

From: Dan Hannevig [dan@sureengineering.com]
Sent: 20 May 2005 13:02
To: Bob Hanna
Subject: FW: R,D&D

-----Original Message-----

From: Dan Hannevig [mailto:dan@sureengineering.com]
Sent: 20 May 2005 12:52
To: hanna@dcmnr.ie
Subject: R,D&D

Bob

Please find attached some responses to the call.

SINGLE BODY FOR R,D&D

Definetly not

SEI should be split - energy saving and turning down thermostats on one side and energy production from all renewables on the other side.

The current mandate within SFI must be changed to include energy research.

TO give effect to this; A filtration panel 'quite seperate to either SEI or SFI' should adjudicate on projects to be supported. Projects passing the initial 'technical' test would then qualify for the necessary expert assistance needed to process an application that would be in all ways meet the current 'high bar' set by SEI.

FRAMEWORK 7

Ireland has little or no success under the FP5 and 6 rounds. NO PLACE TO SELL THE ELECTRICITY -

The loss of the THERMIE type tariff meant that there was no point in applying for the EU support.

It is difficult enough to INVENT - PAY FOR PATENTING out of your own pocket - DEVELOP prototypes - endure SOME FAILURES - get Planning permission - wait years for a connection and then enter a competition against mainstream technology.

Tariff for each category, should be set as the European average current Feed-In Tariff for qualifying projects, this will allow the 'innovator' to work towards a clear commercial benchmark that the financial people can see

and understand.

ENERGY / ENVIRONMENT INTERFACE

No comment from here

SHORT TERM / LONG TERM BALANCE

The culture of one report away from taking any action should be tightened up.

The cost of fossil fuel on current projections will rise to the point where there is no longer any differential between the cost of peat fired electricity and the benchmark BNE used to calculate the PSO. PSO is legislated for out as far as 2020. A good budget is therefore readily available that is linked directly to electricity use. A variation may be necessary to more specifically provide for the funds to be channelled into R,D&D.

SEI's inability to fund beyond 700€k is hopeless and is a significant element in the loss of the world's leading flow battery 'energy storage' to foreign competition.

PRIVATE FUNDING AND R,D&D

Private and indeed SEI funding takes NO risk.

SEI will not fund an innovative project if there is any risk of the project not working. R&D does require that there be some failures, some risk must be take.

Venture Capital or more correctly called Vulture Capital will take very limited risk. If there is any risk and quite often the Vulture capitalists will contrive the situation that a low risk becomes elevated to high risk and then demands virtually all the original stock in the fledgling company. The certainty of electricity sales as referred to above is one of the risks that could be reduced by putting in place a real Feed in tariff without competitive process.

As in property where location location location is what it is all about, investment in risky energy projects is all about tax tax and tax.

A mix of some seed equity 'grant aid' from the previously referred to PSO fund, combined with a 'personalised' sect 486c type tax arrangement could yield a willingness to make things happen.

R, D&D COMMUNITY BUILDING

The brains will follow the commercial opportunity

Put in place the certainty of sale of 'innovative energy' that includes boty electricity and road fuels then the brains will settle in Ireland and get about the work.

Private R,D&D will flourish against a business plan that has certainty.

These companies will bring high value work.

ANNEX 1 COMMENTS

It tells its own story of just how lamentable the R&D situation is in Ireland.

A culture of YES we want you in Ireland, we are willing to spend some money to keep you here we value your committment to the hugh task of moving away from the fossil era is needed.

SEMINAR

Could be interesting

Regards

Dan Hannevig