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Bay of Fundy tidal turbine faces uncertain future as company yanks support | CBC News

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7-8 minutes

OpenHydro, a partner with Nova Scotia's Emera Inc. in the Cape Sharp Tidal Venture, faces liquidation after parent company Naval Energies pulled its support for tidal turbines.



The liquidation of OpenHydro is leaving questions about what will happen to the company's turbine project in Minas Passage. (Cape Sharp Tidal)

Questions are swirling around the future of an ambitious effort to harness energy from the powerful tides of the Bay of Fundy, after a parent company in the Cape Sharp Tidal Venture turbine project abruptly pulled its support.

On Friday, French marine energy company Naval Energies announced it will stop investing in tidal turbines. Its subsidiary, Ireland-based OpenHydro Group Ltd., which is partners in Cape Sharp Tidal with Nova Scotia's Emera Inc., is now in liquidation.

Nova Scotia Energy Minister Derek Mombourquette said the province found out about the OpenHydro's insolvency on Thursday.

"There was no indication leading up to it. We were made aware yesterday. I was disappointed ... but ultimately you have a private company that is going through this process. They'll have to determine the best path forward for them with their receivers," he said.

"We have a number of players across the world that are still engaged. You're going to have technologies change, you're going to have corporate entities change throughout the process but I am still very confident in the potential for our province."

An Emera spokesperson said the company is aware that OpenHydro has filed for creditor protection in Ireland.

"At this time, Emera's focus is ensuring that the receiver/liquidator has a plan for the safe operation and

continued environmental monitoring of OpenHydro's turbine until they determine a final plan for the turbine which is currently deployed in the Bay of Fundy," Stacey Pineau said in a statement Friday.

"We understand that the receiver has now taken steps to put a team in place to manage the Cape Sharp Tidal assets as soon as possible. We appreciate the difficult position this uncertainty puts many local businesses in and we are actively reinforcing the concerns of suppliers, partners and others involved in the project with the receiver."

Fundy Ocean Research Centre for Energy, a non-profit agency of public and private developers managing the site, said it has been assured by Cape Sharp Tidal that the turbine will be managed safely.

"We're working to understand how this news impacts the Cape Sharp Tidal project at FORCE," said the organization's spokesperson, Melissa Oldreive.





OpenHydro Group Ltd.'s operations in Saint John are seen in this photo Friday. (Bobbi-Jean MacKinnon/CBC)

Cape Sharp Tidal's first demonstration turbine was deployed in the Minas Passage and grid-connected in November 2016.

Earlier this week, the company deployed a new tidal turbine — the second time in two years a two-megawatt tidal turbine was installed.

But on Friday, Naval Energies announced it was out of the tidal turbine business and would instead concentrate its efforts on floating wind turbines and marine thermal energy conversion. It also said in Canada there is "great sensitivity" to the cost of the technology.

The cost of energy from more mature markets of renewables such as wind and solar power remains much lower, about a third less, than tidal, Naval Energies CEO Laurent Schneider-Maunoury said in an interview Friday.

One of the biggest benefits of tidal energy is its predictability, he said, which may justify the high cost if governments are prepared to support it.

"However, what we have experienced in the Philippines, Chile and Canada, the U.K., Japan, Indonesia and France, is that the public authority is not prepared to pay the extra cost for the energy," he said. "So we made the decision to stop our investment in this technology."

