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Carnegie ready to deliver

Olga Galacho

CARNEGIE Wave Energy is on track to begin generating electricity next year, the listed ocean energy developer said yesterday after revealing it had received the first tranche of a grant from the Western Australian Government.

In November, the company was overlooked, along with three other Australian ocean energy companies, for Federal Government grants in favour of an American developer, Ocean Power Technologies.

At the time energy analysts criticised the choice given that a foreign-owned company would be receiving Australian taxpayers' money and it had partnered with Leighton Contractors, which was not acknowledged as an experienced deep sea energy engineering company.

But Carnegie chief executive Michael Ottaviano told *BusinessDaily* yesterday that while he was disappointed at having missed out on the Renewable

Energy Demonstration Program, he wished OPT well.

"I sincerely hope this US company delivers because it is important for the sector as a whole to prove ocean technologies are viable for creating electricity," Mr Ottaviano said.

In 2002, OPT abandoned an installation at Portland when part of the structure snapped as it was being assembled.

The \$66.5 million that OPT will receive in federal funds will also go to a project in Portland.

Carnegie's state government grant is worth \$12.5 million and the company has a pilot plant operating off Fremantle.

It has already begun drilling the moorings for its new 5MW plant near Perth, west of Garden Island, which will use the unique CETO technology.

CETO differs from other ocean energy systems by being anchored out of sight and using submerged buoys attached to pumps to drive

water under high pressure through a pipe to shore where it powers a turbine.

"By the time OPT get their plant up and running, we will have delivered Garden Island and moved on to other parts of the world," Mr Ottaviano said.

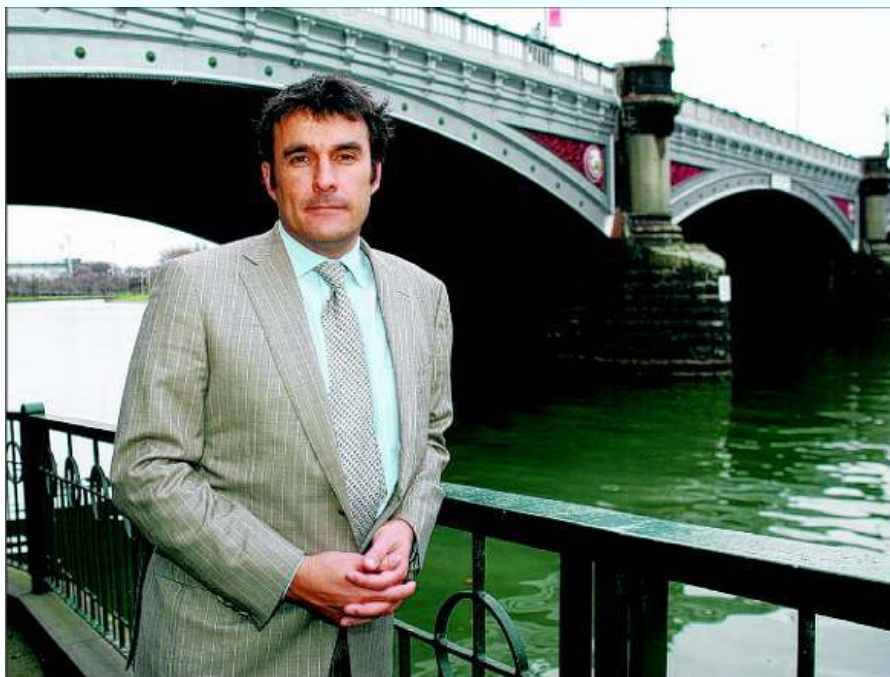
"We will continue to look at sites in Australia, but the reality is power prices here are too low to support a large project."

He said that in Europe, it was easier to find backers for ocean projects because electricity tariffs were greater.

"We have been working with one of the world's largest energy companies, EDF, in countries where power prices are so high we won't need a grant."

Last month, Carnegie announced a licensing deal with French giant EDF Energies Nouvelles.

Carnegie shares eased 1¢ to 15¢ yesterday.



Turning the tide: it's an exciting time for Carnegie Wave's Michael Ottaviano. Picture: DARRYL GREGORY