

Ocean Power Technologies

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Page B7

ENERGY

Ocean Power is helping to harness the waves

UK company leads the way as a generation programme develops off the north coast of Spain

By Stephen Seawright

WAVE energy has surfed ahead as companies agreed to build the world's first commercial wave-power station off the north coast of Spain by next summer.

The system involves anchoring large buoys to the sea bed. These convert energy from the waves passing by them into electricity.

The first plant is being constructed by London-listed Ocean Power Technologies for a company majority owned by Spain's Iberdrola, one of the world's biggest generators of renewable energy. The French oil-and-gas giant Total will also take a stake.

The scheme's backers aim to build many more wave plants in the area if the first works well.

Ocean Power is also involved in a scheme to build a wave plant off the coast of St Ives in Cornwall by the summer of 2008.

The Spanish plant will only generate 1.25 megawatts of power but Iberdrola expects to develop hundreds of megawatts of wave power in the area. About 600 megawatts would supply 1pc of Britain's electricity needs.

Renewable energy sources have attracted a lot of interest as countries grapple with how to make their energy supplies more secure and meet carbon-emission targets.

Generating electricity from wave power is more expensive than from wind, which has led the way in renewable energy. Ocean Power believes that as wave generation develops it will benefit from economies of scale.

Chief executive George Taylor said: "We expect within three to five years to have prices that are equal and possibly below those of wind power." Mr Taylor declined to disclose how much the Spanish contract was worth to Ocean Power Technologies. The shares rose 5 to 80p.

Supporters of wave power claim it has large advantages over wind generation. Waves are more

predictable than wind which makes it easier to plan ahead and manage the power generated. And wave power is generated near the coast, where large centres of population tend to live, so transmission costs will tend to be lower.

The Carbon Trust, which was set up by the Government to encourage businesses and other organisations to slash their emissions, has said wave power could potentially generate up to a fifth of Britain's power. Last month the Government said it would prepare proposals to change the way it subsidises renewable energy sources to provide more backing to emerging methods such as wave power.