

ETSAP - ENERGY TECHNOLOGY SYSTEMS ANALYSIS PROGRAMME
Implementing Agreement of the INTERNATIONAL ENERGY AGENCY – IEA/AIE

MINUTES OF THE EXECUTIVE COMMITTEE MEETING

Date: Friday, May 31, 2002 (9.00 – 12.00)
Location: ABARE Executive Conference room, ABARE, Cnr Macquarie and Broughton Sts, Barton, Canberra,

Country representatives:

Mr. Ken Noble	Australia
Ms. Denise Van Regemorter (for Ms. Fierens)	Belgium
Mr. Richard Loulou (for Mr. Labib)	Canada
Mr. GianCarlo Tosato	Italy
Mr. Osamu Sato (for Mr. Yano)	Japan
Mr. Koen Smekens	Netherlands
Mr. Olivier Bahn (for Mr. Kypreos)	Switzerland
Mr. Peter Taylor	United Kingdom
Mr. Phillip Tseng (chairman)	USA

“Stand-Ins”:

- European Commission: Mr Evasio Lavagno standing in for Mr. Rossetti di Valdalbero
- Germany: Mr. Gary Goldstein standing in for Mr. Voss
- Greece: Mr. Koen Smekens standing in for Mr. Giannakidis
- South Korea: Mr. Barry Naughten standing in for Mr. Shin

Guests:

Mr. Dolf Gielen, IEA Secretariat
Mr. Amit Kanudia, McGill Un., Canada
Mr. Fridtjof Unander, IEA Secretariat

Opening

The Chair, Phillip Tseng, opens the meeting at 9:00am and thanks the hosts, ABARE, for organization and venue. He recognized the strength of the Joint Seminar “Integrating Top Down and Bottom Up Modelling Perspectives” and the continued progress made in the important joint IEA-ETSAP Energy Technology Perspectives (ETP) undertaking.

1. Agenda

The agenda was amended as follows (amendments in italics):

1. Adoption of the agenda
2. *Quorum Count*
3. Adoption of the minutes of the Executive Committee held in Paris (October 10, 2001 + Written Procedures) (Approved version in Attachment C1)
4. Report on the Workshop (the host is invited to report)
5. Election of the chair and deputies
6. Annex VII (Contributing to the Kyoto Protocol)
 - Participation
 - Financial Report
 - Completion of Programme of Work
 - Contribution to other projects
 - Final report
7. Annex VIII (Exploring Energy Technologies Perspectives)
 - Presentation of the new OA
 - Participation, letters of intent
 - POW and budget
 - Programme and Responsibilities of the participants
 - Participation to international projects
 - R&D fund from SW and participation to projects
 - Distribution of TIMES
8. Annex IX (MARKAL-TIMES User's club) (Attachment C2)
 - Discussion of the text of the Annex
 - Participation, Letter of intents
 - Financial support
 - Diffusion (Documentation, Tutorials, Courses, Costs of the packages, conditions for use, ...)
 - Contribution to ETP and other global exercises
9. Other business
 - Use of the IEA "Open Bulletin"*
 - Non-active members
 - End of term report
 - Next workshop

Attachments:

- C1: Draft Minutes of the minutes of the Executive Committee, started in Paris (October 10, 2001) and completed through two Written Procedures
- C2: Annex VII Budget Report
- C3: *Preliminary Annex VIII Task Areas and Budget Projections*
- C4: *Updated text for the ETSAP Tools "Guidelines" and Prices*
- C5: *Updated text for the ETSAP TIMES LoA*
- C6: Draft Annex IX: "MARKAL-TIMES User's club"

2. Quorum Count

A check of countries present with respect to ensuring a proper quorum was taken. This included “stand-ins” nominated by missing representative that were provided to the Project Head prior to the start of the Executive Committee. Including all actual and nominated represented a proper quorum was present.

3. Adoption of the Minutes of the Meeting of October 10, 2001

The Minutes of the Fall 2001 Executive Committee meeting were accepted for adoption with some minor changes in response to the following suggestions by IEA Office for Legal Counsel:

- *On page 4, Appointment of New Project Head, second paragraph, replace the words “legal body (organization)” by the words “legal entity, not a person”;*
- *On page 4, Participation, second paragraph, replace the expression “example letter to confirm participation in a current ETSAP Annex” by the words “a letter of Notice of Participation in an Annex”;*
- *On page 4, Participation, third paragraph, second sentence, instead of referring to “A letter inviting them to participate in the next Annex will be sent out, an absence of a reply will be considered as an agreement to be crossed from the list of contracting parties” it would be preferable to write “A letter inviting them to participate in the next Annex will be sent out, reminding them of their obligations as Contracting Parties; if no reply is received within sixty days, the Executive Committee, acting by unanimity of the other Contracting Parties, will deem them to have withdrawn from the Agreement”*

The address of the representative to the Executive Committee of the Japanese Contracting parties has been corrected.

