

# Group

## DIRECTION

### THE FUTURE OF WIND



meta center



Just like previous years, WindEnergy Hamburg 2020 will maintain its traditional high standards, but it will also include new, digital formats. (Courtesy: Hamburg Messe und Congress/Stephan Wallocha)

# Pandemic forces WindEnergy Hamburg move to December

WindEnergy Hamburg, the global on & offshore wind event, has been postponed to December 1-4, 2020, in response to the Coronavirus pandemic and its global impact on major events and international travel.

“Unfortunately, it is currently difficult to predict the future development of COVID-19 and its consequences for large-scale international events planned for September 2020,” said Bernd Aufderheide, president and CEO of Hamburg Messe und Congress. “We are therefore postponing WindEnergy Hamburg to the end of the year. By doing so, we hope to give our exhibitors and visitors a more reliable basis for their planning. We are delighted we have been able to identify a new time-frame for the fair.”

Following intense consultations with the exhibitor advisory board, Hamburg Messe und Congress and its co-organizer WindEurope as well as the partners GWEC, VDMA, and BWE, agreed on the new dates. Originally, WindEnergy Hamburg was scheduled for September 22-25, 2020.

Hamburg Messe und Congress and its co-organizer WindEurope are planning to adapt the event concept. A roundtable meeting will be held for this purpose with health authorities and health & safety executives of selected exhibitors to guarantee a maximum level of safety and the best possible outcome for the fair.

“The big ambitions of the EU Green Deal and the economic recovery plans Europe is putting in place now make 2020 a pivotal year for the energy transition,” said Giles Dickson, CEO of WindEurope. “We are pleased our joint event WindEnergy Hamburg will still go ahead this year. The further expansion of wind energy is central to the Green Deal and will deliver jobs and investments needed for recovery. Meeting in Hamburg, a key hub for our industry and when Germany has the Presidency of the EU will be the perfect time and place to show that the

wind industry is ready to deliver.”

“WindEnergy Hamburg 2020 will not only maintain its traditional high standards but also include new, digital formats,” Aufderheide said. “Parts of the conference and trade fair will be prepared as digital or hybrid offers. This will enable us to explore new pathways through this crisis. We look forward to welcoming the wind industry to Hamburg in December.”

**MORE INFO** [www.windenergyhamburg.com](http://www.windenergyhamburg.com)

## ALLETE secures tax equity funding for its newest wind site

ALLETE Clean Energy recently sold Class A passive membership interests in Great American West Wind LLC to JPM Capital Corporation, in support of the South Peak wind site in Montana.

As announced in early January, the Great American West Wind LLC tax equity transaction also generated funding for ALLETE Clean Energy’s Glen Ullin Energy Center wind site in North Dakota, which began commercial operations in December 2019.

“Investors continue to look favorably upon our growth strategy in the wind sector as demonstrated by this tax equity deal,” said ALLETE Clean Energy Chief Financial Officer Laura Schauer. “High-quality projects like Glen Ullin

and South Peak are successful in the tax equity market through a combination of relationships with respected counterparties, our development experience, use of the latest technology, and building trust with landowners in areas with first-rate wind resources. We plan to follow this effective approach as we execute our strategy with future projects.”

The South Peak wind site is an 80-MW wind facility near Great Falls that delivers power to NorthWestern Energy through a 15-year power sales agreement. It began commercial operation in mid-April 2020.

Glen Ullin Energy Center is a 106-MW wind facility about 40 miles west of Bismarck that delivers power to Xcel Energy customers in the Upper Midwest through a 20-year power sales agreement.

ALLETE Clean Energy acquires, develops, and operates clean and renewable energy projects. ALLETE Clean Energy currently owns and operates, in six states, approximately 740 MW of nameplate capacity wind-energy generation contracted under PSAs of various durations. ALLETE Clean Energy also engages in the development of wind-energy facilities to operate under long-term PSAs or for sale to others upon completion, with an additional 300 MW scheduled to come online in 2020.

