



Accelerating the move to a low carbon economy

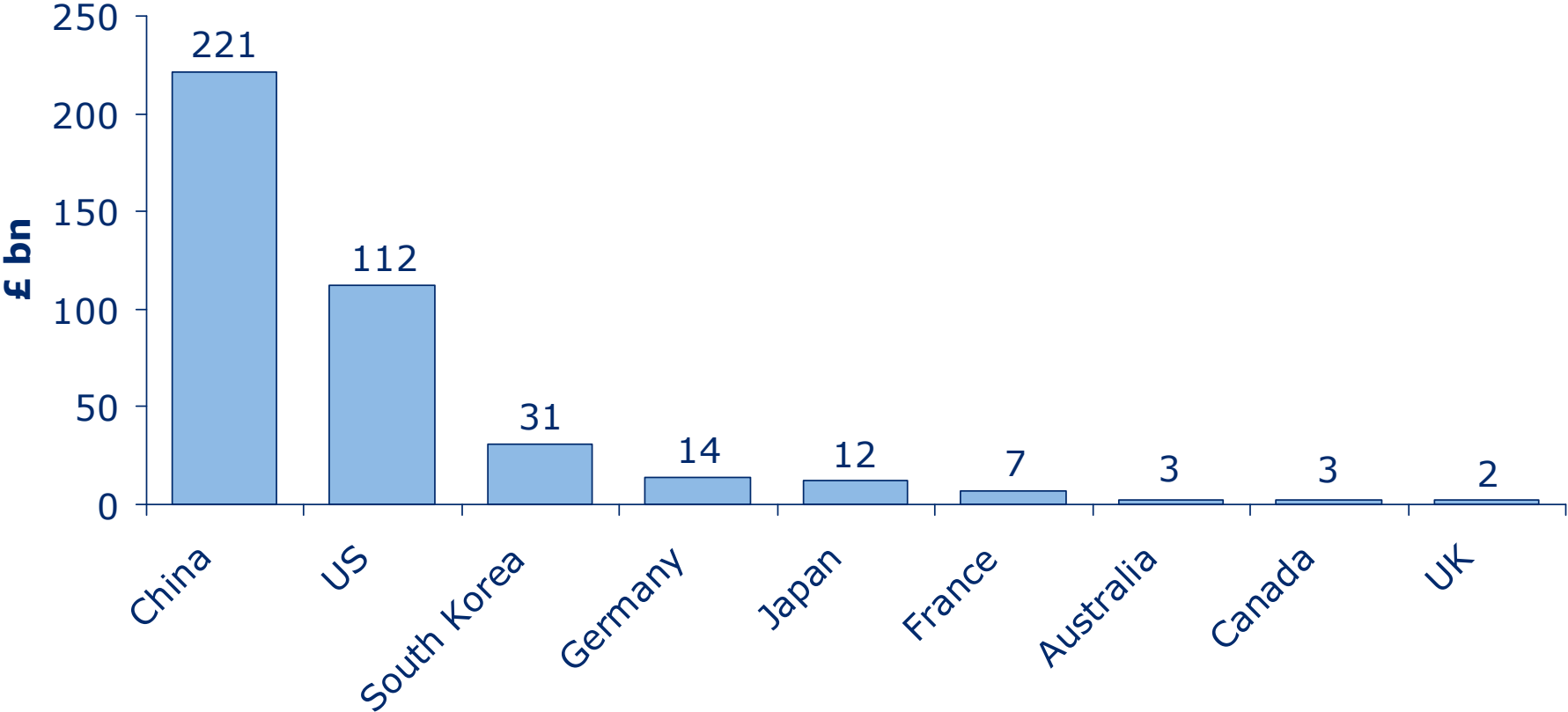
Tom Delay
Chief Executive
14 October 2009



Governments are promoting economic recovery through “green” stimulus



2008 green stimulus: over \$430bn total



Economic recovery needs dual focus on efficiency today and low carbon growth



Building efficiency into organisations today

- Advice and information
- Loan finance
- Public sector procurement
- Current regulations enforced