The final Minutes incorporating the approved changes are attached.

4. Report on the Workshop

The hosts first complimented the enthusiasm of the participants after making such long treks from all around the world to Australia. They also noted that holding the meetings here in Australia came at a particularly opportune time, as ABARE is in the process of evaluating their MARKAL activities, including ETSAP participation, in response to budget pressure owing to cuts in funding from the Government. The interaction between the ETSAP participants and the government representatives and ABARE top management that attended both the Joint Seminar and the official host function built enthusiasm for ETSAP among those important ranks.

Going around the table the various ETSAP partners commented on the merits of the VEDA training, the “turning point” for the IEA ETP project (and in particular the contribution of key ETSAP partners), the informative nature of both the ETSAP sessions and the Joint Seminar, the very productive nature of the various activities carried out during the week particularly with respect to the Energy Technology Perspective Project (ETP), and of course repeated thanks to the hard efforts of our hosts. With respect to the Joint Seminar, it was noted that the more policy-oriented nature of the seminar should be encouraged for future joint ETSAP/sponsor endeavours so that ETSAP continues to emphasize the relevance of its work for the policy arena, rather than on the more technical modelling orientation that had been the norm.

In addition, the desk officer for ETSAP, Mr. Unander, expressed particular appreciation for the high involvement and interest of the Australian Government representatives that he met with for the ETP project.

5. Election of Chair and Deputies

Phillip Tseng, the United States, was nominated and seconded to continue as the ETSAP Chairman. He graciously accepted. Ms. Denise van Regermorter, Belgium, and Mr. Takashi Yano, Japan, were nominated and seconded for Deputy Chair positions. Ms. van Regermorter accepted the nomination, and on behalf of Mr. Yano, Sato accepted.

6. Annex VII (Contributing to the Kyoto Protocol)

The Annex VII Acting Project Head first provided a brief reminder as to the purpose and goals of the Annex.

Participation

During the course of the Annex the number of participants fluctuated between 12 to 15 participating countries enabling a robust program of work to be pursued during the Annex.

Financial Report

A current financial statement, reflecting all current funds received and obligations outstanding (both in terms of payments due and contractual commitments) was presented and briefly reviewed. Without the final tally for printing and sending out the final report, and with one country in arrears, the Operating Agent is currently short 3,247Euro. Assuming payment of the delayed contribution the ensuing balance would be 19,442Euro, which will enable all the final obligations to be met within the operating budget of the Annex. In addition, assuming said outstanding payment is received there should be a very limited amount of additional funds left over from the Annex. It was agreed that said funds would be made available to some non-ETSAP institutions and individuals that have agreed to review some of the non-OECD ETP regions (see Section 7 on Participation in International Projects).

Completion of Program of Work

A final ETSAP Newsletter and the printing and distribution of the final report shall complete the Programme of Work. On the technical side a short note was provided from IER indicating the TIMES related activities and accomplishments at the institutions, as well as some considerations for proceeding and lessons learned.

Contribution to Other Projects

ETSAP's contribution to the US EIA SAGE project and the IEA ETP project during Annex VII were again acknowledged. These activities will continue into Annex VIII. The Operating Agent was also involved in the Zero Emission Technology activities under the auspice of the IEA.

Final Report

The Final Report is in final draft form. The last comments are being incorporated. Owing to the concerns with respect to a possible budget shortfall, there were some discussions as to whether or not to produce printed copies of the final report, or simply post it on the ETSAP website as a PDF file for downloading. However, the country representatives felt that it was important to have a limited number of printed copies to distribute to the contracting parties, and other key government personnel. So the Operating Agent agreed to proceed with printing and mailing of 15 copies of the final report to each Participant.

With these understandings it was agreed that ECN ends its long and productive tenure as Operating Agent with the deep appreciation of all the ETSAP participants.

7. Annex VIII (Exploring Energy Technologies Perspectives)

Discussions regarding the Annex VIII began by the Chair noting the change in Operating Agent to Politecnico di Torino (Italy).

Presentation of the New OA

Professor Lavagno thanked ETSAP for the opportunity being afforded by the University and pledge to provide the support needed to enable ETSAP to continue with the important progress it has made over the past two decades. He then gave a brief overview of the University and its relationship to various local and

national research and government institutions. He also indicated that GianCarlo Tosato would be serving as the Project Head for Annex VIII.

