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A SUNNY DISPOSITION

A 2009 report entitled 'Global Megatrends' identified, among other key trends for the future, "the rising economic importance of energy and commodities" and predicted that responsibility and sustainability would be firmly on the corporate agenda. It is estimated that €500bn will be spent across the EU on renewable energy in the next ten years alone. As green continues to grow, Peter Tobin speaks to Noel Creedon from Quintas Energy about how Quintas aims to be at the forefront of this exciting business and investment opportunity.



According to Noel Creedon, Business Development Director for Quintas Energy, there is a huge opportunity for investors in the area of renewable energy, particularly solar energy. Quintas Energy is currently leading the way in renewable energy investments and, it seems, it has an agreement on climate change and environmental policy to thank for some of this success.

"About three years ago we were approached with the concept of investing in Spanish Solar photovoltaics (PV), the technology that's used in generating solar energy," says Noel.

"The Spanish government was incentivising private investment in renewable energy. The decision was driven by Spain's commitment to the Kyoto Protocol that 20 per cent of its electricity would be from renewable sources by 2020. Three years ago they were behind on their targets so they incentivised

the area through new legislation to accelerate progress and attract private firms into the area to produce electricity."

Having looked into the idea and after spending six months examining legislation and seeing if the concept was viable, the ball was set rolling and it hasn't stopped since.

Noel says: "In mid 2008 we commenced fundraising and raised around €40m in equity. Add to this around €90m in bank debt and we grossed about €130m. With that we acquired built and functioning solar farms in Spain.

"The fundraising side is one aspect, the key factor for success is the management of the farms. You need to be able to deliver results. It is as much project management as anything else. We have lawyers, accountants and tax people out there and all told, we have 15 people in Seville reporting directly to Declan O'Halloran, Managing Director

Quintas Energy in Spain].

We discovered quickly that it was not just a project but a real business opportunity."

From this opportunity, more have sprung and now Quintas Energy has a Spanish office in Seville, an Italian office in Rome and a UK office in London. These have been established, primarily, as a response to the growing desire for renewable and more sustainable sources of energy.

"Our office in Rome employs three people and the reason for this was that the Italian government undertook to do the same thing as the Spanish government, albeit a few years later. We're currently restructuring the Italian operation and we also have a small office in London.

The UK government is also providing incentives to kick-start its renewable energy markets. Also, our presence in London allows us to showcase what we're doing in other jurisdictions in Europe such as Spain

and Italy."

Aside from the environmental benefits of aiming to consume less fossil fuels and more renewable sources of energy, how is it financially attractive and what exactly are potential investors putting their money in?

"In Italy, for example, there is a tariff set by the government whereby they pay a certain amount for a unit of electricity. For electricity from a renewable energy source, they'll pay €0.33 and from a fossil fuel, they might pay €0.16. It's this differential that underpins the financial mechanism of the initiative; this is what generates the return.

"[The initiative] is a concept of public-private partnership. Traditionally the typical investors would be big infrastructure companies and utilities, but the way we're structured, it allows private investors access to opportunities

that typically wouldn't be available to them."

Noel adds: "A typical investor will invest in an Irish holding company. That company will then invest in the solar company. This is done because it is more tax-efficient and legally robust."

So it appears that the future is most definitely green and Quintas Energy is currently on the cusp of that wave. Noel maintains that things can only go from strength to strength and there's strong evidence of that from our nearest neighbours.

"In the UK alone," says Noel, "it is estimated that over the next 10 years, €9bn a year will be spent on rolling out renewable energy projects. Even in a robust and bullish economy, banks would struggle with that scale of investment. Considering the difficulties banks have had and are having, it's logical that governments will look to secure private funding to make it happen. That is the backdrop to what Quintas Energy is doing. We're working within that situation and we're a necessary component for that to happen. All that we're doing around Europe is evidence of that."

In times of a storm
some people hide behind walls,
others will build windmills

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