Jobs today

Investing in strategic low carbon industries of tomorrow

- Investment finance
- Targeted support for advantaged industries
- Enhanced regulations and product standards

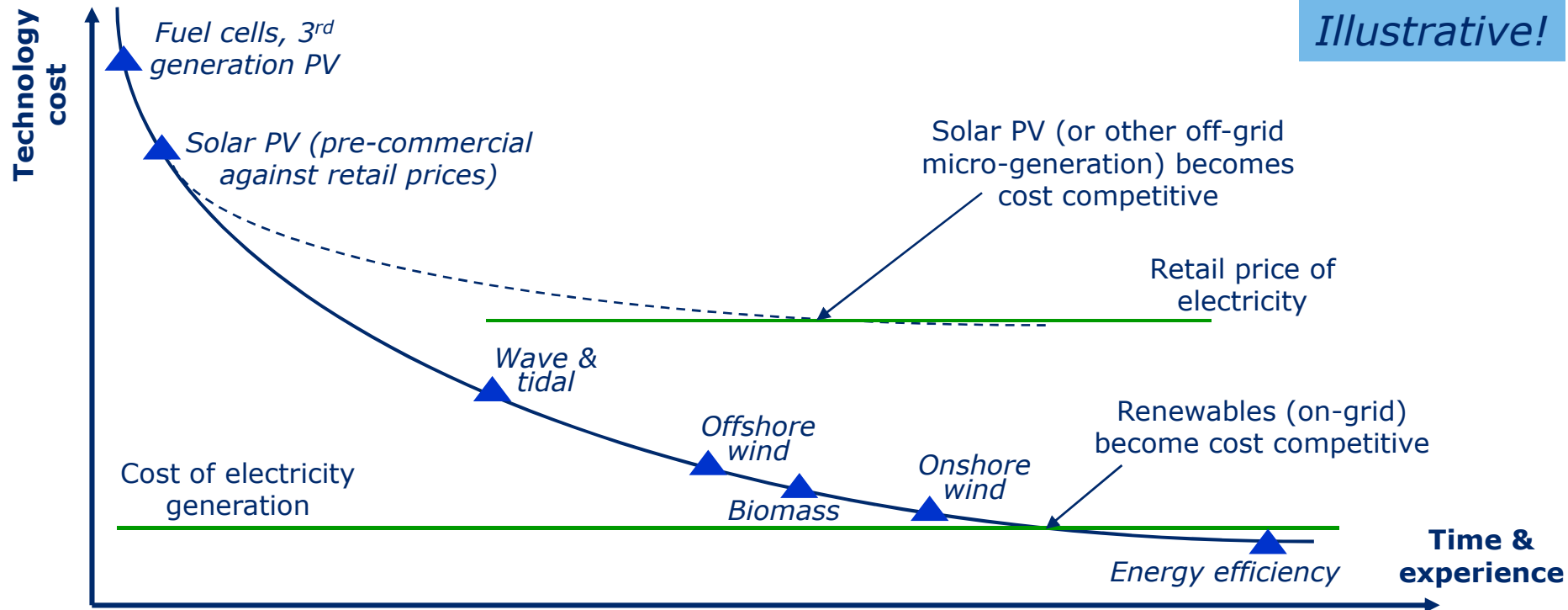


Jobs for the future

Innovation challenge is to reduce cost



Illustrative!



