

COGEN Europe Update

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Special interview with a green fund manager:

In order to build a low carbon future, investors deserve a stable and positive legislative environment

COGEN Europe (CE) asked Jim Campion¹, from the management team of EnerCap² to tell us what would be the main driver for an investor to choose for cogeneration.

JC: *“From our experience and understanding of the energy markets and development processes of the countries we are investing in, clearly priority of access and priority of dispatch provisions will remove a significant constraint, providing the framework and confidence needed for investors to engage successfully in cogeneration projects.”*

CE: Could you explain us the work and positioning of your company?

JC: *“EnerCap was founded in 2007 in Prague, based on the observation that Central, Eastern and South-Eastern European countries were in need of substantial investment to develop their renewable energy sources. With this in mind, EnerCap has been able to secure a pipeline of over 500 MW of renewable energy assets across the region. On behalf of our investors, including the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), to date EnerCap has invested predominantly in medium scale wind turbine and Solar PV projects.”*

CE: What has been instrumental for such investments to happen?

JC: *“When assessing projects, the guaranteed access to the electricity grid for the energy market ranks very high. Priority of access and priority of dispatch provisions have drastically lowered uncertainties for investors, and therefore enabling the finance to develop and construct projects.”*

CE: What about the cogeneration market in this region?

JC: *“We are of the view that there is significant potential for growth in the cogeneration market complementing the development of the renewable sector. The stable and flexible nature of many cogeneration technologies can contribute significantly to the balancing of grid networks as intermittent renewable energy increases. We believe that efficient use of heat through cogeneration can be a significant factor in carbon reduction, particularly where older emission intensive plants are replaced with new clean and efficient technology. We have seen a huge demand for funding such projects in our region, which has driven our intent to create a CHP-dedicated fund. Building on the know-how and the good work we are doing for renewables, this CHP fund will accelerate the deployment of high efficiency clean emission projects in our focus region. It is important to note that as a low carbon investor, coal-fired units will be excluded from our portfolio, we will focus on natural gas, biomass and biogas projects.”*

¹ Jim Campion is responsible for project and technology appraisal, management of project execution and operating assets, with a focus on the thermal, biomass and biogas sector.

² www.enercap.com