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SCRA deal with Israel has far-reaching economic potential

By Shelia Watson

Contributing Writer

The **S.C. Research Authority** and the Israeli-based Eilat-Eilot Renewable Energy Initiative have signed an agreement to collaborate on alternative and renewable energy initiatives. The collaboration could involve research companies and institutions of higher learning in **South Carolina** and Israel and could significantly improve the economic development in both areas.

Russ Keller, senior director for alternative energy programs at **SCRA**, attended three days of meetings in Eilat, Israel, with regional officials, energy and environmental researchers and renewable energy program managers. The meetings resulted in the agreement, which he called "an effort to advance state-of-the-art renewable energy and sustainability technologies and systems."

The Eilat-Eilot Renewable Energy Initiative is an effort by public and private organizations in the Negev region of Israel to create a center of excellence for renewable energy and energy conservation.

"In that region of Israel, there's a lot of desert. It's very hot and dry and there's a lot of sunshine, which is good for investigating alternative energy," Keller said. "There's a very strong move in Southern Israel to take advantage of alternative energy so it's not relying on other power plants as a source for power. And this would be good for their economic development, too. That's one way that they're very similar to us. The mutual interests and some of the technologies they're interested in developing and commercializing are the same kinds of things we've been trying to develop and support in **South Carolina**."

Some of the specific projects include production of energy from agricultural waste streams; development of certain low-input, high-yield energy crops and related processes for biofuel production; and adaptation of solar energy to provide air conditioning through adsorptive cooling.

"The ultimate goal is to develop these technologies and facilitate commercialization for these systems in Israel, in **South Carolina** and around the world," Keller said.

The partnership could offer access to several sources of binational funds through foundations established to promote U.S.-Israeli collaboration, including the Binational Science Foundation, the Binational Agricultural Research and Development Foundation and the Binational Industrial Research and Development Foundation.

The U.S. Energy Independence and Security Act of 2007 includes a program that will grant millions of dollars in funds for collaborative U.S.-Israeli projects in renewable energy. In addition, a separate bill, the U.S.-Israeli Energy Cooperation Act, which was signed into law in December, will provide up to \$30 million in grants beginning in 2009.

John Berenyi, a banker and investment consultant with offices in New York and Miami, also attended the meetings as an alternative energy adviser on behalf of **SCRA**. He said the collaboration has potential for "a whole range of technologies for all parties."

"Israel has a lot to offer in terms of its technologies, but it will need joint partners for commercialization,"

Berenyi said. "**SCRA** can be that collaborative partner. **South Carolina** has a lot to offer, too, and some of the state's technologies are more advanced than what

Israel has. This could be a real collaboration not only for companies producing the technologies, but also on the university level."

Keller and Berenyi also met with Mazen M. Haobsha, director of environment for the Aqaba Special Economic Zone Authority in Jordan, to discuss possibilities. Berenyi said the deal with Israel could pave the way for other multinational collaborations on energy-based technologies.

"We see it (the possibility of working with Jordan) as a real opportunity," he said. "There are already some other research and practical application collaborations that exist between Israel and Jordan. This would be a new opportunity to work together to save energy."

"We found there to be a genuine interest on the part of the Israelis in building trust in engaging with the Jordanians," Keller said. "They want that relationship to get better because the better it is, the less threatening their security position becomes. And when you're in a business relationship, there's the art of the possibility: 'This is what I can bring to the table, this is what you can bring.' There's a whole host of renewable energy options that would benefit both regions. It definitely warrants further discussion."

SCRA President and CEO **Bill Mahoney** said the collaboration establishes an additional vector for the organization's international business, comparable to **SCRA**'s engagement in the Intelligent Manufacturing System collaboration, which advances manufacturing science globally.

Although former Soviet bloc countries have made some overtures, to date no entities other than Israel have entered into an agreement to work on energy projects.

"Energy is a growth market," Mahoney said. "Working with the Eilat-Eilat Renewable Energy Initiative further augments our leadership role in developing alternative and sustainable energy applications."

Keller said that, "because the agreement is kind of new ground for **SCRA**, we'd rather make sure it's successful before casting too many more hooks."

The next step is to refine the ideas brought forth in the initial meeting and come up with proposals to submit to the various funding agencies.

"We went to Israel with eight or 10 ideas based on what's going on in **South Carolina**, and, while we were there, we found some things that folks would be interested in back here," Keller said. "We're sorting through them all and trying to find partners on both sides and see if an across-the-ocean collaboration works."

Berenyi said the fact that **South Carolina** has taken a leadership role in the agreement is commendable.

"There are other organizations and entities interested in this as well," he said. "There's interest on both sides of the globe. And when all the organizing is going on, there will be attention devoted to **South Carolina**. ... When an Israeli company goes to look for a place to locate in the United States, it will naturally look where there's already interest and some organizational infrastructure, where there are economic benefits and job benefits and energy technologies already happening. It will look to **South Carolina** because that's where things started happening."

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