

**MARKET TRANSFORMATION PROGRAMME
ADVISORY GROUP (MTAG)
11th MEETING**

**Thursday 2 February 2006
Room 7a/b/c, Ashdown House, 123 Victoria Street, London SW1**

AGENDA

1. Introductions
2. Minutes of Previous Meeting
3. Progress Overview (including 'what if' demo)
4. Annual plan 2006 –7 Proposals
5. MTP Monitoring and Evaluation
6. Open Forum
7. Product-Related Policy Developments and Issues
8. Waste Strategy and Plans
9. International (including an update on EEDAL 06)

DRAFT MINUTES

1. Introductions

- 1.1. A brief tour de table was conducted.

2. Minutes of previous meeting

- 2.1. The minutes of the 6 October 2005 meeting were approved and adopted without amendment. Action points from that meeting are updated below.

3. Progress Overview (including 'What If' demo)

- 3.1. Jeremy Tait presented an overview of the MTP approach and highlighted the progress that has been made on particular products, as well as other MTP achievements since the last meeting (e.g. publication of 'Sustainable Products 2005' and the updated website).

3.2. Christof Marx gave a demonstration of the What-If Tool, which presents headline data on the potential environmental impacts of domestic and commercial products and of the impacts of MTP's market transformation strategies to:

- Inform policy discussions and government decisions;
- Facilitate data and information exchange;
- Provide an opportunity to cross-check and challenge data & assumptions.

Phase 1 of the What-If Tool is now available online at <http://whatif.mtprog.com/> and the team are currently testing Phase 2, which will widen the scope of the model to include water consumption and waste generation.

3.3. In discussion, the following points were made:

3.3.1. Paul Egerton asked whether MTP were feeding into the OFGEM consultation on Intelligent Metering launched on 1 February.

Action: AEAT (Jeremy Tait) to ensure that MTP feeds into this consultation.

3.3.2. John Cheshire indicated that while the Sustainable Products document was very useful, it relies heavily on stock data and data on technical performance in use, and is weak on behavioural data. The following discussion identified that while this information is clearly significant to MTP's work, the programme is not responsible for collecting it. It was suggested that consumer organisations may be a useful source of information, and the Soap & Detergents Industry Association (SDIA) may be able to provide information on washing habits and there was a discussion on the usefulness of comprehensive studies of household energy consumption by all the appliances, which used to be completed in the 1970-80s by the Electricity Association. No organisation currently collects this data. Terence Illott stated that the responsibility for this sort of research rests with the SEP Division in Defra.

Action: AEAT (Jeremy Tait) to ensure that MTP is using the best information possible on behaviour and that this need is flagged appropriately in next year's annual plan. Note: SDIA data has been previously investigated, but is not available at quality useful to MTP evidence.

4. Annual Plan 2006-7 Proposals

4.1. Philip Wright gave an overview of MTP's C1 (Programme Development and Outreach Strategy), followed by a presentation from Jeremy Tait on

the 2006-07 Annual Plan. Bill Nixon invited comments on the scope, depth and balance of the plan:

Action: ALL to feed in further comments on the annual plan by the end of February.

- 4.1.1. Mark Hinnells suggested that MTP should take a long-term perspective and therefore look to deepen, rather than widen, its coverage. As evidence, he pointed to the 40% House Report, which suggests that 80% of the savings for 2050 could be achieved in the cold and lighting sectors alone and argued that therefore there is little point in investing in small savings. Mark suggested two key areas where MTP could make a significant contribution: lighting and the heating supply market (microgeneration).
- 4.1.2. Mark also suggested that MTP should seek to answer a key policy question about whether mandatory standards or voluntary agreements are most effective, as this could have a significant impact on the UK's approach to EUP. He also asked that MTP be clear on how to decide when a voluntary agreement has or hasn't made an impact.
- 4.1.3. Deborah Brown suggested that there should be an element of the programme that looks more broadly to identify the biggest wins, e.g. where are the biggest changes in consumer behaviour. Deborah suggested that this would also be a good sense check for the programme.
- 4.1.4. John Chesshire suggested that MTP could perhaps now keep just a watching brief on some area in order to free up resources for new areas. John also suggested that MTP now move towards exploring a potential "policy appraisal" role within Defra, although Chris Baker cautioned that we need to maintain MTP's objectivity. Terence Illot reminded the group that one of Defra's key SCP commitments is to produce a products strategy by the end of 2006, and that this can be used to translate MTP evidence into policy statements / decisions.

