

## Wave to energy project in Saint-Philippe Technical assistance for La Réunion, France

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The main goal of the Wave to Energy Project is to install a 2MW wave energy farm on the coastline of Saint Phillippe in the southern area of La Réunion, an overseas French territory located in the Indian Ocean. The expected electricity generation is estimated between 3 and 4 GWh/year.

In this context, La Réunion required technical assistance on two different topics: on the financial and on legal and aspects. On the financial side, project beneficiaries required assistance on the development of a tailored financial model that would lead to a successful project implementation, combined with a risk assessment. On the legal and regulatory side, the supporting mechanisms for wave energy in Europe were assessed as well as the legal and regulatory frameworks that allow the installation of wave energy on islands in Europe.

The main results of the La Réunion technical assistance were:

- The surveying of different supporting mechanisms for wave to energy implementation in Europe, as well as funds that support the implementation of ocean energy technology development in Europe;
- A study of the Legal and regulatory frameworks that allow the installation of wave energy on islands in Europe, by reviewing authorisation procedures for ocean technology in nine European countries, four of them (Denmark, Italy, Norway and Scotland) have adopted the procedure of having one licensing authority that is responsible for communicating with the project developer;
- The Islands secretariat provided a financial model tool that will present the project financial data/results in way that investors are used to see. With these results, La Réunion project developers are able to estimate the volume of business, the profits, the taxes associated to the business, etc. resulting in an operating cash-flow and on the final cash-flow;
- A company financial spreadsheet was developed and presented in a standardised way, which helps the investors to understand the actual and the forecasted financial condition of a company, and consequently, estimate the level of risk;
- Development of a risk assessment tool that enables the island to estimate in a quantitative and qualitative manner, the risks associated with the project implementation;
- Finally, a training session on financial topics was delivered by the Islands secretariat to the project beneficiaries. This was an interactive session with topics relevant for La Réunion project.



In summary, the secretariat's technical assistance provided guidance on the financial model development and on how to increase of the project's bankability. Furthermore, the regulatory benchmark for feed-in-tariff was assessed and an overview of permitting examples was performed. This assistance will help the island to finalise the pre-feasibility and feasibility studies, and to be able to increase the maturity level of the Wave to energy project.