Edinburgh wave energy company calls for action from UK Government

The UK Government must consider implementing a consistent price for marine energy and resolve grid access issues if the UK marine energy industry is to repeat the success of the Danish wind industry, according to a report published by wave energy developer Aquamarine Power Limited.

A combination of an early, clear and consistent price support for wind energy, together with favourable grid access conditions, enabled Denmark to capitalise on its early mover advantage and build a global export market worth nearly €6 billion in 2008.

According to the report written by Aquamarine, 'The Danish wind industry 1980-2010: lessons for the British marine energy industry', it was early support for the price of wind energy, that was the critical factor which enabled Denmark to grasp the opportunity offered by the new technology. It created a stable market price for wind energy which incentivised early investment and innovation.

By contrast, the UK's renewable energy support policy was less well aligned to the fledgling industry and lagged six years behind Denmark's regime. This, the report concludes, resulted in the UK's early mover advantage – and the majority of economic benefit – being lost to Denmark and Germany.

Martin McAdam, chief executive of Aquamarine Power, said:-"The Scottish Government should be commended for putting in place exactly the type of market mechanism which enabled Denmark's nascent wind industry to grow. The five Renewable Obligation Certificates (ROCs) on offer for wave energy are sufficient to attract inward investment and allow us to get early-stage

projects off the ground.

“The UK’s vast marine energy resource and decades of marine engineering knowledge put us at a natural advantage in the marine energy industry. Like Denmark in the 1980s, we now have an opportunity to capitalise on our own early mover advantage.

“What is needed now is a UK-wide framework of consistent financial support, allied to capital grants, clear consenting procedures, timely grid access and a fair transmission charging regime that does not act as a barrier to marine renewable projects. Together these will create the environment to attract the significant private investment that the marine renewable industry requires to grow. This will give the UK a real opportunity to become a global leader in this new technology.”

The report says that the current situation regarding marine energy is much more positive. The UK’s current regime of ROCs is well understood and offers a clear price signal to investors – and has the potential to enable the UK’s marine energy industry to flourish.

However, the application of marine energy ROCs is applied inconsistently – in Scotland there are five ROCs per MWh for wave energy and three for tidal, whilst in the rest of the UK there are only two ROCs per MWh for both.

When asked to explain this the CEO of Aquamarine Power Limited, Martin McAdam, said:-“The Scottish Government has simply done a more thorough analysis of the early stage costs because the opportunity for wave energy is far greater in Scotland than the rest of the UK. Wave energy is more viable along the Atlantic facing coasts of Western and northern Scotland, and while there are possibilities along the south western coasts of England, the wave resource and areas for large scale deployment are better in Scotland.

ROCS are set differently for tidal and for wave energy. McAdam explained the reason for this:-“The developers of tidal technologies made an assumption that their technologies would become economic more quickly than wave technologies. This has not turned out to be the case and there is an argument for increasing the ROCS in the tidal industry too.”

Aquamarine’s Oyster can be seen in action on the company’s Youtube channel.