OceanSET

Newsletter #4

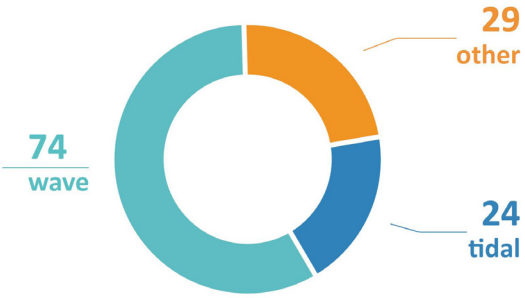
June 2021

OceanSET is a 3-year H2020 project with a total budget of 1 million euros which is focussed on providing support to the ocean energy implementation plan of the European Strategic Energy Technology Plan (SET Plan).

Annual report key findings - 2019

Results from responses of 14 member states on reference year 2019

A total of **127** **ocean energy projects** supported



€42.7 **million in public funding** from member states and regions

8 member states have an **ocean energy budget**

10 member states have **test site facilities**

9 member states have an **ocean energy policy**

10 member states were **funding ocean energy projects** and **9** were funding TRL 7+

Overview of data from 25 projects over TRL 7 active in 2019

11 tidal projects

- Mainly horizontal axis turbines

For 1 – 2 MW rated capacities:

- **67%** **average** annual availability for tidal prototypes
- **8.38** **€/W** average capital expenditure
- **1.08** **€/W/year** average operational expenditure

12 wave projects

- No technology front runner
- Technologies included attenuator, point absorber and oscillating wave surge converter

For 0.15 – 1.15 MW rated capacities:

- **67%** **average** annual availability for wave prototypes
- **2.01** **€/W** average capital expenditure
- **0.32** **€/W/year** average operational expenditure

2 other projects

The need of an Insurance and Guarantee Fund

The SET Plan process has specific objectives for wave and tidal - to bring down the costs of energy dramatically. Today a big part of these energy costs are financial - the premium developers need to pay to borrow the money to build machines.

The experience of offshore wind has shown us that these financial costs can be dramatically reduced, and in a short timeframe. Once lenders and investors are more confident that they will get their money back, they require much lower interest and dividend payments.

OceanSET has commissioned Renewable Risk Advisors (RRA) to explore how insurance can help de-risk ocean energy projects and unlock cheaper capital.

Just like you insure your car or home, renewable energy projects use insurance to safeguard against the risk of losing money due to machine breakdown, accidents or other mishaps. Investors are reassured by this - it makes their investment less risky - so they offer cheaper finance.

The challenge is that insurers often don't provide coverage for ocean energy projects. They simply don't know how wave and tidal devices will perform, or whether it will be easy to repair them if they break.

A publicly-backed 'Insurance & Guarantee Fund' could fill the gap. It would allow the first big ocean energy projects to be deployed, which would generate the data to allow insurers to enter the market. RRA have figuring out how this Fund could be designed to meet the needs of industry, investors and public funders. Their report will shortly be circulated for consultation.

Available resources at oceanset.eu

- 2nd OceanSET annual report
- Key findings in infographics
- 2nd dissemination webinar
- Metrics for ocean energy sector

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