

Investment case for renewables grows stronger and stronger

No one can doubt that the financial crisis has fundamentally changed the investment climate for renewable energy projects, yet the challenge posed by climate change grows ever more urgent. If the EU is to achieve its target of sourcing 20% of its energy from renewable sources by 2020, the need for reliable, functional and commercially viable renewable energy solutions remains high. With energy security at the top of the agenda for policy-makers and utilities alike, it is vital that renewable energy projects continue to gain investment and financing over the coming months and years.

by **Andrew Hine**
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Marine energy is widely accepted as the largest untapped renewable energy resource available today, but commercialisation is the next big hurdle in establishing marine renewables as a key player in the renewable energy mix. What is needed to boost investor confidence and to deliver compelling ROI to the project owner is a solution for energy conversion which is low cost, scalable, predictable in its performance and utility-grade. Currently, there are many budding contenders but only continuous off-shore data over a substantial period of time will enable companies to prove the viability of their technology to investors and potential partners.

At Trident Energy, we are fast approaching the deployment of a limited number of our full-scale generators off the shore of Suffolk in Q2 2009 for a year-long trial. Although our technology has passed its on-shore testing at NaRec and Cambridge University with flying colours, this off-shore trial will be the ultimate proof that our technology is reliable, robust and commercially viable.

Having deliberately chosen to test our rig in a difficult site with a very variable wave environment, we hope to prove beyond question that our technology is flexible enough to generate electricity from the waves at almost any site. Adaptability is key to our business model – our technology is not only suitable for a wide range of sites, but can also be sited alongside offshore wind farms to maximise their potential energy output. This

would provide a compelling mix of energy sources, increasing reliability of supply and capitalising on the potential off-shore wind sector.

We are hopeful that our off-shore trials will deliver a new benchmark in marine energy conversion. Three months of continuous, independently verified data will enable us to confirm the strength of our proposition to investors, utilities and potential project finance partners who have already expressed their strong interest. Effective performance data will also enable us to take the process of commercialisation one step further by preparing an application for the Marine Renewables Deployment Fund.

Obviously, the path to full commercialisation will not be easy. In the current financial climate, any potential investment in renewable energy will be under closer scrutiny than ever before. Recent setbacks to some projects have naturally shaken investor confidence in the marine renewables sector as a whole. But with the investment case for renewables growing stronger and stronger, our industry cannot let this opportunity pass us by. Marine renewables will eventually come through this low to ride the wave – if you'll forgive the pun – and by doing so, we will be much better placed to come out of this recession as a reliable, scalable and commercially viable source of energy for years to come.

