

**MARKET TRANSFORMATION PROGRAMME
ADVISORY GROUP (MTAG)
6th MEETING**

**Wednesday 20 January 2004, Room 6ab
Ashdown House, 123 Victoria Street London.**

AGENDA

1. Introductions and adoption of Agenda
2. Approval of Minutes of previous MTAG meeting held on 23 October 2003
3. Presentation of progress during Quarter 3, 2003-04
4. Update on progress on Co-operative Projects
5. Progress on Implementation Plan for the Energy White Paper (EWP)
6. Update on Energy Saving Trust (EST) Energy Efficiency Partnership (EEP)/Market Transformation Programme (MTP) event on 29 January 2004
7. Any Other Business

Circulation: All MTAG members

1. Introductions and adoption of Agenda

1.1 The Chairman gave a brief overview of his role as the returning head of Environment Business and Consumers Division, and explained what he saw as the role of MTP in terms of the follow up to measures such as those envisaged by the World Summit on Sustainable Development and the Sustainable Consumption and Production framework,. In particular it was becoming increasingly important for sound evidence to be in place to support future policy and to reinforce the links to work being carried out elsewhere in respect of the Energy White Paper, Better Buildings Summit and the DTI Innovation Review.

1.2 The Agenda was adopted without amendment.

2. Approval of Minutes of previous MTAG meeting on 23 October 2003

2.1 The Minutes of the 23 October meeting were approved with the following amendments (which had been requested by the Carbon Trust (CT)), as underlined:-

2.1.1 Paragraph 6.1 now to read:

“Brenda Boardman outlined a proposal by ECI currently undergoing consideration by the CT as part of the LCIP and the joint CT/EPSRC Carbon Vision programme, and other funding bodies. Final decisions were expected early in 2004.”

2.1.2 The Action Point for item 6 (Proposed project: "Building Market Transformation") now to read:

“Chris Baker to prepare a draft protocol for consideration by the CT and EPSRC as joint owners of this project.”

3. Presentation of progress during Quarter 3, 2003-04

3.1 Jeremy Tait outlined MTP Progress during the last quarter (a copy of the Quarterly Progress Report is at Annex A). Key highlights included the achievement of the first EWP milestone in November; the addition of a Product Data section to the MTPROG website; and significant progress in the development of the evidence base for procurement policies and standards; but progress had been restricted in respect of the adoption of policies. There had been some good progress on eco-labelling where the UK continued to play a leading role. Budgetary constraints continued to hold up progress in a number of areas, and, while additional funds had been secured, these had been largely for specific projects.

3.2 The priorities for the next three months are outlined in Annex B.

3.3 Jeremy Tait briefly demonstrated the new Product Standards Information Base (introduction at Annex C). Subject to resources, the next steps would be to refine the Action Plan and develop a time series for priority products using this tool (2006-2010).

4. Update on progress on Co-operative Projects

4.1 Paul White reported progress in this area (Annex D):

4.1.1 While there was some dialogue with Envirowise, it was acknowledged that this area needed to be strengthened as the MTP extended the scope of areas covered.

4.1.2 The scope for greater co-operation between Defra and ODPM on Building Regulations and related areas should be further explored

ACTION: Chris Baker to liaise with Simon Barnes in arranging a Defra/ODPM bilateral.

4.1.3 While MTP was still fully engaged in the Government Digital TV Group, there was still a need for greater collaboration between Defra and DTI in this area. DTI indicated that, in common with all Government Departments, they had considerable pressures on resources. However they would look into the possibility of making some funding available.

ACTION: Steve Andrews to speak to Ian Dixon to ensure that adequate linkages were made within DTI.

4.2 In response to a question from Terence Illott, Paul White explained that better contacts needed to be established with the Waste & Resources Action Programme, but that due to resource constraints this would not be easy. He also added that he felt this to be an important area, and that design and innovation were also key to the whole process.

