

**SCOTTISH MARINE ENERGY INDUSTRY WORKING GROUP**  
**Tuesday 25<sup>th</sup> September 2018**  
**Edinburgh**

**MINUTES OF MEETING**

**Attendees**

- Paul Wheelhouse, Minister for Minister for Energy, Connectivity and the Islands (Chair)
- Elaine Hanton, Highlands and Islands Enterprise
- Jan Reid, Scottish Enterprise
- Paul O'Brien, Scottish Development International
- Bruce Buchanan, Marine Scotland
- Tim Hurst, Wave Energy Scotland
- Cameron Johnstone, Nautricity Ltd.
- Andrew Scott, ScotRenewables
- Jenny Hogan, Scottish Renewables (on behalf of Claire Mack)
- Albertian Van Der Wal, Tocardo (on behalf of Hans Van Bruegel)
- Simon Robertson, University of Edinburgh
- Shona Pennock, University of Edinburgh
- Simon Grey, AWS Ocean Energy
- Patrik Moller, Corpower (Teleconference)
- Cameron Smith, Atlantis Resources Ltd.
- Tony Laing, NSRI (Teleconference)
- Simon Wallace, SDI (Teleconference)
- Matthew Finn, EMEC, (on behalf of Neil Kermod) (Teleconference)
- Anna Kynaston, Scottish Government
- Sean Jamieson, Scottish Government (minutes)
- Gavin McPherson, Nova Innovation
- Stephen Wyatt, Ore Catapult

## **Welcome and Introductions**

1. In the Minister's absence Anna Kynaston welcomed attendees to the fourth meeting of the group. Apologies had been noted by:
  - Barnaby Wharton, RenewableUK
  - John Thouless, DP Energy
  - Rémi Gruet, Ocean Energy Europe
  - Sian Wilson, Crown Estate Scotland
2. It was agreed that the items discussed would vary slightly from the agenda previously outlined ahead of the meeting to encompass the Minister's late arrival.

## **Minutes of last meeting**

3. The draft minutes of the previous Marine Energy Industry Working Group meeting held on 21 June 2018 were approved as an accurate record of the meeting.

**ACTION 1: Secretariat to upload finalised minutes from the previous meeting on to the Scottish Government website.**

## **Ocean Energy Europe**

4. It was agreed that while route to market remains the primary issue for the sector, the Ocean Energy Europe conference in Edinburgh provides an excellent opportunity to highlight progress and successes in Scotland's marine energy sector.
5. It was suggested that engagement and support from Europe has been welcomed by the sector over the years but for the industry to continue member state market support is required.
6. Additionally, the need for support from EU member states in terms of revenue support mechanisms was highlighted as key to supporting the growth of the industry.
7. The importance of re-engaging the private sector was also highlighted, with a requirement for the deficit from grant funding to be bridged by businesses. Promoting the achievements and progress of the industry will only induce such financial support.

**ACTION 2: SG to work with OEE to ensure that private financiers are invited to the conference.**

**ACTION 3: SG to confirm who, if anyone, from BEIS is attending OEE.**

8. It was agreed that acknowledgement the European Commission's support for marine energy in Scotland should be made during the conference.

9. The variance in development between wave and tidal was noted as potentially having an impact on private funding.
10. The group discussed the previous relationship between Scotland and European nations such as Greece, Spain and Portugal where the potential for wave and tidal energy is high. Scotland should be looking to act as a leading force and influence for the industry across Europe; Brexit should not impede this potential.
11. It was observed that the industry has a cross-nation impact regardless of project location through a European supply chain with products being produced across Europe. Collaboration both within and out with Europe is important for the continued growth of the industry.

**ACTION 4: Group members and Minister will convey the message of Scotland's strengths, successes, and determination to continue its collaborative working relationship with EU member states and institutions during the Ocean Energy Europe Conference in October.**

**ACTION 5: SG to prepare and circulate a one page summary of key points for OEE to promote a positive and upbeat message about progress in the sector.**

#### **Academic Update**

12. The University of Edinburgh provided an update on the Ocean Energy Implementation Plan of the European SET Plan. As well as outlining current research activities:
  - OceanSET – aimed to support the realisation of the Ocean energy SET-Plan Implementation Plan
  - ORE Supergen – aimed to coordinate a programme of multidisciplinary research and to engage with various stakeholder across the public, industrial and academic realms
  - The case of Intervention – providing an insight into cost reduction
  - Time Value of Energy – aimed to investigate additional value from wave and tidal generation due to time dependency and predictability of resource.
13. The Minister apologised for his late arrival and thanked the University for their presentation and opened the discussion to the group.
14. It was noted that Wave Energy Scotland was also leading on a financial background package similar to that proposed by the University of Edinburgh.
15. The Minister recognised that resilience of the energy system needed to be considered when looking to research the added value of Marine energy, in the context of wider UK discussion taking place about how to maintain a secure and reliable supplies.

