nuclear Technology	Horizon Nuclear Power	John Moriarty
24	Distribution Companies		TBC
25	Transmission Owner/Operators		TBC
26	Rapporteur from Working Groups (attends for specific item at ISG request)		TBC

Substitute Members

	Stakeholder type	Organisation	Name
1	Delivery partner	National Grid	Chris Woodall
2	Delivery partner	Ofgem	David O'Neill
3	Large Supplier/Generator	Scottish Power	Stuart Noble or Tom Restrict
4	Large Supplier/Generator	EDF	Neil McDermott
5	Large Supplier/Generator	EON	Brian Tilley
6	Large Supplier/Generator	RWEpower	Mary Teuton or Paul Cooper or Raoul Thulin
7	Large Supplier/Generator	Centrica	Ivan Olszak
8	Large Supplier/Generator	SSE	Tom Bent
9	Independent Generator	Drax	Paul Taylor
10	Independent Generator	Eggborough	Michelle Dixon

11	Large Intensive Manufacturer		
12	Demand side response	KiWi Power	Yoav Zingher
13	Small Suppliers	Ecotricity	Asif Rehmanwala
14	Small Suppliers		
15	Distribution Companies		
16	Transmission Owner/Operators		TBC

Observers

	Stakeholder type	Organisation	Name
1	Trade Association / Industry Group	Energy UK	Barbara Vest
2	Trade Association / Industry Group	Renewable Energy Association	Frank Gordon
3	Trade Association / Industry Group	Nuclear Industry Association	Peter Haslam or Hannah Randle
4	Trade Association / Industry Group	Carbon Capture and Storage Association	Jeff Chapman and Luke Warren
5	Trade Association / Industry Group	EEF	Gareth Stace
6	Trade Association / Industry Group	CHPA	Dr Tim Rotheray
7	Trade Association / Industry Group	Energy Suppliers Forum	Ed Reed or Chris Hill
8	Trade Association / Industry Group	Renewable UK	Gordon Edge or Maf Smith
9	Trade Association / Industry Group	Energy Networks Association	Paul Fidler
10	Trade Association / Industry Group	Scottish Renewables	Catherine Birkbeck
11	Investors / Finance	Low Carbon Finance Group	TBC
12	Consumer Organisation	Consumer Futures	Richard Hall
13	Consultancy	GL Garrad Hassan	Paul Reynolds
14	Energy firm	Helius Energy	Chris Corner
15	Energy firm	ENER-G Plc	Andrew MacLellan
16	Energy firm	NuGen	Rafael Jimenez
17	Law firm	Slaughter & May	Tim Pharoah
18	NGO	Green Alliance	TBC

Annex B:

Steering Group Membership – Biographies

Sara Vaughan, Director of Strategy & Regulation - E.ON UK

Sara Vaughan is Director of Strategy & Regulation at E.ON UK. A lawyer by background, she joined Powergen (as it then was) as a competition and regulatory lawyer from Slaughter and May in 1997. She subsequently became Director of Regulation before taking on energy policy in 2007. In May 2012 she was appointed to the E.ON UK Board, taking on responsibility for strategy as well as remaining responsible for energy policy (including design and delivery of EMR) and regulatory compliance across the E.ON UK group. She has been responsible for delivering multiple large-scale regulatory changes within E.ON. Sara chairs E.ON's EMR Steering Group, consisting of other E.ON Group board members, and is ultimately responsible for EMR design and delivery within the E.ON Group. She leads a large team with a number of staff already heavily involved in EMR policy and delivery.

Frederic Mayoux, Director of Optimisation - EDF Energy

Frederic Mayoux, Director of Optimisation for EDF Energy since September 2011, has 25 years of experience in the power industry and more specifically has been involved in commercial development activities since the early stage of introduction of the open market framework. At EDF in France, Frederic has been responsible for wholesale power origination in all western continental Europe markets until 2007 and was later involved in portfolio and assets development, including the acquisition of British Energy in the UK in 2009. Frederic has also been member of: Eurelectric Wholesale Market working group, the boards of EDF Belgium, Powernext in France and Alpiq in Switzerland. Within EDF Energy, he leads the optimisation team in charge of hedging and balancing the EDF Energy upstream and downstream exposure on the wholesale market. Frederic has a masters in European law from the University of Paris and a diploma of the Institute of Political Science of Paris.