5. EWP – Product Policy implementation Plan

5.1 Some good progress has been made to date, but resources were constraining the rate of progress. An initial comparison of what MTP believed was achievable compared to EWP targets indicated that to 2010 the ambitious MTP savings projections were broadly in line with EWP targets, but that more work was needed to compare assumptions after that date. MTP planned to take this work forward and would be discussing EWP assumptions in more detail with DTI, and starting the process of expanding MTP scenarios to cover 2010 to 2020. It would also aim to extend the scope of MTP to address the carbon emissions gap.

6. Update on EST EEP/MTP event on 29 January 2004

6.1 Paul White reported that all the arrangements were now in place and that there had been a good response from invitees. MTAG members were encouraged to attend if they were available.

7. Any Other Business

7.1 MTAG Members were invited to consider whether MTAG was working effectively from their perspective and offer any suggestions for improvements.

7.2 Members were informed that the next meeting was scheduled for **16 March 2004** and that arrangements were being made to schedule meeting dates for June, September and December.

ACTION: Owen Emery to schedule subsequent meetings for late June, late September and the second week of December

Defra/EBC
January 2004

Attendance:

Chris Baker	Defra
Deborah Brown	Ernst & Young
Jeremy Tait	AEA Technology plc (AEAT)
John Lanchbery	Royal Society for the Protection of Birds
Martyn Webb	Defra
Neil Kitchen	Office of Government Commerce
Owen Emery	Defra
Paul White	AEAT
Rachel Crisp	Department of Trade & Industry (DTI)
Richard Bawden	EST
Simon Barnes	Office of the Deputy Prime Minister (ODPM)
Simon Cox	Defra
Steve Andrews	DTI
Terence Illott (Chair)	Defra
Tim Gettins	DTI

Apologies:

Andre Furstenberg	CT
Arnold Pindar	British Standards Institution
Bernie Walsh/Phil Mortlock	Defra
Bob Ryder	Defra
Brenda Boardman	Environmental Change Institute
Charles Hargreaves	Office of Gas & Electricity Markets
John Chesshire	Private Consultant
John Collingwood	Defra
Maggie Gibbons-Loveday	Trading Standards Institute
Peter Jiggins/Rob Mynard	Defra
Teresa Smallbone	Private Consultant

Quarterly Progress Report for MTAG Quarter 3 - 2003/2004

Executive summary

Q3 has focused on delivery of the Knowledge Base into the policy development and delivery process, primarily for SEPN. Several new MTP deliverables have contributed to this:

- The Product Standards Information Base (database of product performance standards and test methodologies) ([web link](#))
- The product policy overview spreadsheet (showing policy status and priorities for 108 products within the MTP portfolio) ([download](#) Excel spreadsheet)
- A paper reconciling the Energy White Paper carbon projections with MTP scenarios (draft delivered with MTAG papers)

Another key area is that of procurement as a product policy instrument. MTP has ongoing work for Defra SGS developing procurement guidance information that has delivered much of the data for the Matrix and demonstrated the value of MTP data and strategic analysis to OGC Buying Solutions and other procurement managers. A proposal for a substantial additional scoping study has been submitted to Defra SGS for work to be carried out in Q4.

MTP has begun work for a major new customer: DTI Environment Directorate on environmental innovation and better regulation.

KEY POLICY AREAS

- **Energy Using Products Eco-design Directive:** Draft text for this major new piece of EU regulation has been published and MTP is poised to publish Defra consultations as soon as an initial round of negotiations with the Commission are complete. (Defra consultation Briefing Note imminent)
- **Energy Performance of Buildings Directive:** UK effort is focused on implementation of this Directive and MTP is supporting this in the areas of commercial lighting and air conditioning, providing data and consensus-based advice on product and system performance characterisation. ([click for MTP Briefing Note](#))
- **Energy Star:** MTP input continues with technical input to test specification development and modelling product performance. ([click for MTP Briefing Note](#))

