

ZEP Advisory Council 57

05th December 2018

Agenda Item 2: Secretariat update

2.a. Finance update

Appended to this paper is the ZEP finance update.

2.b. Personnel update

The meeting will be notified of the following developments;

- Helen Bray – nomination to co-Chair of External Relationships Group. Helen's CV is appended as pre-read 2.b.i.
- Kim Bye Brunn – nomination to co-Chair of Network Policy and Economics. Kim's CV is appended as pre-read 2.b.ii.
- The fossil fuel constituency has agreed that Lamberto Eldering, Equinor, will be the constituency Vice-Chair represented on the ACEC.
- Nikki Brain, will leave the Secretariat in January. The AC will be advised on the details of the Nikki's replacement.

2.c. ZEP Review update

Appended to this paper is the ZEP Review update.

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Agenda Item 2.a: Finance update

Attached to this note is the 31st October ZEP-Communications financial management report. This covering note provides commentary on developments since the AC56.

2018 ZEP-C Budget

- 2018 Income: The forecast income for 2018 is €180,000. Since the AC56 the Port of Rotterdam have settled their invoice bringing the total income received to date is €165,000. It is expected that the outstanding invoice for €15,000 can be issued in the 4Q 2018.
- 2018 Expenditure: The budgeted expenditure for 2018 is €103,492 and expenditure to date is largely as forecast. ZEP-C has no outstanding creditors.
- ZEP-C started 2018 with a net equity position of **-€36,650**. The forecast outturn shows ZEP-C returning to a budget surplus in 2018 of €40,144 by year end.

European Commission grant

The CCSA has signed a grant with the European Commission under H2020 to enable it to continue to provide the secretariat services for the period until the 30th April 2021. The grant starting date has been backdated to the 1st May 2018 which covers the period that the CCSA has been providing support to ZEP since the last grant ended on the 30th April 2018.

2019 ZEP-C Budget

- The AC is invited to adopt an initial 2019 ZEP-C budget which allows continuation of the core ZEP-C services (Chair, accounts, legal support, etc). This budget is shown in Table 1 below.
- It should be noted that 2018 was the year that ZEP-C returned to a net equity surplus after a number of years of running a net equity deficit that resulted from delayed EC funding in 2015. In addition, the gap between the previous EC grant and the new grant was seven

months. This gap has been bridged by the current contractor who had sufficient confidence that it could secure a new backdated grant that it has been willing to provide this service at risk.

- The AC may wish to consider whether to build up its reserves ahead of the end of the new ZEP grant ending in April 2021 in order to cover any potential delay in securing new EC funding and / or contractors being unable to provide bridging secretariat services at risk.
- In addition the secretariat is in the process of finalising the procurement of professional communications support which will be supported under the new EC grant. The AC may wish to consider supporting additional communications activities which can build on the core services.
- It is therefore proposed that the AC consider adopting the budget presented below which enables continuation of the core ZEP services and then adopts a final budget at the March AC58 meeting which also contains;
 - Recommendations for the level of any reserves that ZEP may wish to build over the period of the new grant.
 - Proposals for additional communications activities that build on the core services currently being procured under the new grant.

Table 1 - Draft budget	
Activity	Budget (€)
Administration / Auditing	8,000
Website maintenance	1,000
Legal advice	4,000
Chair	67,992
Contingency	4,000
Total Expenditure	84,992
Income	180,000
Net profit / loss	95,008

Budget management: Expenditure against 2018 budget

Activity	Contractor	Budget 2018	Comments	To date Spent	Comments	To Date Committed	Comments
Administration / Auditing	Adams accountants / Nijs & Partners	€ 8 000		€ 3 750			
Website maintenance	Karakas	€ 1 000		€ 0			
Legal advice	Lawsquare	€ 4 000		€ 0			
Chair	Ardnacraggan Energy Services	€ 67 992		€ 56 660			
Contingency		€ 4 000		€ 1 979			
Public affairs	Weber Shandwick	€ 18 500		€ 18 214			
Total		€ 103 492		€ 80 604		€ 0	

Spent: Actually paid or contractually due for delivered work
 Committed: Based on signed contracts, yet to be approved invoices or founded estimates

Spent + Committed € 80 604
 Remaining total budget € 22 888

€ 36 650-	Starting point 2018 (= Left over budget 2017)
2018 Total Spend	Comments Relative to budget
€ 8 000	
€ 1 000	
€ 4 000	
€ 67 992	
€ 4 000	
€ 18 214	
€ 103 206	Total budget spent 2018

Cash management of ZEP Communications VZW / ASBL

Category	Source	Issued invoices	Comments	Pending invoices	Comments	Received payments	Comments
2018 contributions	O&G					€ 120 000	BP, Statoil, Shell, Total
	OEM						
	Others (confirmed)			€ 15 000	Gassnova	€ 45 000	Heidelberg, Crown Est, PoR
	Others (Potential)						