Rupert Steele, Director of Regulation - ScottishPower

Rupert Steele is Director of Regulation at ScottishPower. He is responsible for Public and Regulatory policy across all aspects of Iberdrola's interests in the UK. This includes working with Government and regulatory stakeholders to help find solutions which meet both the needs of the company and the public interest.

He reports directly to ScottishPower's Chief Corporate Officer and to Iberdrola's Global Regulation Director. He is a member of the ScottishPower Co-ordination Committee which brings together the top level managers in the UK business.

Rupert was appointed Director of Regulation on joining ScottishPower in April 2007. Prior to this, he ran a consultancy business (Energy Strategies Limited) that advised utility, City and Government clients on energy policy issues.

His earlier career included 16 years working on energy issues in the Department of Trade and Industry and three years at TXU Europe.

He was appointed OBE in 1992.

Sue Wheeler, Head of Market Design, CE Strategy - Centrica Energy

Sue first started working in the energy industry in 1989, for the former British Gas plc. She has been involved in gas sales to business customers, electricity procurement and the development and execution of Centrica's renewables strategy.

She spent four years as Head of Power Business Development at Centrica Energy – taking responsibility for the development of Centrica's Power portfolio, covering both thermal and renewable assets, as well as Power Purchase Agreements with independent generators.

From September 2010 to December 2011 Sue was seconded to Infrastructure UK, a division of HM Treasury, where she worked as an Energy Market Specialist.

Sue is currently Head of Market Design at Centrica Energy, and deals with the many design challenges that are currently facing the energy markets.

Sue is a member of the Energy UK Generation Committee, the Energy UK EMR Committee, and a member of the DECC Contracts for Difference Expert Working Group.

Tom Glover - RWE Npower

Tom Glover is the member of the RWE Npower plc board responsible for implementing EMR within the UK Generation business. Tom is also a member of the RWE EMR SteerCo, the company committee responsible for ensuring a coordinated response to EMR across the RWE Group. With 17 years experience in the energy sector, including extensive experience of market change (including NETA and BETTA implementation) Tom is well placed to provide a steering role within the EMR project.

With RWE, Tom is responsible for the commercial management and optimisation of over 10GW of UK generation assets including:

- (i) Delivery of the gross margin of the UK generation business (~£500m+/annum);
- (ii) Joint optimisation and delivery of the overall generation business plan (EBITDA/FCF) together with the Head of Asset Operations & Technology;
- (iii) UK generation regulation and markets;(iv) Asset optimisation;
- (v) Long & medium-term commodity hedging;
- (vi) UK co-generation business;
- (vii) Short-term Power Trading & Logistics;
- (viii) Ancillary Services;
- (ix) Short-term Gas Trading & Logistics;
- (x) Local Coal (predominately Welsh) and Biomass procurement activities;
- (xi) Coal, Oil & Biomass Logistics from desport to power station (including port and rail);

In addition, responsible for working with RWE Group companies, including RWE Npower, RWE Innogy and RWE Dea, in the UK to optimise the commercial value of their assets.

Marina Hod, Director, Market Development – KiWi Power

Marina is an energy industry professional, with expertise in all aspects of Demand Response programs. She joined KiWi Power in 2010 as Director of Market Development to bring to bear her broad experience in finance, operations, business planning and project management on the demand and supply side. Before joining KiWi, she worked for CPower Inc., a leader in spearheading demand response in North America. Marina holds a BA in Economics and English from Barnard College, Columbia University and an MBA in Management of Technology and Operations from NYU Stern School of Business.

Deirdre Powers, EMR Commercial Project Director – SSE

Deirdre Powers is SSE's EMR Commercial Project Director, responsible for ensuring the business is able to respond to the changes in the market resulting from EMR policy decisions.

Deirdre joined SSE in October 2012, following SSE's purchase of Endesa Ireland. Within Endesa Ireland, Deirdre was Director of Energy Management with responsibility for trading, retail and regulation, providing a wide understanding of the impacts of policy changes on the various business units within a regulated utility.