“Completed amidst the historic



The Great American West Wind LLC tax equity transaction also generated funding for ALLETE Clean Energy’s Glen Ullin Energy Center wind site in North Dakota, which began commercial operations in December 2019. (Courtesy: ALLETE)

COVID-19 pandemic, successful construction and closing major financing such as Great American West Wind demonstrate ALLETE Clean Energy's adaptability and ability to deliver projects safely and efficiently," said ALLETE Clean Energy President Allan S. Rudeck Jr. "These clean-energy projects bring immediate and substantial economic benefits to the local host communities and provide our customers with carbon-free, sustainable energy sources. ALLETE Clean Energy is proud to bring customers what they want and industry what it needs, at a time of transformational change."

ALLETE Inc. is an energy company headquartered in Duluth, Minnesota. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth; BNI Energy in Bismarck, North Dakota; and has an 8 percent equity interest in the American Transmission Co.

**MORE INFO** [www.allete.com](http://www.allete.com)

## WindESCo closes \$10 million Series B financing

WindESCo, Inc., a wind-energy performance optimization company, recently announced it has closed a \$10 million Series B funding round led by WAVE Equity Partners, with participation from an affiliate of Tenaska, Inc. as well as existing investors. Using a combination of wind-plant domain expertise, machine learning, and smart sensing, WindESCo is revolutionizing how wind plants leverage data to maximize profit and performance. The company will use the proceeds of the financing to further enhance its technology offerings, bolster growth through the expansion of its sales and customer success teams, forge joint development and channel partnerships, and take its solutions to the global marketplace.

"WindESCo's solutions fill a major

gap in the wind-energy performance optimization space," said Mo Dua, founder and CEO of WindESCo. "We have successfully applied our solutions to increasing the operating margins of wind plants for project owners. WAVE and Tenaska's investment validates our approach. The funds will allow WindESCo to expand our product offerings and further our customer-centric focus."

WindESCo is delivering powerful and proven solutions for the utility-scale wind-energy industry that optimize turbine performance and maximize profit by increasing annual energy production and reducing operating expenses. Providing validated revenue increases for its customers in actual dollars — not just on paper — WindESCo's comprehensive solutions have enabled customers to increase plant revenues between 1 percent and 7 percent. WindESCo is also pioneering the next generation of "Social Wind Farms," empowering turbines to seamlessly learn from one another in real time and to operate as a cooperative unit. The company has innovated in terms of both technology and business model. Several major wind plant owners are now deploying WindESCo's solutions.

"WAVE is grateful for the opportunity to work with WindESCo's smart founding team," said Praveen Sahay, managing partner at WAVE Equity Partners. "They have pioneered the best sensing and analytics system to optimize performance efficiency and operational health of wind turbines. The wind industry is facing multiple headwinds, including declining incentives and premature failure of equipment, that are hurting profits. By solving key pain points and improving profitability, WindESCo is playing a crucial role in securing a leading source of sustainable energy."

"As the economics of wind generation continue to face margin pressures, operational optimization and reduction in maintenance costs will have a significant impact on asset owners' cash flows and long-term sustainability," said Rishi Bhakar, Te-

naska vice president who oversees its sustainable energy investments. "Tenaska is excited to witness firsthand the progress that Mo and his fantastic team at WindESCo have made in developing innovative solutions for the wind industry. Tenaska's expertise in power marketing and trusted relationships with wind-asset owners, combined with WindESCo's advanced software-based strategy, will benefit our customers through innovative products and services."

**MORE INFO** [www.windesco.com](http://www.windesco.com)

## Siemens Gamesa's long-term prospects good post-pandemic

Siemens Gamesa's performance in the second quarter of FY 2020 (January-March) reflected the unexpected effect of the COVID-19 pandemic on its operations and commercial activity, with a direct impact of 56 million euros on the company's profitability. This complicated situation further intensified the challenges in the onshore business, mainly in the Indian market and the execution of projects in Northern Europe.

