

UK Marine Energy Programme

Event: Marine Energy Programme Board (MEPB) Meeting

Date: Tuesday 25th February 2014

Time: 13:30 – 16:45

Venue: Oxford Suite, The Titanic Building, Belfast

Meeting Notes

The meeting was convened by Minister Gregory Barker, Minister of State and chair of the MEPB who gave the welcome and opening statement. While the minister reiterated the coalition Government support for the sector, he also challenged the sector to continue to work beyond the challenges it faced to create a vibrant marine energy sector in the UK. He also announced that Minesto, a turbine developer with a prototype currently deployed in the Strangford Lough, was awarded £500,000 from DECC under the Energy Entrepreneurs Fund. He then asked the Northern Ireland Minister of Enterprise, Trade and Investment Arlene Foster to address the Board.

Arlene Foster welcomed the Minister and the Board to Northern Ireland and to the city of Belfast. She spoke of the strong industrial and maritime history of Belfast and the role Northern Ireland is playing and can play in the sector.

DECC Policy Update:

Barbara Garnier-Schofield gave the policy update from DECC covering the outcome of the EMR to date and remaining process going forward. DECC and the Scottish Government are working together to progress the support for the first tidal array projects under the MEAD Fund and the NER300 as they worked towards financial close this year and state aid approval. Following the wave energy round table in summer 2013, the Department's Science and Innovation Directorate had commissioned a review of the wave sector which will be used to inform our future policy framework for wave energy. A section on marine energy was included in the Low Carbon Innovation Coordination Group (LCICG) strategy published earlier in February and an updated Renewable Energy Road Map was published in November 2013.

Response to Policy Update on EMR:

Richard Yemm, the chair of the EMR sub-group, gave a brief response to the policy update on EMR expressing the industry views on the EMR outcome for wave and tidal stream. He stated that the sector needs to respond to the EMR changes to keep the sector moving forward. The group considered that a strike price of £305/MWh is workable for tidal but there needs to be additional investment to reduce the cost of energy. The level of support was considered, however, to be undeliverable for wave developers. Another technology development cycle is needed for wave before it can move forward. Going forward, the EMR subgroup will be looking to see what the sector needs in addition to the CfDs to deliver the next stage in the development of the sector.

Maximising benefits to the UK:

Lynne Bryceland presented the work the Economic Benefits group has been doing in response to the Minister's ask of why the Government should continue to support the wave and tidal sector. She identified six areas where the UK has already benefited from the sector:

- Research and Development
- Feasibility Assessment, Design and Planning
- Manufacturing and Fabrication
- Installation
- Operations and Maintenance
- Decommissioning.

Of these areas, the UK has significant leads in four with the exception of Manufacturing and Fabrication and Installation. These areas were identified as where targeted actions are needed for the UK to secure greater participation.

The conclusions of the Group were to be published at the RUK Conference as a report to the MEPB.

Minister Barker welcomed the report from the group but commented that clearer recommendations were needed on how to bring the sector closer to achieving these economic benefits. He asked if there was anything that the Government could do to help to support the case for greater UK content. The response given by the sector was that immediate visibility of the market mechanism (CfDs) for the marine sector post 2019 was needed. This is because this is when the large scale arrays would be looking to be deployed; hence early certainty for major investment is key now.

The Minister suggested that it may be helpful for the industry to develop a strategy which sets out the steps which need to be taken towards achieving these benefits – embedding them within the structure of the sector as it developed towards commercialisation. He also proposed that, given the difficulty expressed by several members of finding project finance, the MEPB members should propose some practical suggestions on how to build market confidence.

Suggestions were made on the possibility of going back to the Green Investment Bank (GIB) and to ask for them to reconsider their position on early commercial support for wave and tidal. It was also suggested that they could consider the terms of support for wave and tidal stream to address market failure.

This was followed by guest speaker Chas Spradbery from Wood Group Kenny who gave a presentation on lessons learnt from the Oil and Gas sector which was well received. Minister Barker asked how the two sectors can work together. Some general thoughts given to this was that; for the two sectors to work together it must be;

- Market led
- There needs to be early intervention from the conceptual engineering and as much as possible at every stage thereafter.