KEY PROGRAMME AREAS

Strategy - Growing the MTP Knowledge Base

- There are **97 Briefing Notes live** on the mtprog.com web site (6 new in Q3, further 45 at various stages of development). **22 live Policy Briefs**, with a further two in advanced state of preparation.
- The [What-If tool release 2.1.22](#) has been circulated, which included the latest BNXS01 carbon conversion factors and enhancements to functionality to greatly speed up data entry.
- [Heat Replacement Effect](#) consultations have awaited response from SEP for most of the quarter, but a review meeting is now set for 22 January, and pending consensus at that meeting it will be rolled out to Policy Briefs etc.
- [Product Standards Information Base](#) (“**Matrix**”) of product performance standards and test methodologies has been developed to a working initial version that has been demonstrated to MTAG, procurement managers and OGCbs. This has been populated with data on 63 product types & sub-types including 135 different performance standards and 83 separate test methodologies.
- [Mtprog.com web site](#) has had 21,289 visitors since March 2003, who have downloaded 1,633 PDF’s of Policy Briefs and 3,130 Briefing Notes.
- The improved home page and navigation system for the [UKEPIC web site](#) was released in October.
- **The MTP budget** has grown from £641k in September 2003 to £780k at mid December. This included £74k of additional core MTP activities; £40k from Water Supply and Regulations Division of Defra for a study on labelling of domestic water using products; Phase 2 of the procurement initiative for Defra SGS (£25k). A substantial re-budget was necessary to re-adjust sector priorities and bring in the top priority reserve projects.
- In addition, MTP is managing a £34k project for **DTI on environmental innovation** and better regulation, using MTP team resources.
- **Phase 2 of the Sustainable Goods and Services-funded green procurement initiative** is well underway developing simple life cycle costings for priority products and uplift of stakeholder engagement, notably with manufacturers to deliver product performance data. [BNXS08](#) on green procurement and [BNXS04](#) on test methodologies have been largely transferred to the Matrix.
- **MTP and the Carbon Trust** are jointly funding a market study on the UK stock of electric motors to inform Action Energy, ECAs and the MTP Policy Brief – expected to deliver data in May 2004.

Policy Delivery

- MTP has started work to deliver methodologies for **water efficiency labelling** for 6 domestic products (taps, showers, WCs etc) with funding from Defra WSR (as mentioned above).
- In Q3 MTP provided an updated priority **action plan to BSI** for test methodology development, feeding into their strategic development plan
- Liaison continues with ODPM to ensure the MTP knowledge base benefits preparations for **Building Regulations** and **Energy Performance of Buildings Directive** in the areas of air conditioning and commercial lighting.
- Ecolabel activities have made good progress to plan against all objectives
- MTP collaboration with the Carbon Trust’s **Enhanced Capital Allowances** (ECA) scheme continues in the areas of packaged cooling equipment, pumps and fans.
- MTP has provided data to develop the EST’s **EER scheme** for condensing boilers, cooking and wet appliances