Prior to working on for SSE/Endesa Ireland, Deirdre worked in Energy Regulation with CEER (Brussels), CER (Ireland) and NIAUR (Northern Ireland). As a member of the CER/NIAUR Single Electricity Market Implementation Team, Deirdre was responsible for Participant Readiness, a workstream with many similarities to the Collaborative Development Process.

David Alcock, Head of Trading and Asset Management – GDFSUEZ

David Alcock joined the Electricity Supply Industry in 1988, initially working in research for the CEGB and subsequently working in transmission programming at the National Control Centre (then based in London). He joined the commercial department of First Hydro, then a business division of National Grid in October 1990, being appointed to CEO in 2002. Prior to joining the ESI, David studied Physics (Oxford), Medical Physics (Aberdeen) and Control Systems (Imperial). He completed an MBA at Manchester Business School in 1994. David was appointed Head of Trading & Portfolio Management in January 2011.

Andy Taylor, Director of Energy Markets Group UKNL – INTERGEN

Andy has 20 years of experience in the UK energy sector and is currently the Director of Energy Markets for InterGen, responsible for all European Public Affairs, Commercial and Trading activities. Andy's previous roles include the commercial management of Global Operations and Engineering activities. Andy will be directly responsible for managing the implementation changes required at InterGen for EMR participation.

Geraldine Heavey, Head of ESB Global Trading – ESB

Geraldine Heavey FCCA, MBA is Head of ESB Trading based in Dublin. Reporting to Executive Director, Generation & Wholesale Markets, Geraldine manages the trading organisation that is responsible for all trading and hedging activities associated with ESB's GB and Single Electricity Market (SEM) energy portfolios.

Andy Cormie, Customer Services and Operations – SmartestEnergy

Andy joined the company as Head of New Product Delivery in 2012 before taking up his current role in 2013. He is responsible for business change, supplier management, IT and trade control as well as SmartestEnergy's industry leading customer service.

Before SmartestEnergy he was a Senior Manager at Ofgem working on Distribution Network Policy and Assistant Director at DECC on Distributed Energy & Heat, having been involved in delivery of a range of energy policies, strategies and legislation across Government. He is a graduate in Marine Geography from the University of Wales Cardiff.

Harry McCracken, Chairman – Simple Power Limited

Harry McCracken was appointed Chairman of Simple Power, a Northern Ireland wind energy company, in October 2011. He helps to drive the development of the single wind turbine business as it seeks to achieve a significant increase on current renewable energy generation in the region. Formerly Harry was Managing Director of Northern Ireland Electricity (NIE). He had a 40-year career with the organisation, joining as an engineer and eventually becoming Group MD for Viridian Power & Energy responsible for expanding Viridian's presence in the all island energy market.

Paul Gardiner – British Sugar

Paul has a long history in the energy sector, starting in the early 1980s with his role as a Power Plant Commissioning Engineer then Test and Performance Engineer with Babcock. He moved into energy management at RHM Research and Engineering Ltd followed by taking over responsibility for energy procurement for RHM with the opening up of the UK energy markets.

Paul joined British Sugar in May 1997 to head up energy purchasing in UK and was part of the project team that built two Gas Turbine based CHP plants. Paul took on energy procurement for Associated British Foods (ABF) in the UK and developed their energy risk management strategy. He worked with Government to develop the UK Emissions Trading Scheme and has led the company's Emissions Trading Team. He helped set up the UK Emissions Trading Group and assisted with the deployment of the EU Emissions Trading System. Paul took the lead in negotiating the Climate Change Levy Agreements for the Food Sector in the UK. Paul was part of the Design and Implementation Steering Group (DISG) that helped the Government design the New Electricity Trading Arrangements (NETA) that replaced the Electricity Pool system.

Paul then moved into the Corporate Affairs Department of British Sugar from where he is seconded for one day a week, to the Combined Heat and Power Association (CHPA) as their Senior Policy Advisor.

Paul is a board member of the CHPA and chair of their Industrial Forum.

Paul is a member of the Ministerial Distributed Energy Contact Group as formed by Rt. Hon. Gregory Barker MP (Minister of State, Department of Energy and Climate Change).

