

## Energy Transitions Commission 2023 Non-binding Memorandum of Understanding

The overall mission of the Energy Transitions Commission (ETC) is to accelerate change towards low-carbon energy systems that enable robust economic development and limit the rise in global temperature to well below 2°C. The ETC delivers on this mission by working with key stakeholders to: (i) understand the real opportunities and challenges associated with energy system transitions; (ii) develop and share high quality, practical insights, information and tools; and (iii) engage with key public and private sector stakeholders to influence global debates on the energy transition and advocate ambitious energy transition strategies and actions. It deliberately operates across the whole energy system, with strong representation across low, middle and high income countries, and including diverse players with potentially different starting points on key trade-offs. That diversity is a distinctive strength of the ETC. It also provides an opportunity for the ETC to develop as an unusual learning community.

The purpose of this Memorandum of Understanding (MoU) is to provide guidance on governance and operating principles that will: (i) support the independence and integrity of the ETC, (ii) protect the interests of individual Commissioners, Representatives and their respective organizations (together referred to as 'Members'), and (iii) lay the foundation for the success of the ETC through the active participation of the different parties involved.

It is organized in three main sections that cover:

- A. Roles and responsibilities of different parties within the ETC
- B. ETC commitments – i.e., operating model with regards to key ETC functions including selection of new Members, selection of work program, etc.
- C. Budget and approvals

This is a non-binding MoU that acts as the operating manual for the Members.

In addition, all parties are expected to respect the confidentiality of ETC internal discussions and proceedings (e.g., all that is exchanged during meetings, meeting materials, draft documents, emails and other internal communications), unless specified otherwise. The diversity of the ETC is a great strength; it also creates some natural sensitivities. We hope that confidentiality of internal discussions and proceedings will help create a safe environment conducive to discussions around the most difficult energy transitions topics.

### A) Roles and responsibilities

The ETC is made up of Commissioners (including the independent Chair), Representatives appointed by its Members, Knowledge partners and a Secretariat that coordinates interactions between parties. The ETC also relies on Working Groups and a Communications Club to execute its work program. The Commissioners, Chair and Vice-Chair speak externally on behalf of the Commission, supported by Representatives, the Secretariat and Knowledge partners where needed.

#### **A1. ETC Members and partners.**

All ETC Members designate 1 Commissioner and 1 Main Representative who will be the central point of contact for the ETC. They are also invited to nominate Representatives in the different Working Groups and Regional Groups set up by the ETC.

Supporting organizations have three main roles:

1. *Contribute resources.* Organizations can support the Commission financially. Each Commissioner has an equal voice regardless of funding level.

2. *Support research.* Organizations provide thought leadership as well as data and insights as appropriate. Working Groups are created as needed to support individual knowledge and subject areas within the agreed work program of the ETC. Organizations can nominate relevant experts on specific topics in the Working Groups.

3. *Support stakeholder engagement.* Organizations are expected to help activate internal and external networks to facilitate stakeholder engagement and communications efforts. Members are invited to support ETC communications and outreach by nominating a focal point for the ETC Communications Club. Members can also appoint regional representatives to ETC Regional Groups.

## **A2. Commissioners**

Commissioners are the core of the ETC. Commissioners come from diverse backgrounds, public and private, energy consumers and producers, and various geographies. Commissioners are not remunerated, except for travel costs in case the Commissioner does not have an affiliated organization. Commissioners:

1. *Drive external engagement.* Commissioners act as ETC spokespersons, engage with decision-makers to further the ETC mission and leverage their own networks to maximize impact of ETC. They may assist in recruitment of new Commissioners and institutional partners.

2. *Provide internal thought leadership.* Commissioners are expected to attend 3-4 Commissioner meetings per year. At Commissioner meetings, they will approve the work program and high-level budget (see Section C) proposed by the Secretariat. Over the course of the year, Commissioners are expected to review key ETC publications and communications, provide guidance on the content and approve external dissemination where needed. Individual Commissioners will help to set the tone and ethos of the ETC as a diverse 'learning community'.