It was also stated that alliances and partnerships would be need to be built to see the application of this throughout the sector. A point was made that this is already happening; example Open Hydro and DCNS/EDF – although this is currently being done on a small scale. The point was made that the learning needs to be from both sides (the mature industry and the wave and tidal sector).

The First Arrays

Dan Pearson gave a progress update on behalf of the first array developers. He cited the common challenges faced – particularly in terms of securing grid and investment. It was stated that all the projects are looking to have around 65% UK content and there were lots of opportunities for lessons to be learnt in going forward. Opportunities for the sharing of infrastructure were also identified between projects as it has the potential for cost savings, e.g.; sharing of cable strategies and contractual issues.

Grid Issues: Scottish Island Renewables

Calum Davidson gave an update on the Scottish Island Renewables (SIR) work on grid issues. He also reported on a Grid Summit he attended the previous day in Stromness.

Summary:

In making his closing statement, Minister Barker identified 3 areas for further work to propel the sector forwards.

1. Economic Benefit Subgroup: to drive specific recommendations of creative initiatives for the sector to take forward to ensure the realisation of economic benefits – taking into consideration the overall political and economic constraints.
2. There should be more focus on engineering innovation. This would have a broader benefit across the sector. How can more value be added in the next spending round?
3. More could be done in developing a long term strategy for marine technologies for the period 2020 to 2030.

Next Steps:

There will be a Programme Management Group (PMG) meeting in late April to review matters arising from the MEPB meeting, initiate any necessary new work and to review the work and progress made by the subgroups.

Location and Date for 2015 MEPB meeting:

Minister Barker announced that the next meeting will be in Plymouth around February 2015.

Meeting Actions:

Action	Date	Responsibility
1. Initiate any new work arising from the MEPB	29 th April 2014	PMG/DECC Secretariat with support from MEPB members.
2. Planning for the next MEPB meeting in Plymouth.	1 st September 2014.	DECC Secretariat
3. Circulate minutes of meeting, presentations and the group photo.	16 th April 2014.	DECC Secretariat.

MEPB: Belfast 2014 Attendance:

Utilities:	
Lynne Bryceland	Scottish Power Renewables
Barry Carruthers	Scottish Power Renewables
Fiona Buckley	GDF Suez
Harvey Appelbe	Vattenfall
Industrials	
Ken Street	Alstom
Achim Woerner	Siemens
Craig Love	Andritz Hydro
Chas Spradbery	Wood Group Kenny (guest)
Financiers	
Carolyn Spring	Ashberg Investments
Christopher Biggs	Sinclair Consultants
Technology Developers:	
Dan Pearson	MeyGen
David Ainsworth	MCT/Siemens
Sue Barr	Open Hydro
Martin McAdam	Aquamarine Power
Neil Davidson	Aquamarine Power
Martin Murphy	Tidal Energy Limited
Richard Yemm	Pelamis Wave Power
Alan Taylor	Fred Olsen
Tore Gulli	Fred Olsen
Graham Foster	Marine Power Systems
John Hughes or Joury Van Gijseghem	DEME
Kieran O'Brien	Carnegie
Simon De Pietro	DP Energy

Damian Bettles	DP Energy
Tim Stiven	Ocean Power Technology
Aki Luukkainen	Wello
Other Organisations:	
Claire Gibson	WaveHub
Nick Medic	RenewableUK
Dee Nunn	RenewableUK
Johnny Gowdy	RegenSW
John Callaghan	The Crown Estate
Martin Simpson	The Crown Estate
Oliver Wragg	European Marine Energy Centre
John Griffiths	European Marine Energy Centre
Richard Boud	AMEC
Stephanie Merry	Renewable Energy Association
Andrew MacDonald	The Offshore Renewable Energy Catapult
Simon Robertson	Carbon Trust
OGDs:	
Barbara Swann	Department of Enterprise Trade & Investment Northern Ireland
Janine Kellett	Scottish Government
Phil Gilmour	Scottish Government
Calum Davidson	Highland and Island Enterprise
DECC:	
Trevor Raggatt	
Barbara Garnier-Schofield	
Karen Dennis	
Anjoum Noorani	
Lisa Ahmad	