



Department
of Energy &
Climate Change

Meeting Note

EMR COLLABORATIVE DEVELOPMENT: IMPLEMENTATION STEERING GROUP

Thursday 8 August 2013, 14.00 – 16.00, Room C8, BIS Conference Centre

The agenda covered the following items:

- Welcome & Introductions – Jonathan Mills (Chair)
- Project Manager and Facilitator – PwC – Steven Jennings & Stuart Cook
- Sign off Steering Group Terms of Reference – Vanessa Muir-Smith
- Working Groups draft Terms of Reference – Ruth Herbert
- Final work programme for Capacity Market collaboration – Fergal McNamara
- Preparing for Contracts for Difference Collaborative Development – Chris Hemsley / Harriet Thompson
- Summary & Next Steps – Jonathan Mills (Chair)

1. Welcome & Introductions

Summary of DECC presentation:

- The slides presented gave a high level view of the context in which collaborative development is taking place. This covered the overarching policy framework (Energy Bill) and the detailed policy design that underpins this, both of which were subject to change to some degree although the majority of the policy design was settled. The collaborative development process would focus on the operational delivery of the mechanisms, with issues feeding into the policy design as necessary.
- As a result of a tender process, PwC had been chosen to bring project management and facilitation expertise to the collaborative development phase.

2. Project Manager and Facilitator – PwC

The team from PwC introduced themselves and outlined their experience. The key points were:

- There was a great deal of detail to be discussed and agreed in a short time frame but with robust and rigorous processes they were confident they can get the design developed and agreed.
- Their current thinking was that they would deliver:
 - An agreed and baselined Operating Model.
 - An agreed plan setting out what needs to be done, by when and by whom.
- This would be discussed at the next Steering Group meeting.
- They had three things to turn their attention immediately to:
 - Approach to facilitating the sessions starting on the 13 August.
 - Working out the best way of feeding back to the Steering Group
 - And escalating issues.
- What they needed from attendees was:
 - Commitment to the process.
 - Energy and enthusiasm.
 - Constructive and open engagement.

3. Sign off Steering Group Terms of Reference

- The purpose of this session was to talk attendees through changes made to the draft TOR for the Steering Group since the Scoping Meeting on 1 July.
- All changes were accepted and the TOR were signed off. There were no questions following the presentation.

4. Working Groups draft Terms of Reference

Summary of DECC presentation:

- The draft terms of reference for the Collaborative Development working groups set out a working proposition of how the groups might work and the roles and responsibilities of members.
- One area that was not very developed in terms of thinking was how to deal with confidential issues that might have been disclosed by attendees. At the request of the Scoping Meeting attendees, DECC had researched the “traffic light” approach to disclosure from the Smart Meters programme and included this as an example approach in the draft terms, but felt this might not be right for EMR.
- Views were sought from the Steering Group on how to manage this. It was agreed that signing a confidentiality agreement was neither practical nor necessary, providing the terms ensured that material inadvertently disclosed was not shared outside of the group by attendees and that anyone who did not conform with that would not be allowed to attend subsequent groups. This

should be made clear, along with the need to comply with competition law, at the outset of each session.

Key points made:

- Everything DECC produced would be on the website. It was not possible to envisage everything that could happen, for example, some participants may bring papers relevant to their own business and may not want these to be shared further.
- Could a document be described as confidential and shared?
- Was it worth signing the confidentiality and disclosure agreement in advance given that people were not likely to be pursued for breach?
- Commercially sensitive matters should not be shared in the groups as it would be important for there to be compliance with competition law. Suggest there should be a statement read out at the beginning of each meeting to remind participants of the importance of compliance.
- Important for those not able to attend to track how the groups reached a particular point.

Action 1: DECC/PwC to draw up a statement to be read out at the beginning of each working group.

5. Final work programme for Capacity Market collaboration

Summary of DECC presentation:

- Feedback had been incorporated since the draft CM process architecture and programme of workshops were presented at the Scoping Meeting.
- The presentation outlined what the key inputs were to the workshop process, both in terms of DECC and companies/investors, the process itself and the output sought, which was a detailed description of all of the interfaces and an updated implementation plan.
- Process maps formed the main input material to the working groups. All the essential business activities for the capacity market were shown on the process map and a process architecture diagram had been created.