## **A3. Independent Chairs**

Chairs are Commissioners without a sponsoring organization that provide leadership internally and externally. Individuals are proposed by the Secretariat and approved by a majority vote amongst Commissioners. Adair Turner is currently the independent Chair. Faustine Delasalle is currently the independent vice-Chair. The Chairs are paid an honorarium and reimbursed for the travel costs they incur for the ETC. Their role is to:

1. *Provide internal and external leadership.* The Chairs lead Commissioner meetings and quarterly Representatives meetings. The Chairs will seek to understand any important differences of opinion or emphasis between Members and ensure that the ETC can achieve consensus around all major conclusions. They would hold the reserve power to agree to the publication of a dissenting view (as a last resort). The Chairs are informed of any budget decisions above EUR100k.

2. *Serve as lead external representatives.* The Chairs act as recognized ETC spokespersons, for instance attending and/or presenting at meetings, conferences, etc. on behalf of the ETC and representing the ETC in external written communications. They play a key role in publicly highlighting the role for the ETC in shaping energy transitions.

## **A4. Representatives**

Representatives are the link to Commissioners and the ETC Members main point of entry. Representatives are not remunerated. Each Member can designate one Main Representative, who will be the central point of contact for the ETC, as well as additional Representatives who will participate in the different Working Groups. Representatives can sit on more than one Working Group.

ETC Representatives are expected to attend 3-4 Representative meetings per year. They are also invited to join more regular Working Group calls. Representatives roles include:

1. *Central Point of Contact.* The Main Representative provides support for the ETC program when necessary and is expected to attain Commissioner approvals, where required for external publications and communications.

2. *Expertise and thought leadership.* Representatives can provide subject matter expertise and thought leadership in particular Working Groups.

3. *Stakeholder engagement and communications.* Representatives can provide strategic advice and

help drive engagement and influencing opportunities with external decision-makers at the global level or through their participation in ETC Regional Groups.

Representatives are expected to uphold and help foster the ETC ethos of a 'learning community'. Within their own organizations, they will provide updates on ETC activities and identify potential synergies (e.g., with internal subject matter experts, communications, public affairs and external relations).

#### **A5. Working Groups**

Working Groups are created as needed to support the agreed annual work program of the ETC. The topics to be addressed by Working Groups are selected by the Commission after discussions at Commissioners or Representatives meetings. The Secretariat is responsible for the creation and coordination of the Working Groups. Working Groups bring together Representatives who are thought-leaders in the relevant area as well as Representatives who can help drive related stakeholder engagement and communications.

Working groups will drive ETC research and enable ETC engagement. Each Working Group works on the basis of terms of reference for a particular topic. With the support of the Secretariat, Working Groups coordinate and ensure broad support for research, engagement and communications. Working Groups employ internal ETC resources (e.g., data, expertise), but also bring in leading research and identify and involve external expertise. They are also expected to identify and support engagement with key stakeholders via Representatives from relevant public affairs, external relations and communications departments. They will work with the Secretariat to ensure that research findings are appropriately communicated to relevant decision-makers.

In addition to topic-specific Working Groups, the Secretariat *coordinates a Communications Club*, composed of ETC Members generally working in the public affairs, external relations, sustainability and communications departments of their organizations. This Group will provide strategic guidance on the ETC stakeholder engagement and communications objectives and support its implementation.

#### **A6. The Secretariat**

The Secretariat oversees ETC activities and coordinates day-to-day research, engagement and communications. The Secretariat is currently managed by Systemiq. The ETC Secretariat is led by a Director supported by a Deputy Director and is made of an Analytical team which works closely with the ETC Working Groups, a Communications team which works closely with the Communications Club, a Regional team which works closely with the Regional Groups and programmes, and a Project Management Office which supports the overall engagement of ETC Members. The Secretariat:

1. *Oversees Membership*. The Secretariat ensures the Commission's diversity by identifying and proposing new Members. New Members need to be approved by the Chairs, with consultation of the Commission, as appropriate.

2. *Manages the budget*. The Secretariat is responsible for the budgeting and resource allocation of the ETC, providing a budget (income and expenditures) update to the Commission at least once per year (at the end of year Commissioner meeting). The Director approves any budget spend below EUR100k.

