

## MINUTE OF BOARD MEETING HELD BY TELECONFERENCE TUESDAY 14 MARCH 2017

PRESENT: Lorne Crerar (Chairman)  
Charlotte Wright (Interim Chief Executive)  
Paddy Crerar  
Alistair Dodds  
Donald MacRae  
Belinda Oldfield

### IN ATTENDANCE:

Tim Hurst Managing Director, Wave Energy Scotland  
Forbes Duthie Director of Finance and Corporate Services  
Douglas Cowan Director of Strengthening Communities  
Sandra Dunbar Head of Business Improvement and Internal Audit

### 1 Welcome and apologies

The Chairman welcomed everyone to the teleconference, which had been arranged at short notice outwith the regular schedule of Board meetings in order to meet development timescales of projects seeking support from Wave Energy Scotland. Apologies had been received from Amanda Bryan, Ailsa Gray, Donald MacDonald, Iseabail Mactaggart, Robert McIntosh and William Swann.

### 2 Wave Energy Scotland – PTO2 to PTO3 Transition

The Managing Director of Wave Energy Scotland presented a paper requesting that the Board agree funding to allow three of six projects currently being funded through stage two of WES's Power Take-off (PTO) development programme to progress through to stage three. *[Sentence removed as disclosure at this time could have a detrimental effect on the effective conduct of public affairs.]*

Power take-off technology had been chosen for the first competitive WES project call as it was consistently identified as a key priority in marine technology assessment plans, at EU, UK and Scottish levels. This priority choice had been confirmed by the WES Advisory Group.

The Managing Director confirmed that the PTO programme followed the European Commission's Pre-Commercial Procurement (PCP) guidelines, which allow 100% funding of projects subject to dissemination and intellectual property (IP) sharing requirements. The programme had been designed to support the development of the best technology – no matter where it may be from – and the competition was open to any organisation registered in the European Economic Area. Innovation, collaboration and technology transfer from other sectors were actively encouraged.

All six of the current participants in stage two of the programme had submitted applications to progress to the next funding stage. The process followed by WES had involved a rigorous evaluation process, scoring against a range of technical, scope of work and project management criteria. It had included participation by external specialists and WES project managers and engineers before a recommendation was put to the WES Advisory Group for their consideration. The HIE Finance team also undertook a review to ensure that the applicants remained financially viable. At selection stage the selection panel considered a range of additional programme factors, namely: budget, technology mix, fit with WES objectives, value for money and industrial engagement. In order to get a deeper understanding of the technology and the team, interviews were held with each applicant.

At conclusion of this assessment activity it was recommended that in order to meet the programme objectives and to avoid duplication that only one linear generator technology project should be recommended for progression. It was therefore recommended that of the two projects with this technology that the highest scoring project which represented the lower technical and financial risk and which had greater industrial engagement should be recommended for progression alongside two other projects.

The Board were provided with a copy of the of the Advisory Group minute which confirmed that the Group were satisfied that a robust and rigorous process had been followed and that the Group endorsed the recommendation of the Selection panel. The WES Managing Director confirmed to the Board that no individual with any conflict of interest sat on the Advisory Group during its discussion and that the Group endorsement had been unanimous. The Board asked that work to consider economic impact and benefits realisation for WES should be continued and the Interim Chief Executive confirmed that this would be undertaken.

The recommendation to fund projects by Artemis Intelligence Power Ltd, Umbra Cuscinetti SpA, and the University of Edinburgh to proceed to stage three of the PTO development programme was approved.

Sandra Dunbar  
14 March 2017