

DIRECTION

THE FUTURE OF WIND



The U.S. installed its third-largest volume of onshore wind in 2019. (Courtesy: GWEC)

Americas' wind installations rise 12% in 2019 to 13.4 GW

The latest data released by the Global Wind Energy Council (GWEC) shows North, Central, and South America and the Caribbean installed 13,427 MW capacity of onshore wind power in 2019, an increase of 12 percent on the previous year, which saw 11,892 MW installed.

In North America (Canada and the U.S.), new capacity additions grew by nearly 18 percent compared to 2018. In Central and South America and the Caribbean, new capacity additions decreased by 5 percent compared to 2018. Overall, this means that the region has tripled its wind-power installations since 2010, showing the immense progress made by wind energy as a leading power source in the Americas.

In North America, the U.S. saw an installation rush last year with nearly 10 GW installed. This was driven primarily by the Production Tax Credit (PTC) phase out and is expected to continue driving installations in 2020, while the recently approved one-year PTC extension is likely to create a new installation rush in 2024. In Central and South America and the Caribbean, strong growth has occurred in key markets such as Mexico, Argentina, and Brazil. However, the outlook for wind power in the next two to three years in some of these markets — namely Argentina and Brazil — is threatened by regulatory and political challenges.

Key insights from the data include:

- ▶ Leading countries in the region for 2019 include: U.S. (9,143 MW), Mexico (1,284 MW), Argentina (931 MW), and Brazil (745 MW)

- ▶ The U.S. installed its third largest volume of onshore wind in 2019 at 9 GW, just behind its previous records of 10 GW in 2009 and 13 GW in 2012, reaching a total of more than 105 GW.

- ▶ The offshore market in the U.S. is progressing, with first large-scale installations expected in 2022-2023 and more than 10 GW expected to be built by 2026. Brazil is also looking to tap into the offshore market and has

the potential to deploy as much as 700 GW of offshore wind, according to a roadmap for offshore wind released by the country's Energy Research Office (EPE) in January 2020.

"It is encouraging to see that installation levels for wind energy in the Americas are continuing to rise," said Ben Backwell, CEO of GWEC. "However, policymakers need to be doing more to accelerate these volumes and take advantage of the full potential wind power has to offer. Meanwhile, the ongoing trade war between the U.S. and China continues to constitute a threat for the industry, as tariffs on steel and aluminum, which make up about 90 percent of wind turbines, put price pressure on the U.S. supply chain and risk increasing wind-power projects by as much as 10 percent."

"Latin America has massive potential for wind energy, and we have seen many countries in the region emerge in recent years as renewable energy leaders through auctions, which have delivered wind energy at some of the most competitive prices globally," said Ramón Fiestas, chairman of GWEC's Latin America Committee. "New markets such as Colombia, which successfully executed its first renewable energy auction in 2019, and existing ones like Chile, which saw a record year installing 526 MW, show that there is still great untapped potential in the region. Yet, with the cancelling of planned auctions and changes to the clean-energy credits scheme in Mexico in 2019 as well as political and economic shifts in Argentina leading to uncertainty for future auctions, these key markets risk losing the momentum which they have worked so hard to create and missing out on a massive opportunity to transform their energy systems to cleaner and cheaper wind power."

These latest figures released by GWEC form the statistical release of the Global Wind Report. The Global Wind Report is GWEC's flagship publication and the industry's most widely

used source of data. The complete report provides a comprehensive snapshot of the global wind industry and an overview of trends such as the growth of offshore wind, corporate sourcing and changing business models. The full report will be released in March.

GWEC is a member-based organization that represents the entire wind-energy sector. The members of GWEC represent more than 1,500 companies, organizations, and institutions in more than 80 countries, including manufacturers, developers, component suppliers, research institutes, national wind and renewables associations, electricity providers, finance, and insurance companies.

MORE INFO gwec.net

Leading offshore conference to launch national job fair

The Business Network for Offshore Wind, a leading non-profit advocate for U.S. offshore wind at the state, federal, and global levels, will host its seventh annual International Partnership Forum (IPF) April 21-24, 2020, in Providence, Rhode Island.

New this year: the first-ever national offshore wind industry job fair plus a half-day workforce development summit, in partnership with Skills for Rhode Island's Future. The OSW CareerMatch, will showcase jobs at top-tier companies seeking to grow the workforce of the future and recruit qualified candidates. The Offshore Wind Workforce Development and Education Summit, an invitation-only event, will bring together educators, stakeholders, and industry leaders to address current training programs, identify industry employment needs, required skillsets, and how organizations can fulfill these near-term needs. CareerMatch will be



The annual IPF conference is the premier event for the offshore wind supply chain, which is now projected to be a \$70 billion revenue opportunity through 2030. (Courtesy: Business Network for Offshore Wind)

8:30 a.m. to 1 p.m. on Tuesday, April 21, and the Workforce Summit from 12:30 to 4 p.m., both at the Rhode Island Convention Center.

“The U.S. offshore wind industry has reached the stage that, in order to successfully develop and meet new project demands, will require an available and qualified workforce,” said Liz Burdock, CEO and president of the Business Network for Offshore Wind. “This first-ever national job fair will allow top-tier supply chain companies to connect with skilled individuals to discuss projects that are going on as they speak.”

