

RENEWABLE ENERGIES : STRONG GROWTH IN EUROPE

interview with Antoine Millioud, CEO, Aventron
By Fabio Bonavita



Antoine Millioud

Your specialty is the power stations for the production of renewable electricity in Europe, how is this market evolving?

For several years now we see a strong growth in Europe in this market. An estimated 20'000 Megawatts in new renewable power generation capacity is added every year in Europe, which corresponds to approximatively Euro 30 Billions in total investments. On a worldwide scale we note that in 2015 for the first time there was more renewable production capacity added than conventional fossil and nuclear.

Is the period favorable, since production costs are always lower for electricity from renewable sources?

Marginal production costs for renewable power generation is indeed very low, as there are no input costs for fuel. In that sense renewable power generation has an advantage on the long run. However initial capital expenditure is high and therefore some form of subvention is still required.

The EU is now moving to auctions for market premiums (as opposed to fixed tariffs as in the past) and is achieving already very competitive results for new projects.

To minimize the risks, Aventron has made the choice of diversification, can you tell us more?

Aventron invests in six countries and three technologies. We seek power plants in Switzerland, France, Germany and Italy as our neighboring countries. In addition we invest in Norway for its significant hydro resource and in Spain for its very attractive solar resource. The multi-country approach ensures a diversification of country risks. As mentioned we invest in wind, solar and small hydro power plants. This allows a attractive meteorological diversification and hence a smoothing of the financial results form year to year.

What energy will become more important in the next few years? Solar?

We expect a lot of capacity addition in Europe in solar, wind onshore and wind offshore. Solar will due to its rapid cost reductions certainly increase its share and importance. However wind, both onshore and increasingly also offshore, will also continue to be a major driver of new power generation additions. Adding new capacity in small hydro and biomass is more complex and will occur on a lesser scale. All four forms of renewable energy are however necessary for the energy transition.

Today, what is the power of your energy park? And its production capacity?

We own and operate 360 Megawatts in wind, solar and hydro capacity and manage an additional 42 MW in wind on behalf of a third party. This portfolio of assets can generate on average about 850 millions kilowatthours, enough to cover the electricity consumption of around 220'000 households.



Éolienne 8MW Tassilé Aventron (France, Sarthe)

What are Aventron's most emblematic projects?

We have done several ground-breaking investments in the various countries and technologies. We have for instance financed the construction of a 2.7 Megawatt industrial roof solar system near our headoffice, the largest of this kind in our region. We are also part of the Europe's largest ground based solar project , the 300 Megawatt Cestas facility in south-west of France. At this moment we finance the construction of several small hydroplants in Norway, which display very low cost structures and are proud owners of a 70 Megawatt wind park in the Rioja area of Spain, to name a few examples.

Are you going to expand in other countries?

At this stage aventron does not intend to expand further than the six countries mentioned. For each of those six countries we have dedicated asset managers who are native speakers and who have an in-depth understanding of regulation and culture. To expand further into new jurisdictions would unnecessarily stretch our company's resources.

Is a 100% renewable energy market in Europe possible? When?

We certainly think that a near-100% renewable electricity production will at some stage be possible for Europe. To give a foresight as to when this will be feasible is difficult. I assume we have to look beyond 2050.

How to succeed in this challenge?

In the short to medium term Europe has to ensure that the power can travel freely from north to south, from generation to consumption. High capacity high voltage grid network projects have to be supported and implemented with high pressure. On a political level we have to ensure that we work on a European solution and do not give in to nationalistic autarky ideas, as those limit the required flexibility in managing the intermittencies in renewable generation.

What are the expected technological developments in the coming years?

On the generation side we will see further cost reductions and efficiency increases both in solar and wind. This will lead to a convergence of generation costs for those two sources to Vclearly below Euro 70 / Megawatthours. On the low voltage consumer side we will see a myriad of new technologies which will lead to more flexibility and hence a better matching of generation and consumption. ■