Action: AEAT (Jeremy Tait) to circulate full prioritisation list to the group.

- 4.1.5. Bernie Walsh said that MTP 'should not get fossilized on energy issues', funding could be at risk if the programme does not address waste aspects
- 4.1.6. Ruth Coward said that the programme should address supply chains.

4.1.7. John Chesshire said that MTP should 'use a telescope' and be looking at its work plan 2 to 3 years ahead. It was noted that funding is not secured that far ahead and the programme is to be rebid at end or 2006/07.

4.1.8. Cathy Crofts wanted to better understand how MTP achieves its life cycle related outcomes, so as to see how it might fit with other programmes.

Action: Jeremy Tait to follow this up with Cathy.

5. MTP Monitoring and Evaluation

5.1. A progress report and overview of the evaluation rationale is available as MTAG paper 5.

5.2. An assessment report for 2005/06 is due to be delivered by 31 May 2006. This will report on how effective the programme has been in supporting government, other policy makers and business. This will also review MTP's attributable savings where these can be both quantified and attributed. Recognising that there will be few examples of the latter, case study examples will also be presented to demonstrate the role of the programme in the market transformation process. The methodology has been reviewed by relevant teams in EST, BREW, and Defra economists. A linked stakeholder consultation process will be initiated during the summer 2006, planned to be carried out by independent contractors.

6. Product-Related Policy Developments and Issues

6.1. Sam Rowbury provided an update on the development of **Environment Direct**. This will be a web-based service, managed and sponsored by Defra. The aim is to target 30-40% of consumers who have an interest in more sustainable lifestyles but require further information (i.e. not either extreme), by making it an aspirational lifestyle, that can be easy, convenient and possibly have a double-win. Launch currently planned for autumn 2006.

6.2. Simon Osborn updated the group on the **Waste Strategy Review**. The team are about to publish the consultation document setting out their proposals and aim to publish the strategy by the end of the year. There is greater focus on waste prevention and there will be links with the SCP Action Plan which will be published at a similar time.

6.3. Michelle Kennard informed the group about plans to launch a voluntary **water product information scheme** in January 2007. Following a useful

MTP workshop on this issue in December, ideas are now being developed – it may be a scheme similar to ‘Energy Saving Recommended’, e.g. ‘Water Efficiency Recommended’.

6.4. Robert Quarshie told the group about the **Materials Innovation and Growth Workstream**, which is a 10-20 year strategy aimed at making the UK a place for the materials industry to thrive.

6.5. Tom Lock gave a brief update on the **Energy Saving Recommended Scheme**. Its aim is to label the top 20% of the market, and is currently looking to expand into lighting, washing machines and insulation. It has just started to label products in the consumer electronic sector – with 20 IDTVs qualifying for the scheme. EST are also planning to further develop compliance activity.

7. Waste Strategy and Plans

7.1. Phil Dolley presented an overview of MTP’s work on waste, including progress in 2005/06 and plans for 2006/07. In summary, the priority for 2005/06 was for MTP to develop its evidence base, but looking ahead MTP needs to consider how the policy options being identified can be implemented and therefore the priority for 2006/07 will be to consult with business and other stakeholders to firm up the policy options into an implementable schedule. In discussion, the following points were made:

7.1.1. Daniel Instone argued that what’s needed is a clear strategic framework; we need to have developed product policy strategy for waste looking ahead several years. He also argued that we need to consider whether this work is good value for money, although he accepted that we also need to recognise the proportionality compared with the budget. Terence Illot pointed out that it’s crucial we appreciate the value of evidence in this type of policy making.

7.1.2. Mark Hinnells suggested that in looking at the difference aspects (i.e. energy, waste and water) MTP should seek to identify potential conflicts and co-incidences, i.e. where improvement in one area may hinder development in another, or where improvements in efficiency will help similar improvements in another aspect. EST supported this view.