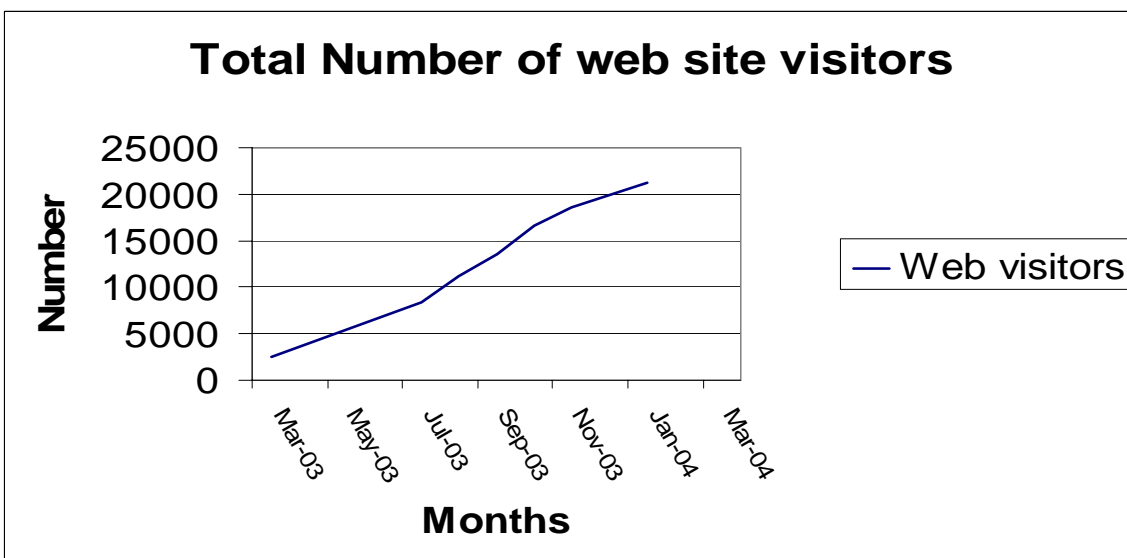
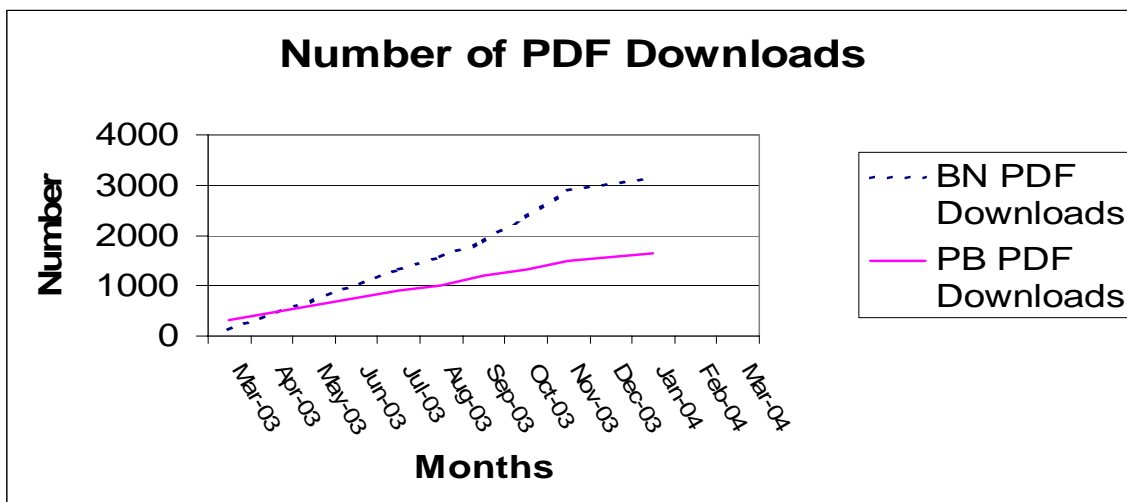
- MTP successfully **brokered a compromise between the key EU Manufacturers of digital adaptors and the EU Commission**. A potential dispute over active-standby power levels in the Code of Conduct was averted and the CoC progressed smoothly through this phase.
- MTP has provided boiler sales figures to **HMT**; and domestic appliance data to **DTI** for the UK Energy Sector Indicators 2004.

Outreach and Programme Development

- Proposal developed and accepted for DTI “Applying MTP Approach to Promote **Competition and Innovation**” (DTI funded, £34k)
- Development of the MTP **Policy Brief on Glazing** products (funded by EST) is ongoing.
- £3k funding has been agreed to develop a specification for a **Policy Brief for Commercial / industrial space heating** during Q4.
- MTP has submitted a £50k proposal to Defra SGS for a **Procurement Scoping Study**, examining priorities and methodologies for greening Government procurement. This builds on current MTP work in this field.
- MTP presented five papers at the Energy Efficiency of Domestic Appliances and Lighting (**EEDAL**) conference in Turin in October 2003. These are all now published at www.mtprog.com via a [news item](#).