Paul is a member of the CEFS (European sugar sector trade association) Emissions Trading Working Group, chair of the FoodDrinkEurope Climate Change Working Group and a

member of both their Environmental Sustainability Steering Group and Environmental Sustainability Committee. He is also chair of the Food and Drink Federation (FDF) Climate Change and Energy Working Group as well as a member of the FDF Sustainability Committee.

Steering Group Members – Substitutes

Tom Bent, Director of Trading – SSE

Tom Bent is Director of Trading for the SSE Group. As such he has responsibility for the vast majority of the Group's market transactions in gas, power, and carbon – as well as financial derivatives relating to coal, oil, and freight.

Tom was appointed to this role having worked for SSE for 15 years in a variety of trading and management roles. In that time he has proven to be an experienced and knowledgeable operator and as such was elected to the Risk and Trading Committee, one of the key leadership groups within SSE in 2010. He also regularly presents to the senior management and executive Boards.

Tom has an extensive network of contacts within the energy trading industry. In the past he has had direct and extensive dealings with large consumers, small generators and small suppliers, and been responsible for facilitating their participation market with some innovative contract arrangements. Internally, he sits on a number of regular meetings providing the interface between trading and various business units including Risk, Compliance, Regulation and Finance. He is an FCA approved person.

Prior to joining SSE, Tom worked in the chemical industry and qualified as a management accountant (membership now lapsed).

Paul Taylor, Trading Director – DRAX

Paul has more than 15 years experience in energy trading previously working for TXU Europe and Powergen/E.ON UK. At TXU Europe Paul led the UK electricity trading function responsible for trading a combined portfolio of over 7GW of power plant and a retail position of more than 50TWh. Before energy trading Paul worked in operational research.

Michelle Dixon, Commercial Director – EGGBOROUGH

Michelle joined Eggborough Power Ltd (EPL) in 2004, and was appointed Commercial Director in April 2010. She has previously been Fuel and Commercial Manager, Production Optimisation and various other roles for EPL. Prior to joining EPL Michelle held a number of trading and engineering roles within British Energy (joined BE in 1998). She holds an MBA from Leeds Business School and a BSc (Hons) Metallurgy from Manchester University; she is a Chartered Engineer MIMMM.

Raoul Thulin - RWE Npower

Raoul is Head of UK Markets within RWE Supply and Trading and is responsible for the implementation of the capacity mechanism across the UK Generation portfolio. He is also part of RWE's internal EMR Working Group.

Asif Rehmanwala, Director of Wholesale Department – Ecotricity

Asif Rehmanwala was appointed Director of Ecotricity's Wholesale Department in May 2012 covering Generation, Trading, Pricing and Regulation. Prior to that Asif held the position of Trading & Commercial Director within the Company. Previously he has spent 15 years in the energy industry including 3 years at Ofgem, 10 years at E.ON (formerly Powergen) and now 5 years at Ecotricity. Asif has worked on National and Global Energy market issues including UK Electricity Trading & Market Reform, Global LNG Supply and European Gas Strategy and he has held a number of Operational, Commercial and Strategic roles. His current role covers the full value chain for energy production/trading, entailing Planning & Development, Procurement, Construction, Operations & Maintenance and Trading/Regulation.

Leonard Magrill, Director – Evance Ltd

After 4 years on the academic staff at Bradford Business School, he started on a 25 year career with Texaco Ltd. Early involvement in Energy Forecasting also involved Government Relations and pursuing and evaluating alternative energy possibilities. The second half of his career at Texaco included Board level responsibility for Supply and Trading and then for Strategic Planning, Government Relations and Marketing Planning.

Having left Texaco he spent two years in the Insurance industry as Head of Development for Zurich Global Energy and 6 months as Managing Director of an internet start-up that didn't!.

From 2001 – 2008 was non executive Chairman of www.Evancewind.com. He stood down as Chairman but remains on the Board as an active Director. The Evance Iskra R9000 is now selling in increasing numbers across the world and is the UK market leader for turbines of a rated capacity of 5Kw. It has earned a growing reputation for efficiency and reliability.

Has sat on the Small Wind Steering Group of BWEA since its inception and for the last four years has been co-opted onto the main Board of RenewableUK to represent the small and medium wind sector.

He was elected as a member nominated trustee for the Chevron UK pension fund and for the last 10 years has also been a counsellor at Executive Action helping senior executives develop and change their careers.