€ 120 000	
€ 0	
€ 60 000	

General	VAT return	€ 4 133	VAT declar 2018/07-10	€ 507	Invoices 2018 to be rec.	€ 2 006	REIMBURS 18 Q 2
Total outstanding / pending ZEP-C		€ 4 133		€ 15 507			

€ 180 000	Total forecasted income 2017
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Cash situation (of 31 October 2018)

Current account (KBC - Business compact rekening)		€ 45 369
Savings account (KBC - Spaarrekening)		€ 101
Actual cash at bank and in hand		€ 45 470

€ 40 144	Forecasted Left over budget 2018
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Expenditure situation

Source	Outstanding invoices	Comments	Pending invoices	Comments
Short term creditors	€ 0	ARDN + multibureau	€ 2 922	ADAMS+NIJS
Outstanding invoices in spent to date, to be paid	€ 0		€ 2 922	

Cash boundaries

Minimum virtual financial position (all creditors paid, no more income) € 42 548
 Maximum virtual financial position (all creditors paid, all income realised) € 62 189

PROFILE

A high performing energy professional with over 15 years of experience in the energy industry. Proven track record in communications, policy development, regulatory affairs, and government relations. Commercially focused with the ability to identify business opportunities and risks. Self-reliant with strong interpersonal and influencing skills. Experienced in managing reputational impact through effective stakeholder management. Well networked, strong communicator.

KEY ACHIEVEMENTS

- Member of the Energy and Climate Change Leadership Group for the International Council of Chemical Associations (ICCA). Member of the CEFIC steering committee to deliver the European chemical industry's roadmap to 2050.
- Invited to give evidence on environmental legislation to the EU Parliament's environment committee.
- Invited to advise the Saudi Energy Efficiency Centre on policies to improve the energy efficiency of industry.
- Delivered advocacy strategies to minimise reputational risk during the UK tanker driver strike in 2008 and in shaping energy climate policy in Europe.
- Established and managed the energy and water network for the Chemical Industries Association with more than 100 members representing approx. £57bn turnover to distribute clear advice on changes to energy markets (2004-2007)
- From 2001- 2005, represented industry on a wide range of panels and forums to negotiate changes to market design, such as the gas and electricity market arrangements

WORK EXPERIENCE**Shell – Senior EU Affairs Manager 2017 to date**

- Setting out, in coordination with the businesses, clear and politically viable policy outcomes that contribute to meeting business goals. Devise and implement advocacy plans geared towards delivering those outcomes.
- Identifying business threats and opportunities from the EU political agenda and establishing potential implications for Shell's business and advocacy positions.
- Writing position papers, submissions to consultations and legislative submissions.
- Representing Shell in relevant Industry Associations, Think Tanks and Advocacy Coalitions
- Steering and coordinating advocacy by other European GR offices on EU policies

Shell – Communications Manager 2016 -2017

- Supporting the Executive Vice President for Retail in his internal communications
- Advising Business Opportunity Managers on how and when to communicate effectively with stakeholders during divestment, dilution and relinquishment projects.
- Developing holding statements, communications plans, scripts, Q and As to ensure effective stakeholder management and clear messaging.
- Responding effectively to leaks in the media, and announcements by partners.

Shell -Climate Policy Adviser 2011 to 2015

- Subject matter expert on climate and energy policy.

- Led Shell's policy on the 2030 European energy and climate framework and on EU Emissions Trading Scheme reform. Enabled Shell to advocate and influence effectively on matters that are worth billions of Euros to Shell revenue.
- Delivery of clear and concise briefings on the potential risks and opportunities associated with environmental legislation.
- Prepared business leaders for external senior engagements: speeches to EU Parliament; industry forums; AGMs.
- Strong research skills and well networked with key academics and thought leaders in the climate and energy arena.
- Effective and influential in EU trade associations in developing climate and energy policy positions

Shell – UK Government Relations Adviser 2007 to 2011

- Adviser on key UK energy issues: security of supply (gas & downstream fuels), industrial relations and environmental legislation.
- Worked on high profile projects such as the tanker driver strike in 2008, and industrial relations issues associated with divesting assets in 2010.
- Proven track record in creating proactive relationships with key UK regulators, e.g. the Environment Agency and Health & Safety Executive. Identified opportunities where Shell's UK Leadership Team could be proactive, such as process safety leadership.

Chemical Industries Association – Head of Competitiveness and Utilities – 2004 to 2007

- Strong network in the chemical industry and experienced in effective and diverse stakeholder engagement, including UK and international governments, political stakeholders and companies in the energy and chemical industries.
- Analysed changes to energy market structure and advised members on the potential impact to their business.
- Managed the Business Strategy Group to promote the UK chemical industry.
- Increased revenue by supporting membership, events and sponsorships.

EDF Energy – Regulatory Analyst -2003 to 2004

Represented EDF Energy in electricity and gas industry forums, sought to influence the development of the electricity and gas trading arrangements aligned with EDF Energy's business goals to deliver savings to the business.