To download the full QPR Q3 reports and notes click here (zip file – 4 MB).

Policy Brief and Briefing Note Downloads from www.mtprog.com.



	Total Q2	Total Q3	Domestic Cold	Domestic Cooking	Domestic Heating & Hot Water	Domestic Lighting	Domestic Wet	Consumer Electronics	ICT	Commercial Lighting	Electric Motors	Comfort cooling systems	Packaged cooling eqpt	Water	Test standards & Targets	Procurement	Cross-sector	Knowledge Base#	Glazing	Marcomms
Existing BNs re-worked, major update/edit	19	25	1	1	0	4	3	0	7	2	1	0	0	0	1	1	3	0	0	
Number of new BNs published during Qtr	10	9	2	0	0	1	0	2	0	0	0	0	0	0	0	0	1	0	0	
Number of new BNs drafted but not published during Qtr	16	14	1	0	0	1	4	0	4	0	0	0	1	0	0	0	1	0	0	
Total number of BNs withdrawn during Qtr	3	6	0	0	0	0	0	0	5	0	0	0	0	0	1	0	0	0	0	
Number of PB devt (STRATEGY) meetings (include sector meetings at which the PB was developed)	12	12	0	0	4	1	0	0	0	0	2	0	0	0	1	2	0	1	1	0
Number of meetings to gather or disseminate MTP info (DELIVERY) (additional PBs)	17	16	1	1	2	1	1	0	0	1	0	0	2	0	0	4	0	0	0	0
Number of MTP OUTREACH meetings attended to explain or promote MTP (additional PBs)	8	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
Number of conference papers, journal articles, web site pages etc written, or for MTP	28	26	1	0	3	0	1	0	10	0	0	0	1	0	0	1	0	0	0	0
Total number of published and draft BNs in portfolio at Qtr end	142	156	6	4	5	15	14	12	11	6	6	7	21	9	1	1	7	0	0	
Approximate number of active sector stakeholders (regular participants)	213	190	6	5	10	8	6	5	11	13	20	10	22	12		8		20	4	
Approximate number of sector stakeholders that are sent PBs/ BNs/updates	683	635	30	30	50	20	30		30	25	40	15	40	40		15		150	20	
Number of Policy Briefs published during Qtr	2	0	0	0	0	0	0	0	0	0	0	0	0	0			0		0	
Total number of Policy Briefs at Qtr end	27	25	1	1	2	1	4	6	1	2	1	0	0	3			2		0	

includes What-If, Knowledge Management, UKEPIC, Matrix & Web Site

Q4 Key projects MTAG, 20 January 2004

Priorities for Q4 are proposed as:

1. Population of the Product Standards Information Base (PSIB) to provide time series of product performance standards for the top ten EWP priority products
2. Complete and publish reconciliation of MTP scenarios with EWP targets (BNXS22)
3. Deliver prioritised action plan to fill gaps in the PSIB
4. Implement Heat Replacement Effect factors into all PBs and the What-If? tool.
5. Develop outline annual plan for 2004/2005

Additional initiatives for Q4

The following activities from the reserve list were granted funding at the December re-budget, when additional funds were made available:

Description	Value £k	Comments
BN on carbon intensity factors for gas, oil, coal etc	1.2	Underway - essential to Evidence Base
PSIB (Matrix) development - tool functionality, web interface, and data entry	8.0	Cost & detailed work plan to be confirmed
Roll out of heat replacement effect to sectors: adjust PB template, calculate and edit numbers	2.0	Important principal to establish
BNs on UK population time series and household numbers (reconciliation of DTI and EST data with BNXS19)	1.6	
Develop specification for Policy Brief for commercial / industrial space heating . Identify existing info sources, draft policy list; propose scope, draft an initial strategy table ; list and cost next steps to take the PB forward.	3.0	Potentially important Prog Devt area
Whatif tool direct links to PB on web site	6.0	Important element of Knowledge Base integrity

Introduction to the MTP Product Standards Information Base

The Performance Standards Information Base provides information on:

Benchmarks for the current and future environmental performance of appliances and traded goods.

