

**UK MARINE ENERGY PROGRAMME
PROGRAMME MANAGEMENT GROUP (PMG)
MEETING NOTES**

Attendance:

David Ainsworth (Siemens)	Barbara Garnier-Schofield (DECC)
Lynne Bryceland (ScottishPower)	Trevor Raggatt (DECC) - Chair
Harvey Appelbe (Vattenfall) - Telecon	Karen Dennis (DECC)
Richard Yemm (Pelamis) -Telecon	David Bramble (DECC – SIG)
Ken Street (Alstom)	
Neil Davidson (Aquamarine)	Apologies:
Dan Pearson (MeyGen)	John Dallas (NAREC Capital/Ashberg)
Sue Barr (Open Hydro) - Telecon	Adam Bond/Liz Johns (BIS)
Dee Nunn (RUK)	
Nick Medic (RUK)	

Date: 29th Apr 2014

Time: 13:00 – 15:30pm

Location: Room 501, 3 Whitehall Place, London, SW1A 2AW

Welcome & Update:

Meeting chair Trevor Raggatt did the welcome and introductions.

Actions from previous meeting:

All actions from last meeting were deemed completed and minutes approved.

Actions arising from the MEPB Meeting of 25th February:

All agreed that the Economic Benefits report which was presented at the MEPB annual meeting on 25th February was well received. Discussions focused on the Minister's statement for a 'Marine Energy Strategy' to be done which could help to identify some practical outcomes for the sector. All agreed that the sector was not at the stage for a full Industrial Strategy but that the sector was poised to benefit from some early stage development strategy which would help to advance development of the sector. The sector stated that they will be working to see how best to deliver with the strike price of £305/MWh for both wave and tidal stream and the proposed 100MW reserved allocation under the CfDs. However, given the lack of visibility

beyond 2020, the sector also made the point that it was finding it extremely challenging to deliver given such uncertainty. They suggest that the Government could set the pace by giving some visibility post 2019.

Discussions progressed on what a strategy for the sector could look like now. It was agreed that an 'innovation' strategy and further work focusing on the supply chain on the back of the economic benefit report could serve the sector well. It could also help in identifying areas for development work for the wave sector and contribute towards the progression of deployment of the 1st arrays. The PMG agreed to the Economic Benefit workgroup doing the supply chain work. DECC's Science and Innovation team will undertake the work on the 'Innovation Strategy', starting with a revision of the TINAs, splitting them for wave and tidal stream and drawing from, where relevant, the work done on the supply chain.

The MEPB Subgroups:

Prior to discussing the MEPB subgroups, Karen Dennis gave a brief summary on the initial survey analysis on the governance and structure of the 'new' MEPB. Having received only 3 responses, the general view was that the MEPB appears to be working well, objectives are been met and that engagement was positive. However, it was flagged that more time could be allocated on the agenda to allow for engagement with Minister and for DECC to give early steer and be kept abreast with the progress of any work undertaken by the workgroups. The Group agreed that the response rate had been very poor and that DECC should resend the survey with an extended deadline.

Discussions then progressed to address the relevance and scope of work by the various subgroups for this year:

Economic Benefit subgroup:

As outlined above, this group will be taking forward the supply chain work which is to reported on at the 2015 MEPB. It was agreed that Lynne Bryceland will continue

to chair the group with the Secretariat continuing to be provided by RUK. An initial meeting will be set up by the group chair Lynne Bryceland with DECC to discuss what the report should focus on.

Finance (previously EMR) subgroup:

The EMR subgroup has been very active over the last financial year feeding into the work on the EMR. Richard Yemm, the chair of the Group, presented a forward looking plan for the group. He identified the two main strands of work going forward as:

- Residual piece to support EMR process through to delivery
- Larger focus on working with the industry and DECC to deliver solid progress with the position established in EMR, this is expected to have two main elements:
 - Delivering the first stages – identifying financial barriers to deployment of projects in the first EMR period, and suggesting and developing solutions to these
 - Underpinning long term growth & the UK supply chain – as discussed at various times and recommended in our various reports it is vital for on-going investment in the sector that there is a clear and consistent long term market signal given to industry and utilities. The group will assist DECC form policies and remove barriers to define and build the longer term platform and market post 2019.

As the scope of work of the group would be extended beyond the EMR the rebranding to the Finance working group was agreed by the PMG. The PMG also agreed that Richard Yemm would continue to chair the group with the Secretariat continuing to be provided by RUK. Richard raised the point that the group was originally co-chaired across both the wave and tidal stream sectors and the PMG agreed that it would be useful to re-instate a tidal stream co-chair. A call will be made to the MEPB members for volunteers.