3. *Facilitates the work program*. The Secretariat manages ETC research, engagement and communications activities, orchestrating best available expertise from inside the Commission and, resources permitting, externally. It is expected to frame the agenda for Working Groups, Representatives and Commissioners discussions and to drive external engagement. It manages and monitors ETC activities, including internal update, review and approval processes. Externally, it is expected to ensure Commissioners have logistical and intellectual support for ETC-related communications and outreach. The Secretariat is responsible for the quality control of ETC work. It should ensure ETC activities and outputs meet a uniformly high standard and reflect the ethos of a 'learning community'.

4. *Manages internal communications*. The Secretariat facilitates internal communications across the ETC through effective distribution of messages and facilitating discussions and meetings amongst Members. The Secretariat will seek to resolve differences of opinion (for instance about communications messages) at working level, referring up to the Chairs if necessary.

## **A7. Knowledge partners**

The ETC and its knowledge partners are united by the belief that there is an urgent need for industry, finance and policy leaders to make decisions in a coherent way to accelerate change towards low-carbon energy systems that enable robust economic development and limit the rise in global temperature. Knowledge partners are different to other members, and are preeminent sources of data, research and connections on the energy transition which are shared voluntarily with the ETC. Full time knowledge partners also appoint Commissioners and Representatives. In other cases, part-time knowledge partners may be contracted to provide specific input to ETC research (see A8).

The delivery and credibility of ETC insights benefit from the access to robust and independent data provided by strategic knowledge partners. The in-kind collaboration between ETC and its knowledge partners is managed through a bilateral Memorandum of Understanding.

## **A8. External parties**

The ETC engages with two types of External Parties: external partners may be invited to contribute and review ETC findings and external experts may be subcontracted (in accordance with the budget agreed by Commissioners) to carry out ETC research and engagement activities. The Chairs need to be informed of any spending above EUR100k. External parties will:

1. *Contribute to ETC research and engagement.* External Parties may provide analytical support, knowledge and thought leadership on research topics. They can also help to identify other relevant stakeholders to consult and engage with.

2. *Review and endorse ETC research and engagement.* External parties may review and provide feedback on (draft) publications. They can assist in distributing publications to relevant stakeholders. Finally, they may be asked to endorse ETC activities and publications.

Research provided will be appropriately acknowledged; it will however, remain the property of the ETC, and will be open-source to be used as public good.

## **B) ETC Commitment**

### **B1. Commissioners decide on the ETC work program and are expected to participate in the research and outreach activities developed by the ETC**

The energy transition agenda is a large, complex field with many linked topics. The ETC develops a holistic, integrated perspective on the field. At the same time, in order to achieve impact, the ETC needs to shift from broad integrated perspectives to more context-specific tools and models of engagement. The ETC will therefore need to make choices about which research topics to focus on and which initiatives to encourage. A new work program will be proposed by the Secretariat as a minimum on an annual basis. The Secretariat will provide Members with a structured set of choices which will identify potential areas in which the ETC can have the greatest impact, given its comparative advantage in terms of reach and resources. Based on regular interactions with Members, the ETC aims to reach a consensus at Commissioner meetings on the work program. Overall, we would expect:

- A new work program to be proposed and approved on an annual basis as a minimum;
- Each research topic or initiative to be set-up as a Working Group (see section A5);
- The Working Groups to involve a set of external experts - whenever relevant - as well as ETC Members, and to be designed in such a way as to create an international learning community with relevant practitioners in the field;
- Commissioners and Representatives to endeavor where reasonably possible to provide inputs on on-going research topics or initiatives, as well as facilitate and attend meetings and events related to the Commission.

### **B2. The ETC develops consensus perspectives, but does not force unanimity**

The ETC should thrive on differences in experience and opinion, incorporating these in the work to provide realistic and trusted support to decision-makers. In this spirit, final work and communications are

published by the ETC as a whole. The Secretariat develops drafts of key end-products and seeks input from a wide, credible range of experts and practitioners who are thought-leaders in the particular area. Suggestions by Commissioners of legitimate external sources to draw upon are encouraged and will be considered by the Secretariat.