It also identifies:

Existing and proposed experimental test methodologies used to assess a product's environmental performance.

PSIB CONTAINS:

- **A list of products** for which this environmental information is being developed (data is not yet available for every listed product). Covers domestic appliances, some non-domestic traded goods.
- Associated with the products are **product performance standards** showing high, average and low performance levels (e.g. kWh per day energy consumption). Performance standards are given for 2003, and time series for future years are being developed.
- Associated with each performance standard are the relevant **product test methodologies** (British Standards, EN, energy labels etc). These define how to go about measuring the product's environmental performance.

APPLICATIONS OF THIS INFORMATION

- **Product Policy planners** – to identify gaps in prerequisite information
- **Product Policy deliverers** - devising incentive schemes for products (to set performance thresholds, test method rules etc)
- **Climate change researchers** to know current and future energy efficiency of washing machines
- **Manufacturers**, planning product development, eg “how much more efficient must our products be in 5 years' time to still be market leaders/meet Government policy expectations etc?”

The information may also be used by third parties to assist **procurement managers** eg “what specification should I impose when I buy 50 new TVs for our hospital wing?”

ENVIRONMENTAL PERFORMANCE ASPECTS COVERED

- Energy efficiency / energy consumption
- Also water consumption, atmospheric emissions, harmful chemical content, and other environmental impacts.

