

MARKET TRANSFORMATION PROGRAMME ADVISORY COMMITTEE (MTAC)

Minutes of the meeting held on Wednesday 2 December 1998

Present	Papers
Bob Ryder, DETR - Chairman Teresa Smallbone, NCC Deborah Brown David Simpson, Scottish Hydro Chris Baker, DETR Owen Emery, DETR - Secretary	Draft programmes of work SAVE proposal - Transforming The Heating Market

Membership matters

1. Apologies had been received from Tim Curtis (EST) and Ian Andrews (DTI). David Simpson was welcomed as a new Committee member. Jim Skea had resigned owing to urgent pressures in his new post at the Policy Studies Institute. He had suggested Dr Frans Berkhout, who has conducted “integrated product policy” work for the Commission, as a possible replacement. DETR invited the Committee to nominate additional members especially people with manufacturing or broader (non-electrical) retailing experience.

Minutes of MTAC(98)1

2. These were approved.

Programme and policy update

3. DETR had formally appointed ETSU as Lead Contractors on 17 September, with a commencement date of 21 September and break points at 3, 6, 12 and 24 months. Proposed “consortium” sub-contracts with ECU and BRECSU were pending agreement on the balance of the programme of work.

4. There was now a need to gear up rapidly in certain key sectors - notably lighting where progress in taking forward the consultation paper launched on 7 April had been stalled since the summer. Particular policy developments since MTAC(98)1 had included: the launch of consultation papers on Climate Change (which had identified lighting and refrigeration as key sectors) and Sustainable Goods; the European Commission’s “Kyoto In The Kitchen - Is Energy Labelling Working?” conference in Oxford on 10-11 September (at which the ECU’s “Cool Labels” report had been launched and following which the Commission were preparing a report to Council, probably focusing on compliance issues); a programme of Common and Co-ordinated Policy Measures resulting from the Kyoto Conference (which the Council of Ministers had asked the Commission to draw up an Action Plan which would be the subject of a workshop in January); labelling directives for dishwashers and lamps (which would now be implemented fully from 1 August 1999 and 1 January 2001 respectively) and a new draft directive covering boilers; new proposals from

the Commission for “quality mark” energy labels to be used in conjunction with industry negotiated agreements; industry agreements, adding to the existing agreements on television/video cassette recorder stand-by power and washing machines efficiency. We were busy with Commission proposals for agreements covering water heaters, set-top boxes and television on-mode.

5. On the technology procurement front, DETR had agreed Market Transformation Programme support on 13 October for ECU’s participation in a SAVE procurement proposal to bring forward an “A”-rated fridge/freezer to the EU market. Our IEA activity included a “Lessons Learned” Workshop in London in February which we hoped would help to determine the future role for the IEA DSM Annex III activity supported via the Market Transformation Programme.

Proposed Programmes of Work

6. Philip Taylor, Paul White and Mark Hinnells of ETSU joined the meeting to present their provisional programmes of work which had been sent to MTAC members under cover of Owen Emery’s letter of 25 November. Sector Managers had been appointed (see Annex A), sub-contracts were currently being negotiated with BRE and ECU and budgets had been established for 1998-99 (£220k excluding CADENCE) and subsequent years (£300-350k). Quality control systems and contract management arrangements had been established; year 2000-compliant equipment had been provided to the ETSU team.

7. DETR stressed that ETSU’s priority was to develop and agree with DETR a viable Programme of Work. The Committee’s main task would be to consider matters of balance, priorities and good management. Whilst we would welcome Committee members views on any related issue, we would not be asking the Committee routinely to deal with detailed technical or day-to-day management issues. In this regard the Committee was akin to the EEPAC. It was envisaged that the Committee would review ETSU’s proposals annually (by February 1999 for 1999-2000).