8. International (including an update on EEDAL 06)

8.1. Melanie Slade updated the group on the international aspects of the MTP. Key points to note are:

- 8.1.1. **Framework Directive on the Eco-Design of Energy Using Products** – this is an example of Integrated Product Policy. The final text of the directive has been agreed and was published in the Official Journal in July 2005; it should be adopted by member states by July 2007. The Directive is summarized in briefing note BNXS03 on the MTP website.
- 8.1.2. The Directive will introduce lifecycle thinking rather than seeking to improve energy efficiency at any cost. For example, if CFLs were considered under this directive we would expect it to combine not only a minimum energy performance standard but also a maximum mercury content. The eligibility of products for implementing measures will be based on criteria that are laid out in the directive but basically it applies to energy using products that are used in large numbers in Europe excluding transport. There are currently 14 product studies underway, including washing, cooking, refrigeration, motors, office equipment, home entertainment and some lighting. The next UK Stakeholder meeting will be held on 23 February.
- 8.1.3. **MTP in China** – the joint FCO-GOF/MTP Project is now underway. It was developed at the request of Chinese officials and is a pilot to demonstrate how the MTP approach can be adapted for China and to produce a road map for how a product policy programme could be developed. MTP agreed to help because an effective Chinese domestic policy should mean more efficient products are being manufactured and could be available for the European market. The project is currently producing stock models for selected products to enable various scenarios to be modelled and potential impacts to be assessed. A more detailed report is available at: http://www.mtprog.com/ReferenceLibrary/MTP_in_China_Dec05.doc
- 8.1.4. **Communities of practice** – these are Australian led projects, comparing standards across the world and where possible adopting the world's best as the Australian minimum standard. Where there was no clear option they set about developing a new standard – this is being done by working closely with producer countries and larger trading blocks. One example of a community of practice is the Compact Fluorescent Initiative. The Australian Greenhouse Office have gained support from other nations and from manufacturers to develop harmonised test procedures. The idea is that if the test procedure is harmonised the burden on manufacturers is reduced. A range of performance levels will also be established and then different countries or trading blocks can make their own choice of which of these levels to use for their standards. A similar initiative has started with home entertainment – MTP has been very active in this area because of the UK need to improve the efficiency of digital

set top boxes. We intend to launch a new group for TVs at EEDAL in June this year.

8.1.5. **EEDAL** – the Energy Efficiency in Domestic Appliances and Lighting Conference is being hosted by MTP, and will be held in London between 21-23 June 2006. You can register your interest at: <http://www.lewislive.co.uk/eedal/>

8.1.6. **International Task Force on Sustainable Products** – this was established by Defra under the Marrakech Process and MTP is providing the Secretariat. Currently, thirteen countries are involved, in addition to the IEA, UNDP and UNEP, and a workplan is being developed. The next meeting is planned for June to coincide with EEDAL, although a side meeting may be held at CSD14 in May.

ACTION POINTS SUMMARY – 2 FEBRUARY MEETING

Paragraph	Action	Responsible
3.3.1	AEAT to ensure that MTP feeds into the OFGEM Intelligent metering consultation.	Jeremy Tait (Complete – Bob Harrison)
3.3.2	AEAT to ensure that MTP is using the best information possible on behaviour and that this need is flagged appropriately in next year's annual plan.	Jeremy Tait
4.1	MTAG members to feed in further comments on the annual plan by the end of February	All
4.1.5	AEAT to circulate full prioritisation list to the group.	Jeremy Tait
4.1.8	Jeremy Tait to follow up with Cathy Crofts on the issue of how MTP achieves its life cycle related outcomes	Jeremy Tait

ACTION POINTS UPDATE – 6TH OCTOBER MEETING

Paragraph	Action	Status
3.1	Produce Executive Summary for MTAG Members by late October AEAT (Mike Landy)	Complete – emailed to group and available on website
4.1	Take on board MTAG's comments as presentational material is developed AEAT (Jeremy Tait)	Complete – this material is now being used regularly
5.1.2	Flag up waste issues with Waste Strategy Division Defra/EBC (Martyn	Complete – waste sector now moving

	Webb/Amy Glover)	forward
5.1.2	Let AEAT (Mike Landy) know if they wish to participate in the current consultation exercise on prioritisation by 31 October (Energy) and 15 November (Water and Waste) MTAG Members	Complete - Input received
5.1.3	Set up a meeting of current and potential future key MTP stakeholders in the New Year Defra/EBC (Amy Glover)	In progress - Showcase to be held in May.
5.1.5	Ensure that the 2006/07 Business Plan reflected a balance between environmental impacts, supporting business and supporting policy AEAT (Mike Landy)	Complete
7.1.2	Liaise with WRAP (Barbara Leach) on evaluation AEAT (Jeremy Tait/Dan Forster)	Complete
7.2	Revise the Evaluation Framework to reflect MTAG's views AEAT (Jeremy Tait/Dan Forster)	Complete
9.1	Revise the third question on slide 8 AEAT (Paul White)	Complete

