

Minutes of CLLS Energy Committee Meeting

2 May 2012

Attendees:

Robert Lane, CMS Cameron McKenna LLP
Ian Herbert, CMS Cameron McKenna LLP
Michael Coates, Shell International BV
Clare Hatcher, Clyde & Co LLP
Neil Buchanan, Osborne Clarke (in place of James Watson)
Kelly Whistance, CMS Cameron McKenna LLP

1. Introduction

Robert Lane introduced the meeting and invited feedback on the minutes circulated following the April meeting. It was agreed that these were a helpful summary of the points raised.

2. Energy Consultations

Circulation of Shell papers

Michael Coates was thanked for sharing the Shell papers on the UK Electricity Reform Package & CCS, EU ETS and “Gas in the Energy Mix”. Michael commented that he appreciated that not all clients of the Committee members would have views aligned with Shell and that the papers may or may not be directly relevant for the present work of the Committee. The Committee thought that the papers provoked healthy debate and were very useful general background, although it was agreed that it may not be appropriate for the Committee to comment on these issues at this time.

The position outlined in the EU ETS paper concerning the current caps in the ETS was highlighted as a possible topic on which all Committee members could find common ground and comment.

The Committee agreed that the decision to comment on issues will need to follow the release of detailed consultations. All members of the Committee are invited to share any papers or comments that they each have with the other members.

Other consultations

Robert suggested that a list of all live DECC and Ofgem consultations is circulated in advance of the next meeting.

Two live consultations were considered in detail:

1. DECC Call for Evidence on the role of gas in the electricity market (see link [here](#)). The Committee considered whether a comment could be made on this consultation.
2. DECC Call for Evidence: renewable energy trading (see link [here](#)). The Committee thought that it may be possible to find neutrality in this consultation and that a common view could be sought.

It was decided that each member of the Committee should look at both of these papers following the meeting to identify whether there is an area for comment. Comments should be send around the Committee by email to prompt a discussion of whether this could be taken forward.

Robert/Kelly are to send around the two DECC consultation papers to each member for reference.

3. Oil and Gas issues

Ian Herbert highlighted two current oil and gas issues:

1. Decommissioning – the recent budget highlighted the Government’s enthusiasm for contracts with oil companies to give certainty on decommissioning taxes. The Committee should look out for any consultation on the form of these contracts (as opposed to the size or extent of the tax relief) and anything that can be commented on. Checks will need to be made with the Revenue Committee to ensure no overlaps.

2. Shale Gas – DECC have released an independent expert report into “fracking” and are inviting comments until 25 May. Whilst the Committee will struggle to comment in this timeline, this is another area to track and see if it is a possible area for comment. It was pointed out that at present “fracking” is more of a policy debate and it will eventually become a legal debate.

4. DECC Working/Interest Groups

There was no further comment on this following the last meeting.

5. Other topics

There was no in depth discussion of any other areas at this meeting.

6. AOB

Michael would like a few amendments to be made to the minutes from the last meeting. Michael and Kelly will liaise on this and updated minutes will be re-circulated.

7. Next Meeting

It was agreed that the next meeting should be held in late June/early July before the holiday season. A suggested date is Monday 2 July and Kelly will send around calendar invites and dial in details in due course.