“Hosting the first-of-its-kind offshore wind energy job fair in The Ocean State is apropos,” said Nina Pande, executive director of Skills for Rhode Island’s Future. “Our organization is thrilled to have the unique opportunity to help convene talent at OSW CareerMatch to engage with the employers across the offshore wind supply chain.”

The annual IPF conference is the premier event for the offshore wind supply chain, which is now projected to be a \$70 billion revenue opportunity through 2030. Fully developing this supply chain will foster local economic growth, provide thousands of jobs, and help offshore wind energy meet its potential. If fully built out worldwide, offshore wind could power 18 times the world’s current electricity needs.

The exhibit and conference sells out every year and is again on track to draw more than 2,500 industry

professionals representing more than 575 companies, all focused on sharing valuable insights on how to move the emerging U.S. wind industry forward.

MORE INFO offshorewindus.org

Pexapark offers free software version used in European PPA deals

Pexapark, a provider of software and advisory services for clean energy Power Purchase Agreements (PPA) recently announced it had launched a free version of its PexaQuote software. PexaQuote is a comprehensive solution that systemizes quotes, builds forward curves, and analyzes prices to create certainty for developers, utilities, and corporations looking to close PPA deals.

Pexapark now offers these users free access to essential tools including PexaQuote’s price indices, deal tracker, and quote service.

As subsidies across Europe are lifted, PPAs are increasingly important for developers as a strategy to manage risk in order to obtain financial security for a renewable energy project. By negotiating a PPA agreement with an agreed offtaker who will guarantee to take some, or all, of the power output at a fixed price and tenor, project owners are able to secure borrowing and investment to complete the development process. Pricing proficiency

is therefore of the essence for project owners to conduct an efficient negotiation process.

And, with an increasing number of private institutions joining utilities in committing to obtaining power sourced from clean technologies, buyers need a mechanism by which to navigate some of the complexity of pricing and contract negotiation. This is critical during a procurement process that can be unfamiliar and where a significant investment in time and staffing may be required to collect and analyze market data to determine the best price and structure for a PPA.

Pexapark’s software, data, and advisory services have been developed to create certainty for buyers and sellers as clean energy transitions away from subsidies and toward an open market.

Since 2019, the business has used insights from its software and database to support more than 50 PPA deals struck in Europe. Pexapark developed PexaQuote in 2019 to analyze power price data and provide a quote based on real-time energy valuation and the specifics of a given project.

PexaQuote’s free edition includes price indices by market and a PPA deal tracker, which records deals closed in the EU as and when they are disclosed. The software allows users to analyze the volume of deals across different technologies and countries. In addition to providing insight into pricing across the market, the free version also includes a new feature wherein the user is able to request a quote for a given PPA structure. If any sell side parties are interested, the software automatically matches them to the user.

“The future of renewable energy is subsidy-free,” said Luca Pedretti, Pexapark’s COO. “However, given the renewable PPA market is still relatively new, many businesses interested in either selling or buying clean energy do not have access to the data needed to determine price or structure. And even when they have access to the data, it can take weeks for a team to analyze it and come to a final quote. PexaQuote allows both sides of the PPA transaction to identify the best structure and

price for a given deal in a matter of seconds.”

“By providing a free level of access to our proprietary software, we’re enabling the wider market to be able to take advantage of data availability that has been critical to driving European PPAs to date,” Pedretti said. “This is a core part of our objective to drive forward the transition in clean energy to a merchant market.”

MORE INFO www.pexapark.com

Siemens ups stake to 67.1% to spin-off SGRE into Siemens Energy

Siemens has bought out Iberdrola’s 8.1 percent stake in Siemens Gamesa Renewable Energy (SGRE) for a total cost of \$1.2 billion, potentially ending a period of acrimony between the two companies and bringing a major customer back into SGRE’s fold. This price is equivalent to 20 euros/share – a 32 percent premium on top of SGRE’s average share price for the last 30 trading days.

Gamesa will now own a 32.9 percent stake in SGRE, with Siemens holding the majority 67.1 percent stake in the company. In addition, Iberdrola, as a customer of Siemens Gamesa and Siemens, signed a cooperation agreement that will grant exclusive negotiation rights, for a limited period of time, for certain wind-power projects and for improving the distribution grid. Siemens expects that additional annual savings of up to 900 million euros in net present can be realized for SGRE through intensified cooperation between Siemens and SGRE and an additional 100 million euros annual savings by “unwinding the shareholder agreement.”

The divestment is part of the company’s asset rotation strategy. Siemens will transfer its majority stake in SGRE to its gas and power business, Siemens Energy, as part of its planned spin-off and subsequent public listing. The pure-play energy business aims to be the “go-to institution for combating

climate change” with the scale to win in wind.

“Siemens targets to co-fire its gas turbines with 20 percent hydrogen in 2020 and 100 percent hydrogen by 2030; and its commitment toward the Paris climate targets is being hit by plunging demand as the global power sector looks to decarbonize its operations,” said Bhavana Sri Pullagura, power analyst at GlobalData. “In

this connection, a robust, profitable, and innovative business is a key prerequisite for success. Siemens Energy will have the scale needed to succeed in terms of innovation, resources and geographical reach in key renewables markets such as the wind power sector which will help to shape the energy transition.”

MORE INFO www.globaldata.com

Dialing up the power of your wind turbines?

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