

15 April 2019

## National revenue support a must for the next phase of ocean energy development, says new report

Dedicated revenue support at national level is essential to attract investors for ocean energy farms, according to a new report from sectoral advisory body ETIP Ocean. **Error! Bookmark not defined.** The report *'Powering Homes Today, Powering Nations Tomorrow'* analyses the challenges faced by the sector on the route to industrial roll-out and proposes four actions to overcome them. Alongside revenue support, a model for 'blended' public finance will allow the next round of ocean energy projects to reach financial close.

The report also highlights ocean energy's recent successes, with record volumes of power being supplied to the grid by tidal stream technology, and several promising scale and full-sized wave devices going into the water. It reiterates ocean energy's potential of providing 10% of Europe's current electricity consumption by 2050.

Ocean Energy Europe's Policy Director, Donagh Cagney said: "The technological progress made by ocean energy has been a true European success story with project teams from across Europe collaborating within EU programmes such as Horizon 2020 and Interreg. To unlock available EU support and private investment, we now call upon national governments to play their part and earmark revenue support specifically for ocean energy."

Four key actions are required, at European and national level, to bring ocean energy technologies from early stage to industrialisation:

- A European 'stage-gate' programme for R&D and prototypes, which 'funnels' the most successful innovations, through a series of competitive calls;
- National-level revenue support earmarked for ocean energy, so that farms can repay debt or service equity from both private investors and public programmes. This support can be via competitive auctions in reserved 'pots', Feed-In-Tariffs, or tax credits for private Power Purchase Agreements;
- A blend of programmes to finance demonstration and pre-commercial farms, made up of revenue support, grant funding, public-supported equity, public-guaranteed loans, and an Insurance & Guarantee Fund. EU schemes address some but not all of these requirements – e.g. InnovFin EDP.
- Environmental monitoring programmes that produce comparable and consistent data, enabling licensing and consenting authorities to make better decisions on ocean energy deployments.

### About ETIP Ocean

The European Technology and Innovation Platform for Ocean Energy (ETIP Ocean) is a recognised advisory body to the European Commission, and is part of the EU's main Research and Innovation policy - the Strategic Energy Technology Plan (SET Plan). ETIP Ocean defines research and innovation priorities for the ocean energy sector and promote solutions to the industry, European and national policy makers. ETIP Ocean also informs and supports the SET Plan's 'Ocean Energy Implementation Plan'.