ATTENDANCE

ATTENDANCE		
Name	Organisation	Comments
Abbie Cottrell	Department of Trade & Industry	
Amy Glover	Department for the Environment, Food and Rural Affairs	
Andy Davey	Department for the Environment, Food and Rural Affairs	
Arnold Pindar	BSI Global	
Bernie Walsh	Department for the Environment, Food and Rural Affairs	
Bill Nixon	AEAT	
Carol Ellis	Department for the Environment, Food and Rural Affairs	
Cathy Crofts	Department for the Environment, Food and Rural Affairs	
Chris Baker	Department for the Environment, Food and Rural Affairs	
Christof Marx	AEAT	
Clive Mitchell	Sustainable Development Commission	
Daniel Instone	Department for the Environment, Food and Rural Affairs	
Deborah Brown	Ernst & Young	
Dr Elizabeth Warham	Department of Trade & Industry	Representing Christopher Stewart
Frauke Roeser	Enviros	
Jeremy Tait	AEAT	
John Chesshire	Energy Efficiency Partnership for Homes	
Katherine Hunter	BSI Global	
Mark Brown	Energy Saving Trust	

Mark Hinnells	Environmental Change Institute	
Martin Webb	Department for the Environment, Food and Rural Affairs	
Michele Barker	Department of Trade & Industry	
Michelle Kennard	Department for the Environment, Food and Rural Affairs	
Nadine Smith	Department for the Environment, Food and Rural Affairs	Representing Nick Blakey
Nicola Martin	Department for the Environment, Food and Rural Affairs	Representing Barbara Morton
Owen Emery	Department for the Environment, Food and Rural Affairs	
Paul Davidson	Buildings Research Establishment	
Paul Egerton	Department of Trade & Industry	Representing Chris Bryant
Paula Owen	Energy Saving Trust	
Phil Wilson	WRAP	Representing Liz Goodwin
Philip Wright	AEAT	
Richard Bawden	Energy Saving Trust	
Ruth Coward	Department for the Environment, Food and Rural Affairs	Representing Angela Coulton
Simon Osborn	Department for the Environment, Food and Rural Affairs	Representing Waste Strategy Review Team
Terence Illot	Department for the Environment, Food and Rural Affairs	
Teresa Smallbone	Independent Consultant	
Tom Lock	Energy Saving Trust	
APOLOGIES		
Name	Organisation	Comments
Angela Coulton	Department for the Environment, Food and Rural Affairs	Represented by Ruth Coward
Anton Van Santan	Department for the Environment, Food and Rural Affairs	Represented by Simon Osborn
April Vessey	Department of Trade & Industry	
Barbara Morton	Department for the Environment, Food and Rural Affairs	Represented by Nicola Martin
B Shaw	Green Alliance	
Brian Millsom	OGC Buying Solutions	
Brian Samuel	Energy Saving Trust	
Charles Hargreaves	Office of Gas & Electricity Markets	
Christopher Stewart	Department of Trade & Industry	Represented by Elizabeth Warham
Chris Bryant	Department of Trade & Industry	Represented by Paul Egerton
David Moon	WRAP	
David Wilson	Independent Waste Management Consultant	
Fiona Lynagh	Carbon Trust	
Ian Dixon	Department of Trade & Industry	
Jackie Janes	Department for the Environment, Food and Rural Affairs	
Liz Goodman	Department of Trade & Industry	Represented by Phil Wilson
Maggie Gibbons-Loveday	Trading Standards Institute	
Martin Cox	Department for the Environment, Food and Rural Affairs	Represented by Simon Osborn

Nick Blakey	Department for the Environment, Food and Rural Affairs	Represented by Nadine Smith
Peter Jiggins	Department for the Environment, Food and Rural Affairs	Represented by Michelle Kennard
Rachel Crisp	Department of Trade & Industry	
Rob Westcott	Environment Agency	
Samantha Armstrong	Environment Agency	
Sara Eppel	Sustainable Development Commission	Represented by Clive Mitchell
Simon Walster	OFWAT	