8. Individual sector programmes were not discussed in detail but issues raised included:-

- (a) ETSU had not yet developed proposals for the Office Equipment sector but an outline provisional budget had been set at about 30 days @ £10k).
- (b) Explaining how they would respond to sudden changes in programme priorities ETSU said that, as a first resort, they would try to redeploy resources from within ETSU rather than introduce outsiders who were not up to speed (a case in point being Paul White’s appointment as Acting Project Manager). Their staff expertise ranged wider than scientists and included (eg) economists.
- (c) ETSU and the Energy Saving Trust would need to agree operational arrangements to ensure integration between the Market Transformation Programme and the Trust’s programmes.
- (d) DETR priorities were determined largely by the need to develop a robust UK position in high level discussions on such things as integrated product policy,

in negotiations on specific policy measures such as energy labelling and industry agreements and to support the development of complementary national initiatives eg. with the Energy Saving Trust.

- (e) ETSU flagged that, in the interests of efficiency, it would be preferable to deal with both motors and motor/drive combinations from the outset. That might require above quota effort in this sector at least initially.
- (f) ETSU were confident that all of the £220k planned for new work in 1998-99 would be spent by 31 March 1999 (subject to DETR approving the programmes of work ASAP). DETR pointed out that the £300-350k allowed for in 1999-2000 would require adjustment having regard to the budget allocations available next year.
- (g) A high priority for ETSU was clearly to agree with DETR provisional heating and lighting sector programmes to enable negotiation of satisfactory sub-contracts with BRE and ECU.

9. Summing up, Chris Baker said that detailed programmes of work would be circulated to Committee members on an individual basis, as they were developed, for information and comment. Mark Hinnells mentioned that ETSU would particularly welcome comments on the heating sector.

SAVE proposal: Transforming The Heating Market

10. This request for funding Scottish Hydro and Sciotech had been received by DETR (papers circulated under cover of Owen Emery's letter of 26 November). ETSU's assessment was that, at the level requested, the project would not represent value for money to the programme in its current state of development and could not recommend support. The Committee agreed with this general assessment and concluded that, although relevant, it should not be considered a priority for funding at present. It was agreed that ETSU should discuss with the proposers the scope for involvement in the project at some level, possibly to facilitate early dissemination of the more directly relevant project findings or as a precursor to developing a project with the partners which could be considered for SAVE funding next round.

Any Other Business

11. There was some discussion about the scope for promoting energy efficient domestic televisions and video cassette recorders. Whilst the GEA group were actively trying to develop an EU labelling and promotional initiative, it was likely that the Commission would try to adopt this within an "official" EU agreement with manufacturers.

12. In this context, ETSU would be discussing with DETR an appropriate Web strategy. The current thinking was that the DETR site would contain the main "Policy" front-end to the programme but that the detailed Sector Review material, databases, etc should be held on a separate site operated by ETSU on behalf of DETR.

13. A Consumers' Association proposal to develop a methodology for measuring television efficiency based on a representative usage patterns was under consideration by ETSU (see Annex B) and was generally favourably received by the committee. This could be an important step towards an industry agreement on efficiency targets for television on-mode and on providing meaningful efficiency information to consumers - product labels, possibly. The Committee felt that it would be preferable if the Consumers Association's and other stakeholders' commitment to the project was more explicit and if DETR were being asked for only a proportion of the project costs.

14. Chris Baker noted that ETSU's proposals did not include a project relating to compliance with the EU energy labelling scheme. Ministers were keen to tackle this issue and ETSU were exploring the scope for a practical project. That would cover two aspects (1) spot-checks on retailers (relatively cheap); and (2) spot checks on manufacturers' product information (a potentially expensive testing programme). The latter action especially would have most impact if co-ordinated at EU level. The Commission's plans here were still evolving but could involve the creation of a forum or network for enforcement authorities.

ACTION: Paul White would check on progress and submit a scoping paper to DETR initially.

Date of next meeting

15. The next meeting of MTAC was expected to be held in February 1999 to consider programme proposals for 1999-2000. DETR would try to fix a date before Christmas.