Consent & Licensing:

Previously there have been some good outputs from this group – feeding into the consenting and licencing review by the MMO and contributing to the development of guidelines and mapping of the sector. However the group has become inactive over the latter part of the last financial year which was attributed to the departure of the lead person from the Secretariat of the group.

Although it was determined that this may not be a key priority going forward, the sector felt that some visibility of consenting and licensing issues would need to be maintained by the MEPB. One suggestion was for a smaller group to have sight of and feed into the work of the Wave & Tidal Joint Industry Programme (W&T JIP) as a way forward as some members of the MEPB Consent and Licensing group had also participated in initial discussions for the inception of the W&T JIP. It was also suggested that the licensing aspect of the group should be maintained as such issues may not be within the scope of a W&T JIP. Karen Dennis to follow-up on discussions with the team working on the governance of the W&T JIP and if and how the MEPB could feed into the group and if needed, to establish a smaller group to take forward licensing issues.

Grid Access:

The new group on grid access has struggled to pick up pace, despite a call for expressions of interest for a Chair, Secretariat and for membership.

The industry members agreed that grid access remains a significant issue. However it was questioned if efforts to sort out grid issues would be best achieved as part of the inter-Government Steering group on Scottish islands (SIR). There was a suggestion that the SIR may become open to developers/industry going forward. This could eliminate the need for a MEPB Grid Access group at present – although a group may be needed to look at wider grid issues in future. Karen Dennis will follow-up with SIR DECC representative to find out the next step for the group and any work going forward. She will also check if SIR would be open to having industry representatives in the group.

Membership to the PMG:

DECC notified the PMG members that it is now the 1st year anniversary of the group and time for the rotation of members as set out in the terms of reference (ToR). All agreed that this would be quite challenging and that it may be detrimental to change the whole group in one go. Nonetheless the need for the rotation was well understood and positively received. All agreed that it will be important to maintain the right balance of representation on the group, ensuring that all of the groups (utilities, OEMs, wave and tidal stream developers) involved in the sector continue to be represented. DECC proposed to have a rotation of 50% of the PMG group for the next 6 months to ensure some continuity in the group but the opportunity for other MEPB members to be invited to play their part on the group. All agreed to the rotation. DECC will approach members of the wider MEPB to invite them on the PMG for the next year or so.

AOB:

European Commission Plans for Marine Energy:

The matter of the European Commission activities on Marine Energy was raised and for the PMG to consider what the Commission is doing to ensure that their work is aligned with our efforts. It was suggested that the MEPB should have some representation so that they could feedback to the PMG. DECC noted that UK and Scottish Government representatives had been put forward to be part of the European Ocean Energy Forum and its working groups.

The PMG agreed to have a slot on the agenda for feedback on the Commission's activities and to decide on what areas to influence.

Summary of List of Actions

Action On:	Action	To be completed by:
Lynne Bryceland	The Economic Benefits work group, with DECC's sighting, to complete an Industry Supply Chain strategy in time for the MEPB meeting in	30 th January 2015

Action On:	Action	To be completed by:
	February 2015.	
DECC (SIG)	To develop and innovation strategy	Spring 2015
Karen Dennis	To set up meeting with UK Benefits WG to gauge DECC's expectation on the Industry Supply Chain Strategy	2 nd May 2014
Karen Dennis	To recirculate the MEPB Survey	3 rd May 2014
Karen Dennis	To liaise with Lynne Bryceland. RUK & BIS to set up meeting to give steer from DECC.	3 rd May 2014
Karen Dennis	To liaise with Richard Yemm to review the membership of the workgroup and appointing a co-chair.	16 th May 2014
Karen Dennis	To investigate the MEPB feeding into the W&T JIP and if needed, establish a smaller group to take forward licensing issues.	23 rd May
Karen Dennis	To investigate the continuance of the inter-Government group, their role going forward and to see if the sector could be involved with the group.	16 th May 2014
Karen Dennis	To approach the MEPB to ascertain if there is a need for a wider visibility on Grid issues.	16 th May 2014
Karen Dennis	DECC to review the current PMG membership to establish an effective rotation of members; DECC to invite new members to the group with the intention of replacing 50% of the current membership.	30 th May 2014
Karen Dennis	To ensure that an update on the	29 th July (proposed date for the

Action On:	Action	To be completed by:
	European Commission activities on Marine Energy is include on PMG agendas going forward.	next PMG)