R&D

Technical risk
 Small money
 Public £, no returns or
 VC £, 30-40% returns

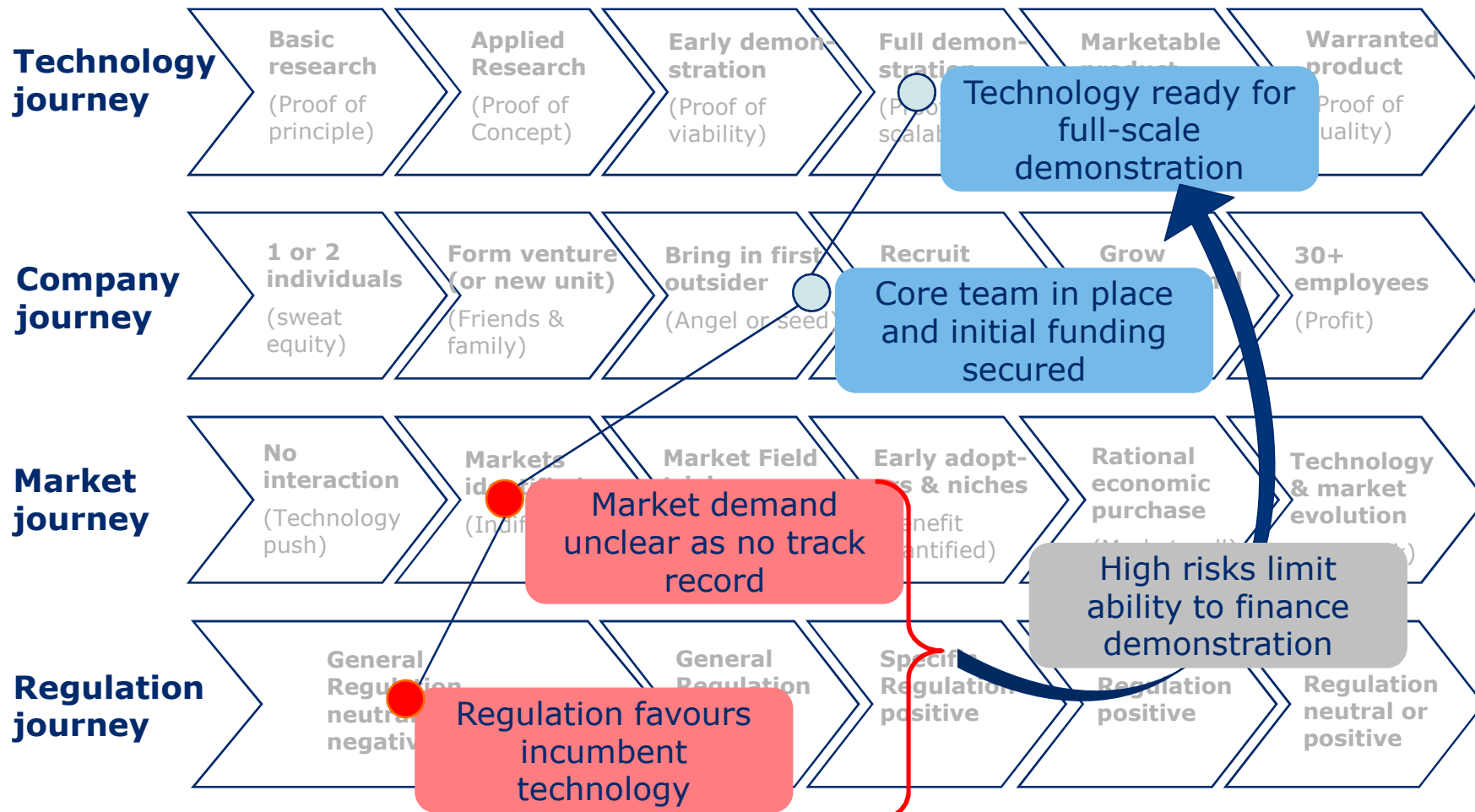
Pre-commercial

Technical and political risk
 Big money
 Public support +
 VC £ +
 Finance, 15-20% returns

Commercial

Market risk
 Huge money
 Corporate and utility
 returns

In our experience, low carbon innovation needs progress on four parallel “journeys”