Nova Scotia isn't prepared to subsidize tidal energy,

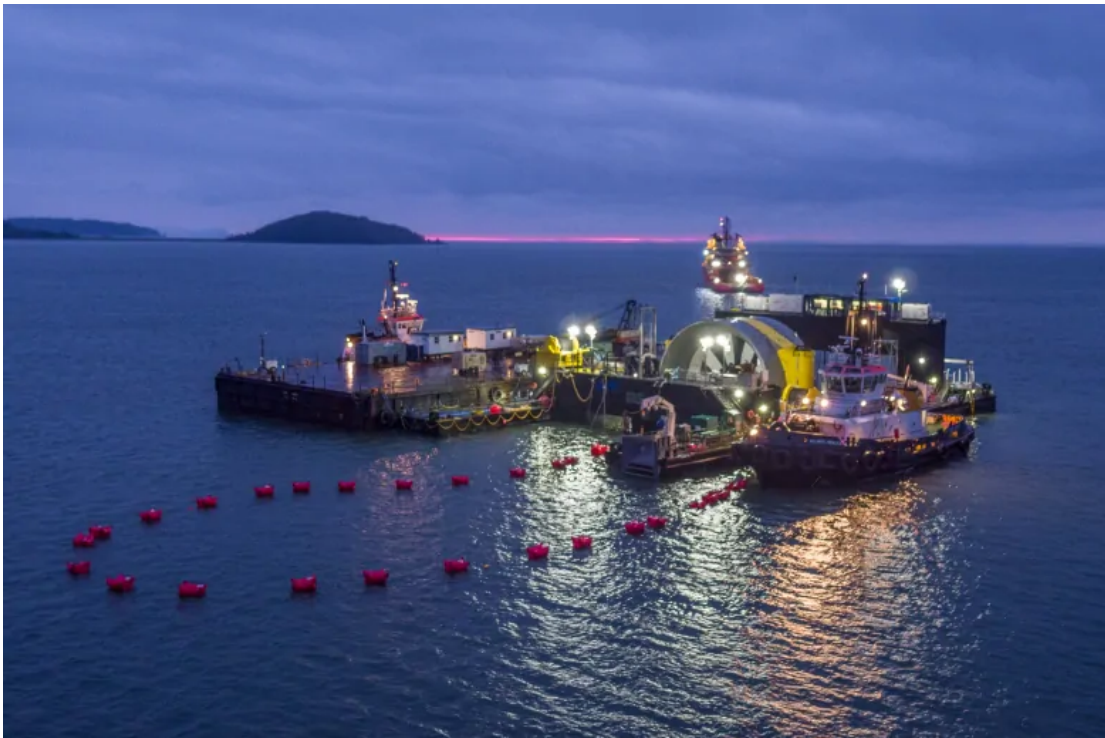
Mombourquette said.

"We play a very important role when it comes to monitoring and the regulatory process and that's where our focus is going to lie."

But the cost has whittled down the number of competitors in the tidal energy sector, Schneider-Maunoury said.

"Some of the the big firms had a tidal energy strategy a few years ago, they stopped it. We tried it a big longer and we came to this decision," he said.

"I don't know whether the other players will continue or not. But if we believe there is no market, I am not sure whether there will be a lot of other companies working on it."



The Cape Sharp Tidal turbine was lowered into the Minas Passage in November 2016. (Cape Sharp Tidal)

The fate of OpenHydro is now in the hands of liquidators, who

will determine what will happen with the Minas Passage turbine.

No one was at OpenHydro's office in Dartmouth, N.S., or Saint John, N.B., on Friday morning.

Gerry Curran, spokesperson for the Courts Service in Ireland, confirmed OpenHydro Group Ltd. and OpenHydro Technologies are the subject of a winding-up petition before the High Court.

He said the court ordered a provisional liquidator to be appointed Thursday, and the matter is next due before the court on Aug. 18.

Grant Thornton "will take charge of the assets in the companies immediately," spokesperson Karen Jones said.

She said the liquidators have met with employees already.

Suppliers, both here and abroad, will also have to deal with Grant Thornton, Mombourquette said.

"I know they will have invested millions of dollars into the project. I would suspect they will be having those conversations with the receiver to determine what the next steps are going to be."

[The Irish Times is reporting that the court heard both companies are "seriously insolvent"](#) and have debts of €280 million, roughly \$426 million Cdn.

World's first 1-megawatt tidal turbine

In November 2009, OpenHydro and then-partner Nova Scotia Power installed the world's first one-megawatt tidal turbine. The 10-tonne turbine was deployed on the floor of the Minas Passage, however it failed within days when the blades were destroyed by powerful tides.

Seven years later, the group successfully ran a turbine in Minas Passage for six months, from November 2016 to April 2017.

In 2008, Emera invested \$15 million to acquire a 7.5 per cent interest in OpenHydro Group Ltd.

On Thursday, the CEO of Ocean Energy Europe, a network of ocean energy professionals, released a statement saying tidal stream will continue in Europe, despite the decision from Naval Energies.

"The liquidation of OpenHydro is disappointing news," Rémi Gruet said in the release. "Yet closures are part of pioneering and innovating in a brand new industrial sector, on the road to commercialisation."

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