Wary eye on Westminster

Natural Power co-founder Stuart Hall explains his hopes and fears about the coalition government to Gail Rajgor

N atural Power managing director Stuart Hall has retained the same enthusiasm for renewable energy as when he co-founded the international consultancy 15 years ago.

“We came into this business because we believed in the power of renewable energy to make environmental, economic and social change for the better and that is still reflected in our ethos,” he says.

However, with a Conservative-Liberal coalition government now in place in the UK, where the bulk of the Scottish company’s business is based, he admits a certain amount of tentativeness about the future.

“We have concerns, wrapped up in optimism,” he says. “The concerns come from the fact that the Tories have historically not been great friends to onshore wind.” The rhetoric before the general election was, in Hall’s view, “very poor”.

“We (also) have concerns about whether they are going to try to divert or slow down offshore wind and make the planning system more difficult.”

Hall suggests the biggest threat to the renewables industry is that “the Tories like nuclear and the relatively quick solution it seems to offer (in their view) in terms of being low carbon and delivering large amounts of energy”.

He is also concerned about the desire to develop tight gas reservoirs, which is already suppressing the price of the fuel because it can be liquefied and shipped to worldwide markets.

“Then there’s the danger of ‘clean’ coal and carbon sequestration,” he says. “They are also threats to renewables.”

Hall is hoping, though, that the Conservative Party has a change of heart now it is in power. This is particularly critical if it plans on meeting mandatory EU renewable energy targets for 2020 and the UK’s carbon emission reduction goals, he says.

“Ultimately nothing is as easy to permit and build and put out there as a wind plant,” the Natural Power boss says. In the long-term, it is far more cost-effective than turning to nuclear or ‘clean’ coal, he insists.

Getting planning permission for an onshore wind farm may involve fighting a lot of public opposition at times, but it is nothing compared with what would result for a new nuclear or coal plant, he believes.

On the plus side, Hall’s optimism about the future comes from having Chris Huhne from the Liberal Democrats as energy and climate change secretary. “The Lib Dems are very, very pro-wind and pro more onshore wind in particular,” he notes. The Conservative’s Charles Hendry, serving as energy minister, has also been keen to demonstrate his personal support for the renewables sector.

Overall, Hall adds: “There’s optimism because the underlying drivers for wind in the UK remain good.”

These are the global desire to cut carbon emissions and for Britain in particular it is the EU directive with its binding targets. “These will continue pushing things forward,” he says.

True believer: Stuart Hall
Photos: Natural Power

Old-fashioned courtship pays off in long term

T he company’s key growth areas are offshore wind in the North Sea, including both UK and continental projects, as well as the onshore market in the US and Turkey, Stuart Hall says. “They are the three main ones, but I actually see growth in all our markets.”

As for products, the company expects significant growth for services to complex terrain, complex flow, and due diligence projects in particular.

Strategic acquisitions will help to maximise identified growth opportunities. The tie-up with re-consult of Turkey, unveiled last month, is “the natural next step” with the country signed up to the European Directive on renewable energy even though it is not a member of the EU.

“So the Turkish market is driven by the European market,” Hall explains. “The market there is very significant and very interesting.”

Late last year the company also took control of offshore renewable specialist SeaRoc. Again the deal followed from an ongoing working relationship comprising an 18-month framework agreement and subsequent minority stake purchase by Natural Power.

Its Chilean office followed the same pattern, starting with a straightforward partnership with LatWind Eolica Latinoamericana, moving onto ownership in January 2009.

“If you are going to start working a long way...
The Natural Power boss is unashamedly passionate about renewables and the need to reduce our impact on the environment. The company was established for precisely this reason in 1995. At that time it operated out of Stuart Hall’s back bedroom. Today the company’s headquarters in Dumfries & Galloway is a statement of its mission. The “timber-framed grassroots low-energy building” is part-powered by renewable energy and exudes Hall’s core values. From a staff of just six in 2000, Natural Power now employs more than 200 people across 12 offices spanning the UK, France, the US, Canada, Chile and Turkey. Annual turnover is around £10.5m.

Having started as a standard consultancy for wind developers, the company has gone on to add more and more services. “By the time we got to 2000 we were already a life-cycle consultancy,” says Hall. Its wind developer support offerings range from site prospecting through to the site design elements, client project permitting (where it claims a 95% plus consenting record for UK wind farms), land agreements and grid connections through to procurement for construction, construction management, and even ecological surveys.

It has analysts who monitor the performance of completed wind farms, managers to oversee operations, and it has a control room to operate schemes remotely. It currently helps operate around 17% of the UK’s installed wind capacity.

The company also offers several products for the industry including the Zephir laser anemometer/lidar wind profiler, ForeSite wind forecasting, and the OceanPod offshore data platform, among many others.

“We also provide support for utilities, private developers, private equity and we do a lot of due diligence work for banks and lenders,” adds Hall. “We have a very good market share in the marine arena, both wave and tidal, but of course they are much smaller markets,” Hall explains.

Indeed, the company is active in the Pentland Firth.

Courtship pays in long term

9 from home then it makes sense... viewing people as agents or partnerships and seeing how things go,” explains Hall. “If you feel you get on and you can work together then you move on to something more permanent.”

This is not the only way Natural Power has achieved growth, he points out. “Our Canadian office and our US office have both been done on a purely organic basis.”

Meantime, the company also has hopes for Asia, although it has no immediate plans for the region as yet.

“The Chinese and Indian markets are interesting and undoubtedly we have our eye on them,” says Hall.

It comes as no surprise that the serial purchaser has been a potential target itself. “We get approached on a regular basis but at the moment we have no interest at all in a sale,” says Hall emphatically.