Key points made:

- A description of the capacity market could be found in the [policy update document](#) published in June.
- How would open policy areas be dealt with?
- Would need to make as much progress as possible and could possibly use the wash-up sessions at the end to make progress on outstanding areas.
- The process maps reflected policy at the moment but there was detailed policy design taking place in parallel in terms of legislation. DECC would need to make sure that any policy-related outputs from the collaborative development process fed into these parallel processes.

- PwC would develop an operating model and framework which would show how markets would operate and the roles of participants. The Steering Group would be the forum to sign off this operating model.
- The forum for stakeholders to see policy developments continued to be the existing Expert Groups and papers were put up on the DECC website. The next policy publication would be the October consultation on Secondary Legislation.
- PwC and DECC would ensure there was coordination between the Expert Groups and collaborative development workshops.
- The working groups aim was to go through every subject area once and there would be room at the end to revisit certain areas if necessary.
- PwC agreed to look into whether simulation would be useful to test the process mapping.
- National Grid could set up user trials for the primary auction systems to identify any issues. If there was a simulation exercise, they could set up an imaginary bid for example.
- The implementation plan was initial and would be looked at again. There were likely to be implementation planning workshops at a later stage.
- It would be important for the Steering Group to see the revised implementation plans.
- It was suggested that I.T. trials would need to take place 6 months prior to use of the system unless existing data flows were used – this was one example of where plans might need revision.
- Registration of attendees to the CM working groups was circulated. The role of the Steering Group was to ensure that these groups were balanced.
- Information about the working groups, including meeting notes, would be put up regularly on the collaborative development website.

Action 2: PwC to look into whether simulation would be helpful to test the process mapping.

6. Preparing for Contracts for Difference Collaborative Development

Summary of DECC presentation:

- The presentation provided an outline of the areas in the CfD end-to-end process that DECC suggested should be put to the Collaborative Development working groups, recognising that extensive further engagement was planned on all elements.
- A series of process maps had been developed on key elements of the CfD lifecycle, from contract placement through to termination.
- The maps had been drawn together by National Grid, with a focus on those parts of the process that need to be exposed to Collaborative Development.
- The process maps would be used to underpin Collaborative Development discussions so as to ensure a clear, coherent and common understanding of processes and system requirements.

- Attendees were given an overview of how the programme of workshops covering CfDs might be structured.
- The CfD working groups were likely to commence towards the end of September, after the CM workshops had finished in order to avoid overlap of attendees. There was support for this approach.
- Some companies would need to send at least two people – one from their supply business and one from their generation business.

7. Summary & Next Steps

- The chair thanked those who had attended the meeting and summarised the key points.
- The next meeting would take place on 11 September at 9.30.
- Future dates would be circulated.

List of Attendees

Member	Organisation
Jonathan Mills (Chair)	DECC
Ruth Herbert	DECC
Harriet Thompson	DECC
Chris Hemsley	DECC
Fergal McNamara	DECC
Kenneth MacRitchie	DECC
Chris Woodall	National Grid
David O'Neill	Ofgem
Mark Bygraves	Elexon
Kenneth MacRitchie	CFD Counterparty
Rupert Steele	Scottish Power
Frédéric Mayoux	EDF
Stephen Davies	EON
Raoul Thulin	RWEpower
Sue Wheeler	Centrica
Tom Bent	SSE
David Alcock	GDF Suez
Andy Taylor	Intergen
Paul Gardiner	British Sugar
Marina Hod	KiWi Power
Andy Cormie	SmartestEnergy
John Moriarty	Horizon Nuclear Power
Harry McCracken	Simple Power
Michelle Dixon	Eggborough
Observer	Organisation
Maf Smith	Renewable UK
Jeff Chapman	CCSA
Jonathan Graham	CHPA
Lisa Waters	Waters Wye Associates
Frank Gordon	REA
Hannah Randle	Nuclear Industry Association
Chris Hill	Energy Suppliers Forum
Tim Pharoah	Slaughter & May
Andrew MacLellan	Ener-g
Kirsty Hamilton	LCFG
Graham Meeks	Green Investment Bank
Kyle Martin	Energy UK
Steven Jennings	PwC
Stuart Cook	PwC
Lesley Potts	PwC
Ronan Oregan	PwC
Angela McIntyre	DECC
Steven Mills	DECC
Mark Hayward	DECC
Vanessa Muir-Smith	DECC (Secretariat)