The review process is envisaged as follows:

- All Members will be provided at least two chances to review and provide input into final drafts;
- Minimum review time of 2-weeks will be given on final drafts;
- Every final draft of an end-product will be accompanied by a description of the proposed dissemination approach;
- Commissioners are expected to provide comments on documents by this deadline, either in comments and tracked changes or in a scheduled meeting/call;
- All comments will be tracked by the Secretariat. Where any changes overlap or vary, the Secretariat will highlight and provide explanations to Commissioners of the final change. The ETC will provide further time for review and input in cases where it is clear that there are significant differences in perspective;
- To ensure deadlines are met, any comments given after the set date will not be included in the next draft of the document, unless critical;
- A final clean copy will be presented to Commissioners by the Chairs in advance of the expected publication.

This review process might be shortened in exceptional circumstances when the ETC aims to be responsive to particular unforeseen news cycles.

The ETC aims for consensus amongst Commissioners, but do not force 100% unanimity. A 75% majority is needed at all times for publication. Legitimate, evidence-based differences in opinions will be acknowledged in the work (e.g., through sensitivity analyses), in accordance with the complexity of the issues that will be considered.

The Secretariat and the Chairs will seek, as far as possible, to reflect the full range of Commission opinions in the final draft, but will need at times to propose a way forward which resolves or chooses between opposing arguments. They will be able to make the final editing decisions required to ensure well-written and compelling communications.

This will be acknowledged in a disclaimer on final work stating that "This report constitutes a collective view of the Energy Transitions Commission. Members of the Energy Transitions Commission endorse the general thrust of the arguments made in this report but should not be taken as agreeing with every finding or recommendation. The institutions with which the Commissioners are affiliated have not been asked to formally endorse the report."

External publications will be made under the name and brand of the ETC, rather than particular organization or Commissioner names. There will be a fallback option where we use individual signing so that specific Commissioners can decide not to endorse the publication. The Chairs would also have the reserve power to decide, in exceptional circumstances, to publish a dissenting view. Any publications that are not branded by the ETC but rather released by contracted external parties are approved by the Secretariat.

### **B3. Members are free to determine their own participation to the ETC when a new work program is approved and to withdraw from the ETC in case of unresolvable differences**

The ETC's work program will aim at positioning the ETC where it can have the greatest impact, given its comparative advantage in terms of reach and resources. It will be approved = an annual basis. However, the ETC would expect that Members' interests might vary depending on the evolving work program. Hence:

- Prior to the start of any new program, Individual Commissioners will be asked to confirm their continued participation in the ETC, by informing the Chair within 1 month after the approval of the work program.
- Individual parties may ask for further details about past expenditures or future budget plans in case desired to determine whether or not they would like to continue participating in the ETC.

- There will be no financial obligation for any Commissioners that have decided to leave the ETC, beyond any outstanding sums related to the previous work program.
- In case of unresolvable differences within the course of the implementation of a given work program, Commissioners have the right to withdraw, but would still be expected to complete their pre-agreed financial contribution to the ongoing work program.

**B4. The ETC will seek to recruit new Members of the Commission, especially where they enhance the balance and reach of the ETC**

As the ETC generates content and dialogue with key external stakeholders, the Secretariat would expect and hope to see new organizations (public, private and social sector) looking to participate in the work of the ETC. We would see this as a healthy development and would look to encourage new Members to join the ETC, especially where they enhance the balance and reach of the ETC. Hence the Secretariat is responsible for proposing new Members to the ETC. All existing Commissioners are able to propose new ETC Members to the Secretariat. Additional Membership is approved by the Chairs with consultation of the Commission, as appropriate.

**B5. Intellectual property developed by the ETC is treated as a public good**

The ETC works on the basis of developing content, tools and applications that are available on a transparent, public goods basis to end-users. It places a high premium on ensuring that its own end-products are well-documented and that relevant models, including key underlying assumptions and parameter choices, are made publicly available on a transparent basis.

