

Prototype Projects Indicate Growth in Ocean Energy Industry

The global ocean energy sector is at a turning point, with over 45 wave and tidal prototypes expected to be ocean tested in 2010 and 2011, after only a dozen were installed in 2009, according to a new IHS Emerging Energy Research market study. If these initial projects are successful, the global ocean energy project pipeline is poised to begin scaling. IHS estimates that more than 1.8GW of ocean projects in 16 countries are currently in the pipeline.

The ocean energy industry's recent development has attracted a slew of established energy companies with renewable growth ambitions, many with hydro and offshore wind experience. Boosted by government and policy support, the UK is currently the world's leading market for ocean energy, with 300MW of projects in the pipeline seeking to be installed over the next five years. The UK government hopes to add 1.3GW by 2020, driven by its need to meet legally binding 2020 renewable targets. Ireland, France, Portugal, South Korea and Australia are also key ocean energy markets and will remain the industry's primary focus for the next decade, according to the study.

Of the various forms of ocean energy, tidal energy is poised to mature first, with the promise of providing predictable, lower-cost electricity and a standard design. Tidal is attracting major original equipment manufacturers (OEMs) into the ocean energy industry's supply side.

Several key players active in Europe's scaling offshore wind industry, are also turning their attention to ocean energy as they scale their renewable portfolios. Major European utilities led by Iberdrola-ScottishPower, Vattenfall, RWE and SSE have an extensive presence in offshore wind, and each has broadened its offshore activities to include ocean energy. While a few have taken equity stakes in ocean technology promoters, most are now shifting to fund project development joint ventures.

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