National Grid (Elexon) – Analyst -2001-2003

Managed requests to amend the wholesale electricity trading arrangements. Detailed analysis to determine the impact on market operations, and the industry's systems, processes and documentation.

EDUCATION

1995-1999 Cambridge University -Dept. Earth Sciences Ph. D. Mineral Sciences, sponsored by Lafarge. Kinetics of High-Temperature Transformations of Clay Minerals.

1992-1995 Manchester University -Dept. Earth Sciences Geochemistry BSc. 2:1

CURRICULUM VITAE

KIM BYE BRUUN (Mr)

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Profile

14 years of experience from the oil and gas industry have given me a good understanding of energy policy, sustainability and climate change strategy. I have strong project management skills and am adept at delivering on time and on budget. I am a strategic thinker, industrious and personable with natural optimism. I bring passion, expert technical advice and a network of stakeholders and have proven capacity to manage complexity. Comfortable with ambiguity, resilient and able to enthusiastically embrace and drive change. Lived and worked for extended time in Nigeria, UK, South Africa, Spain, Angola, DR Congo, Afghanistan, Ethiopia, USA and Sweden.

Education

- 2006** ***MBA, London Business School (2004-2006)***
Dissertation: Petty Corruption and Ethics (case study).
- 2001** ***Cand.polit.(Master) Sociology. University of Tromsø***
Dissertation: Mediated communication in the workplace. A case study at Statoil.
Study abroad programme 1999-2000: Universidad de Salamanca, Spain
- 1998** ***Cand.Mag.(Bachelor) University of Bergen***
Disciplines: Sociology, Psychology and Philosophy
Study abroad programme 1995/6: University of Stockholm, Sweden (was also awarded the Swedish degree *Filosofie Kandidatexamen*)

Career summary

- 2018–** ***Principal Carbon Relations Advisor, Shell Global Solutions***
Leading and coordinating Shell's efforts in building a favourable external environment to catalyse widespread deployment of Carbon Capture Utilisation and Storage.
- 2014–2018** ***Projects Manager, Shell Petroleum Development Company of Nigeria***
Managed key environmental improvement initiatives including the SPDC relationship with the International Union for Conservation of Nature (IUCN) and the strategy for and implementation of recommendations to improve environmental performance (see [IUCN Niger Delta Panel: Stories of influence](#)).
- 2011–2014** ***Business Advisor to Shell's VP Norway and VP HSE Europe***
Provided strategic advice and day to day support to Shell's VP Norway and VP HSE Europe.

- 2010-2011** *Communications Manager, Upstream, Shell South Africa*
Together with our exploration team, led the preparation and submission of onshore and offshore exploration license applications and public consultations.
- 2008-2010** *Lead Communications Advisor, Downstream and Shell Technology Norway*
Managed all aspects of the External Relations functional responsibilities for Norske Shell's Downstream businesses and the upstream technology company Shell Technology Norway.
- 2006-2008** *Communications Advisor, Exploration and Production, Norske Shell*
Coordinated communications and stakeholder relations for the Skane (Sweden) shale gas exploration opportunity and the Ormen Lange (Norway) gas field development.
- 2001-2004** *Field Coordinator Médecins Sans Frontières (Doctors Without Borders)*
Field Coordinator and Logistician in Angola, Congo (DRC), Afghanistan and Ethiopia. Managed program activities and consultations with regional stakeholders.
- 1998-1999** *Project Coordinator, Statoil, Norway*
HSE Project Coordinator, responsible for the Chief Executive HSE award.

Other

- Lecturer and external examiner for master students in Change Management and Sustainable Development at University of Stavanger, 2006-2010
- Non-executive director Médecins Sans Frontières Operational Centre Brussels 2006-2009
- Member of the Offshore Northern Seas (ONS) conference committee 2007-2008
- Worked as journalist for Stavanger Aftenblad and various other publications (part time) 1993-2001.

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Agenda Item 2.c.: ZEP Review update

The Advisory Council agreed that ZEP should undertake a review of its activities at the beginning of the new grant period.

The objectives of the review will be to:

- Ensure that ZEP understands CCUS stakeholders' priorities and is able to meet their needs.
- Agree activities for the new grant period and ensure ZEP maximises its effectiveness.
- Consider ZEP's potential role longer-term, how it might be structured and supported.

As part of this review, ZEP designed a stakeholder survey, targeted both at immediate stakeholders and a wider stakeholder audience. Immediate stakeholders are directly engaged in ZEP activities i.e. the European Commission, Advisory Council members and observers, Network technology and Network Policy and Economics members.

The survey was distributed to all stakeholders on Tuesday 2nd October. Survey results have been collected and analysed in mid-November. The overall survey participation rate is 14.5%. Survey results will be presented to the ACEC at a meeting on 4th December. During the meeting, the ACEC will discuss survey outcomes and next steps. An oral update on results and next steps will be given to the AC on 5th December.