Participation, Letters of Intent

Mr. Tosato informed the Executive Committee of the countries that have so far indicated their intent to participate in Annex VIII by means of email to the Project Head. To date this includes Australia, Belgium, EU, Finland, Germany, Japan, Korea, Sweden, Switzerland, UK and the US for a total of 11 countries. However thus far only Australia, the EU, and Finland have sent formal letters to the IEA declaring their intent to participate in the Annex. In addition Canada has indicated that it expects to be a participant, but an official notice has not yet been sent to the Project Head. Of the countries that participated in Annex VII, the status of Greece, Italy, The Netherlands, Norway and Turkey is at the moment unclear. Italy expects to be participating, and Norway is interested but is having difficulty finding the in-country expertise required to meaningfully participate. It is also expected that The Netherlands will be participating in the Annex, and Turkey is also actively pursuing participation. The Project Head is also in contact with representatives from Spain and Austria that are also seriously considering re-activating their involvement in ETSAP. In addition, some exchanges have been held with Portuguese officials that have indicated a desire to perhaps join the ETSAP Implementing Agreement. So at this time it is expected that between 11 and 18 countries (including the EU) will be active in Annex VIII.

Program of Work and Budget

The Project Head then proceeded to discuss the main activities that would be undertaken as part of the Annex VIII Plan of Work, and the associated rough preliminary budget breakdown. The initial projects were based on the conservative estimate of only the 10 countries that have already provided a written indication of their intent to participate contributing to the project. The main activities fall into the category of Operating Agent support to the project, development of Tools and website, and documentation of the ETSAP tools. With respect to the latter, it was noted that a push should be made to ensure that MARKAL is fully and completely (re)documented at this time. To this end, it was agreed that ETSAP should closely follow the development of new MARKAL documentation by some of the ETSAP partners in support of the IEA SAGE undertaking, and then expand upon said documentation as necessary to ensure complete documentation of the methodology is once again available. A next priority was also given to getting TIMES properly documented. The preliminary activity areas and associated rough budget is attached as C3.

Programme and Responsibilities of the Participants

The programme and responsibilities of the participants were noted as those stated in the Annex VIII text. One of responsibilities of the participants that was explicitly noted and re-emphasized was that the individual country institutions are to ensure that their governments properly inform the IEA of the intent to participate in the Annex. Mr. Goldstein, in his role as ETSAP PSC, noted the important contribution being made by Antti at VTT with respect to enhancing the TIMES code. This is both with respect to the introduction of new model features as well as improving the performance of the matrix generator code.

Participation to International Projects

The Project Head noted ETSAP's commitment to supporting the IEA ETP undertaking. A quick check of those ETSAP partners that will be providing in-kind support for the review of the various regions/countries composing the ETP model was taken, as noted here

<u>ETSAP Institution</u>	<u>ETP Country/Region</u>
ABARE	Australia+New Zealand
BNL/US DOE	US/Mexico
ECN	OECD Europe
GERAD	Canada/India
JAERI	Japan
KIER	Korea
PSI	China
VTT	FSU

In addition, it was noted that Mr. Goldstein has contacted several non-ETSAP MARKAL institutions around that world to solicit their assistance for the review of some other regions. Positive responses have been received from Angela Cadena who has agreed to review the South/Central America region, and the Energy Research Institute at the University of Cape Town that will review the African model. Owing to the importance of India and China, the Tata Energy Research Institute of India and Pat Delaquil have been approached with respect to a 2nd institution to examining the India and China models respectively. It should be noted that these institutions/individuals were asked to make voluntary contributions at this time, though it was noted that perhaps a (very) small stipend would be provided later this year from ETSAP if the Annex VII budget has any surplus, or if there is slack in the Annex VIII budget.

The Project Head also encouraged continued support to the US EIA SAGE undertaking by various ETSAP partners and experts.

R&D Fund from SW

A brief discussion was held regarding the ETSAP R&D fund levied on institutions and companies wishing to acquire the core ETSAP tools (MARKAL and TIMES). The current "Guidelines," which also provides an indication of the pricing arranged for the commercial software platforms associated with the ETSAP tools, was made available (and appears in C5). The "Guidelines" will be updated as the Tools evolve, most notably VEDA and TIMES (see below with regard to the latter). The current version is attached as C4.

It was noted by the Project Head that ETSAP has been receiving \$10-20k in R&D contributions since the fee was first introduced four years ago. For the purpose of current budget projections the lower estimated has been used.

Distribution of TIMES

Discussions with respect to distribution of TIMES focused on encouraging wider use of the model and the implications for ETSAP. With regard to the implications for ETSAP the clear need to improve the technical documentation and develop initial user documentation was recognized. In addition, the need to get beta versions of VEDA-FE into the hands of the ETSAP partners for testing and evaluation was noted, as well as the associated need for its documentation.