Siemens Gamesa reacted rapidly to address this unprecedented crisis and to safeguard the health and safety of its employees and the communities where it operates. The company enacted strict health and safety protocols ahead of official guidelines, both at plants and offices, and applied new solutions to assure operations continue — including re-routing certain supply chains, optimizing remote monitoring to guarantee service operations and, in offshore, extending periods for maintenance teams working at sea. The company has also maintained a sound liquidity position, with credit lines amounting to 4 billion euros, against which it has drawn just 1.1 billion euros.

Although the lack of short-term predictability has led the company to withdraw the guidance it issued

in the first quarter of 2020, the long-term prospects for the industry and Siemens Gamesa remain sound. The company registered a record order backlog of 28.6 billion euros (+21% YoY) and is well positioned to take advantage of sector growth outlook thanks to its geographical diversification and leadership in technology. According to the International Energy Agency, renewables will account for two-thirds of total capacity installed by 2040, with a sustained level of installations averaging 57 GW per year.

In this context, Markus Tacke, CEO of Siemens Gamesa, called for a green recovery. "We are experiencing a situation without precedent that has changed our lives in just weeks," he said. "Siemens Gamesa considers that the renewables industry must play a key role in the economic recovery to move toward a sustainable energy model that generates quality jobs. It is in our hands to avoid another crisis: the climate crisis. I would like to thank all our employees for keeping our business running and enabling us to continue serving our customers despite the difficulties. My most sincere gratitude for the responsibility and courage they demonstrate on a daily basis."

Siemens Gamesa ended the first half of its fiscal year (October 2019-March 2020) with a record order book: 28.6 billion euros (+21% YoY), which sustains good long-term prospects. This figure was achieved after signing 6.83 billion euros (+36% YoY) in the first half and integrating the service assets acquired from Senvion. Order intake between January and March amounted to 2.203 billion euros (-11% YoY), reflecting the normal volatility of the offshore market and the impact of COVID-19 on the signing of onshore contracts, some of which were deferred to subsequent quarters.

Onshore order intake in the last 12 months increased to 9,485 MW (13% YoY) despite the 6 percent YoY reduction in the second quarter to 1,645 MW.

Offshore order intake in the last 12 months increased by 56 percent YoY to 2,879 MW. In the second quarter, the

company signed a preferred supplier agreement with Ørsted for the Bor-kum Riffgrund 3 (900 MW) and Gode Wind 3 (242 MW) wind farms, raising the conditional pipeline to 10.7 GW. Siemens Gamesa is the clear leader in this segment, with firm orders for 5.5 GW.

Service performed extraordinarily well, boosted by the Senvion deal, having logged 3.87 billion euros in orders in the last 12 months (+75% YoY), and 779 million euros in orders in the second quarter (+4% YoY).

Despite the strong commercial activity in the quarter, the expansion of the coronavirus was reflected in the company's revenues and returns. Revenues fell by 8 percent between January and March, to 2.204 billion euros, affected by lower sales of wind turbine generators. Revenues in the first half amounted to 4.204 billion euros (-9.6% YoY).

EBIT pre-PPA and before integration and restructuring costs amounted to 33 million euros in the quarter, with an EBIT margin pre-PPA and before integration and restructuring costs of 1.5 percent. The decline in profitability includes the 56 million euros direct impact of the coronavirus (equivalent to 2.5 percent of revenues in the quarter) as well as additional costs derived from the slowdown in the Indian market and in the execution of projects in Northern Europe, partially offset by the agreement between Areva and Adwen to resolve all disputes, obligations and liabilities and any past, present, and future claims between them. EBIT pre PPA and before integration and restructuring costs amounted to 103 million euros in the first half, equivalent to a margin of -2.5 percent of revenues.

In this context, the company booked losses of 165 million euros in the second quarter, and 339 million euros in the first half.

The company has implemented a number of social initiatives to help combat the effects of COVID-19, many of them instigated by the company's employees. ✨

**MORE INFO** [www.siemensgamesa.com](http://www.siemensgamesa.com)



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