



## GILES PARKINSON

GREENCHIP



### Riding the wave

CARNEGIE Corp concluded a major transaction last week, buying back the global intellectual property (IP) and development rights of its CETO wave energy technology, allowing it to be a full participant in projects planned for the key European markets.

The sale and buyback of the CETO IP in many ways acts as a proxy for the development of renewable energy policy in this country.

CETO was conceived by oil and gas man Alan Burns in the 1970s after a wave washed him under a ledge while he was diving off Rottneest Island near Perth. But a lack of government support, and therefore investor interest, forced Burns in 2006 to list a new entity called Renewable Energy Holdings on the London-based AIM market, which held the IP rights. AIM's lack of liquidity makes it a difficult platform on which to raise funds, so Carnegie has seized this opportunity to buy back the rights in exchange for a 35 per cent stake.

Carnegie hopes it will get government funding support to build a 50MW demonstration plant in Australia in the next few years, but the main game will be the European market. Scotland, which is fast running out of available wind farm locations, has no access to geothermal and little opportunity for solar, is offering huge subsidies for ocean power, which can gain feed-in tariffs worth five times that of wind, or around \$650 per megawatt hour.

Ireland, England, Spain and Portugal also offer solid subsidies. "It's an incredibly attractive market, and where the action is," says Carnegie CEO Michael Ottaviano. Carnegie's joint venture partner in developing European projects is energy giant Electricite de France.