**ACTION 6: Secretariat to share presentation slides with members following the meeting.**

## Revenue Support

16. The discussion was opened by asking for views on the presentations and approaches put forward by stakeholders at previous sessions. During the discussion the benefits of a stronger narrative and sector milestones covering the road to the 2030 ambitions highlighted in the OREC report was discussed. There was agreement that providing evidence on areas of potential cost reduction from existing developers with kit in the water may add strength to the pitch.
17. Some felt that the report would add to the many that BEIS and others have to read. However it was agreed that providing as much evidence to support the revenue mechanisms discussion had to be a priority for the developers around the table.
18. It was noted by some members that there seems to be more positivity from BEIS following recent discussions with industry representatives, with BEIS being perceived as more open to hearing views on proposed changes to the support framework. Others noted that there may yet be some resistance from UKG on proposals such as the IPPA.
19. The Minister enquired about the sector wide support for the proposed mechanisms and how a coordinated message that covered the various offers should be framed in relation to engagement with the UK.

**ACTION 7: Active developers to consider further the narrative of the journey to 2030 to support revenue support case.**

**ACTION 8: Consideration to be given to better integrate the work of the UK wide Marine Energy Council with the focus of this group.**

20. Concerns were raised that despite strong European funding there is a clear lack of support on a national level and the repercussions of Brexit could have a drastic effect on the industry in the UK.
21. The Minister assured members that the Scottish Government was alive to concerns about Brexit and the financial impacts for infrastructure, industry sectors and individuals, and was taking action such as the establishment of the Scottish National Investment Bank to offset any investment gaps left behind from the UK's withdrawal from the European Union.
22. The importance of innovation being able to cross borders following Brexit was highlighted.
23. The Minister made comparisons with the growth of offshore wind, noting the importance of raising the profile of potential tidal and wave projects for island nations across the globe where it was felt that marine energy had great potential to provide sustainable solutions e.g. for small islands states and archipelagos.

24. The Minister requested that the impact of Brexit on research and development be examined.

**ACTION 9: SG to consider how to capture the current potential impacts of Brexit on funding for the marine sector given EU has now set out post 2020 funding themes.**

**ACTION 10: Brexit to be agenda item at next meeting in the new year.**

25. The importance of the science and innovation community promoting innovation at the European Framework Programme was highlighted.

26. Despite these concerns it was emphasised that the industry was reaching maturity and advancing towards commercialisation – looking at revenue streams, not simply grant funding. This includes signs from overseas projects, in countries such as Japan, focusing on investment and commercial delivery.

### **Cost Reduction Pathway**

27. The Minister opened the discussion by reminding members of the last meeting and the joint presentation from Andrew Jamieson and Tony Laing.

28. It was suggested that any figures on cost reduction would be given more credence if they were produced by an independent organisation as opposed to being produced on an individual basis.

29. It was suggested that different methodologies would need to be considered for wave and tidal respectively given their different stages of development.

30. Greater understanding of BEIS and their requirements, particularly relating to how supply chain benefits are measured, would be beneficial before moving forward.

31. There was agreement on the importance of increasing confidence in the marine sector through the development of information in a simple, digestible format that support and further develop the findings of the OREC report.

### **Any Other Business**

32. Scottish Renewables highlighted its Marine Conference taking place the day after this meeting, on 26 September.

33. The success of the previous week's Private Members Debate in Parliament, demonstrating the strong cross party parliamentary support for marine energy was noted by the Minister and members.

### **Closing remarks and date of next meeting**

34. The Minister closed the meeting by thanking all attendees for their contributions and voiced his support for forthcoming the Scottish Renewables Marine conference.

**ACTION 11: Officials will contact members to confirm the date of the next meeting at the start of 2019.**

### **Summary of actions and proposals**

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ACTION 2: SG to work with OEE to ensure that private financiers are invited to the conference.

ACTION 3: SG to confirm who, if anyone, from BEIS is attending OEE.

ACTION 4: Group members and Minister will convey the message of Scotland's strengths, successes, and determination to continue its collaborative working relationship with EU member states and institutions during the Ocean Energy Europe Conference in October.

ACTION 5: SG to prepare and circulate a one page summary of key points for OEE to promote a positive and upbeat message about progress in the sector.

ACTION 6: Secretariat to share presentation slides with members following the meeting.

ACTION 7: Active developers to consider further the narrative of the journey to 2030 to support revenue support case.

ACTION 8: Consideration to be given to better integrate the work of the UK wide Marine Energy Council with the focus of the Scottish marine industry group.

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