The ETSAP LoA currently provided to any institution that is looking to acquire access to TIMES was discussed. This LoA is essentially identical to that required by institutions looking to acquire MARKAL, where the only key restriction being prohibiting providing of the model to anyone else, with one additional caveat. As TIMES is still under development a special clause has been added requiring ETSAP review of any report or publication based upon TIMES prior to its release. The updated LoA is attached as C5.

8. Annex IX (MARKAL-TIMES User's club) (Attachment C6, updated with changes)

Discussion of the text of the Annex

In response to input from various ETSAP partners and IEA Office for Legal Counsel numerous changes were introduced to the draft document. Most notables among these IEA legal comments, the paragraph describing the main purpose of the Annex, the duration (Annex IX expires simultaneously to Annex VIII), requirement to Contracting Parties from IEA Countries for participation in Annex VIII (cost-sharing Annex) prior to involvement in Annex IX, and the paragraph describing "suggested" levels of anticipated contribution. The updated text is attached as C6.

Participation, Letter of Intent

To date not letters of intent to participate have been put forward. It is recognized that this is to occur as definitely activities and undertakings are identified.

Phillip Tseng noted that BNL will be hosting a workshop to initiate a new project with Bolivia and that a wider Latin America undertaking may at the same time evolve. Mr. Tseng will check with the US EPA whether participation from outside the core target group is acceptable. Fridtjof re-iterated IEA's interest in the region and an ongoing request of OLADE for a workshop in the region, that the IEA would be willing to contribute to.

Financial support

It is recognized that financial support is to be provided on a task-sharing basis by those institutions interested in participating in the Annex.

Diffusion (Documentation, Tutorials, Courses, Costs of the packages, conditions for use, ...)

As noted in the Annex text, the materials arising from Annex IX are to be shared by all the ETSAP partners, both Annex VIII and those explicitly participating in Annex IX.

9. Other business

Non-active members

As a follow on to discussion held at the previous Executive Committee, and again prompted by the IEA legal office, the issue of resolving lapsed participation in the Implementing Agreement was again addressed. It was again pointed out that information on the requirements of participating in an Implementing Agreement can be found on the internet at www.iea.org/impag with user login name IMPAG and password BRANDY.

To initiate the discussions the decisions taken at the previous Executive Committee were reviewed, and the status of the various Parties to the Implementing Agreement was given by the Project Head. It was decided that letters would be sent to those Parties seriously dormant and for which some indication has been received that they no longer wish to participate in the Agreement. At this time this includes Ireland and Denmark. Previously in response to inquiries by the Annex VII Operating Agent, a communiqué had been received from Ireland indicating that they no longer wanted to participate in the Implementing Agreement. However, owing to a change in the official participating organization and the status of the respondent, it is not clear whether this is an adequate legal declaration. So at this time the Chair will send letters to the Ireland and Denmark contracting parties indicating that if no formal reply is received within 60 days this will be taken as an indication of their lack of interest in continued participation in ETSAP and they shall be released from the Implementing Agreement. The Project Head is in contact with two other non-active countries, Austria and Spain, but has received some expression of interest in rekindling their involvement in the Implementing Agreement. As a result it was agreed to hold off on contacting these Parties until a clearer picture of their interests emerges.

End of Term Report

According to the present regulations ETSAP is expected to provide its next End of Term Report to the IEA 12 months before the termination date (30 June 2004). For more information see the IEA IMPACT website mentioned earlier. The main requirement of the Report is to expound the merits of the Implementing Agreement in order to receive continued endorsement of the Agreement by the IEA. The previous Report was submitted to the IEA in 1997. The Annex VII Operating Agent, and IEA Secretariat desk Officer, will look to provide the Executive Committee members with copies of said report within a year.

To prepare to meet the requirement of providing IEA with a new End of Term Report it was agreed that the Project Head will begin to compile the makings of the Report by drawing on the Annex VII final report, the ETP material, and the work underway at PSI. This initial draft of the expression of the merits of ETSAP will then be distributed for general comment and additional contributions to the Executive Committee members.

Next workshop

The next workshop has been tentatively scheduled for Oct 21-24 in Torino. The exact timing of the workshop will be set after checking for any conflicting obligations by the ETSAP partners, and coordinating it with the anticipated need for a technical ETP working session planned for mid-September. At the current time it is expected that ETP working session will be held in Paris around 1 month prior to the next ETSAP meeting to allow for maximum interaction and progress on ETP.

The previous interest expressed by the Chinese to host an ETSAP meeting was again raised. Consideration with respect to inviting a representative from ERI and perhaps Tsinghua was discussed, and both the IEA and ETSAP will keep funding such a trip in mind as planning for the next meeting proceeds.