UK is well placed but needs a focused strategy to stimulate investment



- Low carbon innovation has specific challenges
 - IP risk for low carbon technologies
 - Iterative development cycles to reduce cost
 - High capital requirement for scale up
- We need to prioritise
 - UK can only afford to support advantaged technologies
- Interventions need to be customised



Marine Energy Accelerator will reduce investment to achieve cost-competitiveness

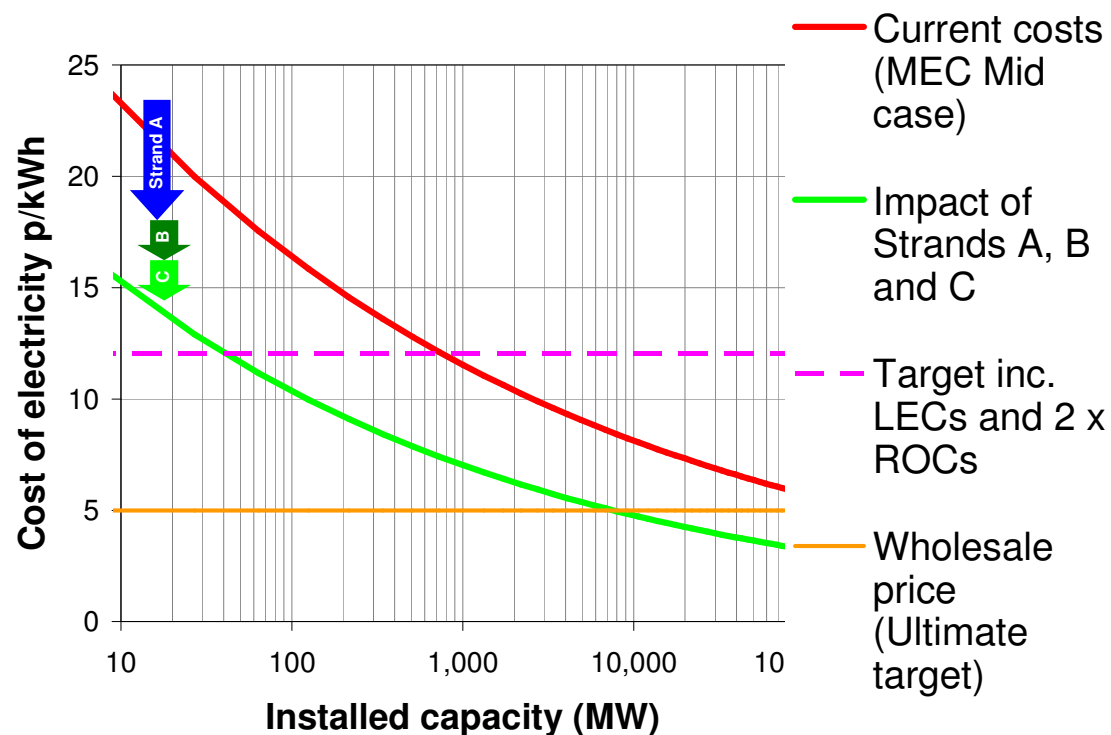
Strand A:
New device concepts



Strand B:
Component technologies



Strand C:
Operations & maintenance



Support is available for NI low carbon technologies and businesses



	Carbon Trust	Energy Technologies Institute	Technology Strategy Board
Why?	Research, develop and commercialise low carbon technologies and businesses	Develop new energy technologies and accelerate towards deployment	Drive UK wealth creation by catalysing investment in innovation
Natural Owner	For low carbon innovations requiring independent, commercially focussed support	For large engineering system challenges that require significant industrial support	For innovations requiring collaboration to bring diverse skills, knowledge and types of organisation
Distinctive strength	Accelerating commercialisation	Engineering technology	Supply chain collaboration



In summary...

- Carbon reduction is a business opportunity
- The UK is well placed in terms of political support and academic/industrial capabilities to develop leading low carbon industries
- Low carbon innovation has specific challenges, but support is available
- If we get this right, **the UK can be an international leader of low carbon innovation and enterprise**