Where proprietary intellectual property (IP) has been made available by Members on a confidential basis, the Secretariat will assess on a case-by-case basis and in accordance with the Services Agreements signed with its Members and regional partners how best to address any specific confidentiality requirements. Working Groups will, as necessary, bring any IP issues back to the ETC for final resolution.

**B6. Stakeholder engagement and external communications are carried out by Commissioners with the support of the Secretariat in line with key messages and research outcomes that have been pre-agreed on by Members**

The ETC needs to carefully plan which stakeholders to engage with, how and when, to build a credible reputation and trusted, independent, expert brand and reliable source of objective information. The general approach is to develop distinctive and substantive insight first, and then to design appropriate external communications. The mission and core beliefs of the ETC (see Appendix) inform its key brand attributes and subsequent actions to enhance these.

Any external inquiries should in most cases be directed to the website and Secretariat at info@energy-transitions.org, who can then provide up-to-date information and content, determine the best spokesperson, and coordinate the response as appropriate. The Secretariat ensures that Commissioners are appropriately supported in any discussions or speeches in which they are representing ETC views, as well as in the event of any impromptu questions. To do this, the Secretariat develops and distributes key messages and supporting materials to all Members.

## **C) Budget and Approvals**

Each Commissioner has an equal voice regardless of funding level. Commission approvals are agreed through consensus decisions at ETC Commissioner meetings, and via sign-off of circulated ETC written materials. In the spirit of the diverse learning community, no party has a right to veto. In case of unresolvable differences Commissioners have the right to withdraw.

**C1. Financial and in-kind resources are needed to support research and engagement**

The ETC budget is reviewed and approved at Commissioner meetings. Allocations within the budget will cover research budgets, stakeholder engagement and communications expenses, and the Secretariat.

Commissioners not attending Commissioner meetings are given 2 weeks' notice to vote. Budget decisions below EUR100k are approved by the Secretariat. Any budget decisions beyond EUR100k are communicated to the Chairs. No individual Member can contribute more than 20% of the total budget.

**C2. Summary of key ETC decisions**

<b>Entity</b>	<b>Budget</b>	<b>Membership</b>	<b>Content</b>	<b>Communications</b>
<b>Commissioners</b>	<b>Budget for work program, stakeholder and communications, and Secretariat</b>	<b>List of targets for additional Membership</b>	<b>Annual work program</b>	<b>Final ETC-branded publications</b>
<b>Chair</b>	<b>Budget decisions &gt;EUR100k not made at Commissioner meetings</b>	<b>Additional Membership</b>		<b>External and internal ETC communications</b>
<b>Secretariat</b>	<b>Budget decisions &lt;EUR100k</b>		<b>Ongoing direction setting for Working Groups</b>	<b>Final publications that are not ETC branded</b>

## Appendix. ETC Mission and Core Beliefs Statement

### Mission

We aim to accelerate change towards low-carbon energy systems that enable robust economic development and limit the rise in global temperature to well below 2 degrees Celsius.

### We believe...

- There is an affordable, practical set of solutions to the challenge of energy system transitions, which can enable both more energy services in low- and middle-income countries and emissions reductions sufficient to keep global warming well below 2°C. Climate goals and economic growth are interdependent and must be achieved together – we are facing not one energy transition, but a series of interconnected transitions.
- Energy policy and business decisions made over the next 15 years are critical because they will determine whether we can achieve this transitions without prohibitive later cost. Getting the next 15 years right is necessary, but not sufficient for achieving that goal.
- Nonlinear change is needed – significant innovation in technology, financing, and business models is required on both the supply and demand side of energy systems to spark exponential progress towards the goal.
- There are hidden costs and cross-subsidies in existing energy systems and transition costs that need to be addressed. Managing costs and benefits across time and space will be critical for successful transitions.
- We can add most value by focusing on solving the “how” rather than the “what” – recognizing that each “how” requires an approach tailored to its context, and must often overcome some difficult dilemmas.
- Our diversity is a huge asset. We aim to build an open and diverse learning community anchored in high-quality information, tools, and analytics. We need to learn from the past, and challenge and learn from each other.