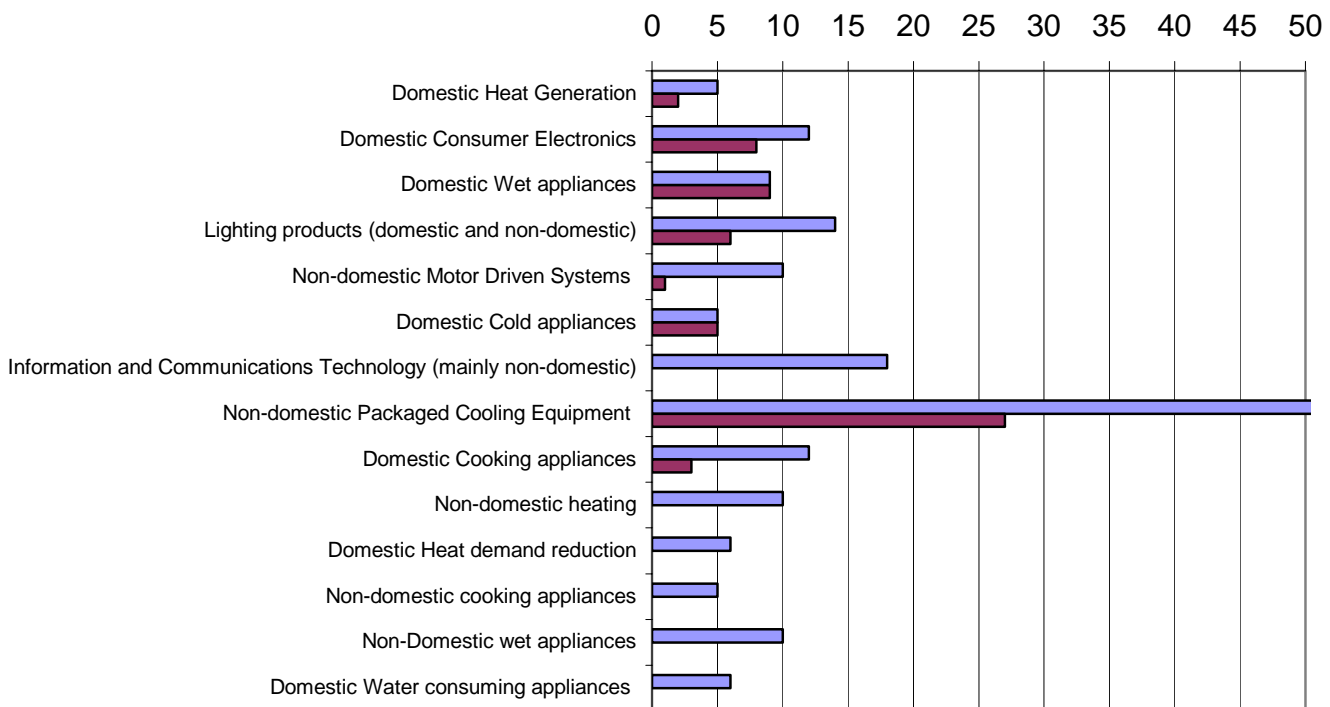
COVERAGE OF PRODUCT STANDARDS INFORMATION BASE

Blue (light) bar = Number of Target products in that sector

Purple (dark) bar = Number of Products for which data is already uploaded

(In approximate order of priority)

Data has **ONLY** been entered for 2003 – ie no time series data yet.



Other possible products include: Batteries, Cars, CHP, Compressed air generators, Detergents, Digital television transmission equipment, Distribution transformers, electrical toys and games, Footwear, Furniture, Mattresses, Paints & varnishes, Paper products, Soil products, Textiles, Vacuum Cleaners, Wood products.

PROPOSED NEXT STEPS

1. Refine prioritisation of products and gaps
2. Populate time series for high priority products (ie standards for 2006, 2010 etc)
3. Upload data for remaining medium priority products for which MTP data exists
4. Seek data for other medium priority products

PROGRESS UPDATE ON CURRENT CO-OPERATIVE PROJECTS. Jan 2004

Product Procurement (Defra, SGS)

Following the development of MTP's "*Green Procurement Made Easier*", the second phase of the project begun with two main thrusts:

- preparation of life cycle costs into the matrix version of BNXS08
- improvement of active stakeholder engagement

Some good progress has been made with HP, Electrolux and NHS PASA to build on the good start made with OGC.

(NEW) Sustainable Procurement Information Base – Scoping Study (Defra, SGS)

This new project has just commenced and runs to May 2004. It aims to support progress for sustainable procurement in the public sector through identifying:

- main types of information and tools required to enable effective purchasing decisions
- main product sectors and priorities to be targeted
- existing information sources to support these products, and identify information gaps
- practicalities of information management, verification and policing
- priorities to ensuring the research results are fed into OGC's website development process

(NEW) Innovation and Competition (DTI, Sustainable Development)

Recently agreed project "*Applying MTP Approach To Promote Competition and Innovation*", focusing on televisions as a product applied to energy and waste issues. The project started in January, with a first phase completing in March.

Aims to deliver

- options for future measures which enhance environmental protection and promote innovation for television.
- guidance note on policy design principles based on MTP rationales

(NEW) Water Product Performance Standards (Defra, WRD)

The project was commissioned to support development of performance (water consumption) standards for domestic water using appliances. It aims to provide test methodologies and performance specs for 6 products - toilets, showers, tap-ware, baths, washing machines and dishwashers. The project is designed in two phases through to September 2004.

An initial review of labelling schemes overseas is underway, and a first stakeholder meeting scheduled for January 21. The information frameworks and working product information will be put into operation at an early stage, with initial information to be available by April to ensure buy-in by major retailers.

Motor Systems Sector (The Carbon Trust)

This collaborative work combines a major market study of stock motor systems and industry working groups on pumps and fans.

- A contract has been agreed with BSRIA to carry out the motors market survey, and a first milestone report has been received and agreed. The completion of this project has been delayed, with results anticipated early in the next financial year.
- A BPMA working group has been set up to examine use of UKEPIC to collect performance information on vertical multi-stage pumps. This group will meet for the first time in March.

Glazing Policy Brief (EST Energy Efficiency Partnership)

This project, commissioned by ESTs Energy Efficiency Partnership Glazing Group, is scheduled to complete in February. There has been some delay in finalising the model due to quality of source data (now resolved). The project remains on track to deliver a consulted policy brief this financial year.