

# MANUFACTURING

Production • Fabrication • Components • Supply Chain • Materials • Tooling • Machinery

## UK ALLIANCE ISSUES \$10.9 MILLION IN BUSINESS SUPPORT

*Manufacturing grants boost interest and support for offshore project*



Manufacturers looking to take advantage of the growth in the offshore wind market have received a \$10.9 million windfall of business support and capital funding.

Bosses at the GROW:Offshore-Wind service made the announcement at a recent supplier event to promote the \$2.3 billion Dudgeon Wind Farm project in Norfolk and immediately pointed to further investment in Hornsea as a sign that the sector is finally maturing.

More than 900 companies have benefited from the assistance to date, which has helped firms bring new innovations to market, purchase state-of-the-art machinery and explore crucial R&D.

The grants have also been used to facilitate relocation to new purpose built premise, an important feature for suppliers looking to increase capacity and manufacture larger components than they're normally used to.

"When we launched at the end of 2013 we had the single aim of getting more manufacturers and technology providers in a position where they could effectively supply into offshore wind," explained Dominic Brown, Head of GROW:OffshoreWind.

"We feel we have achieved this, providing strategic advice and access to funding for over 900 companies, ranging from steel fabricators

and composite specialists, to blade tip innovators and toughened glass specialists."

He continued: "Early estimates suggest that the (\$10.9 million) we have allocated will safeguard in excess of 1,150 jobs and, importantly, could create nearly 2,500 new ones."

GROW:OffshoreWind is delivered by Grant Thornton and program partners the Manufacturing Advisory Service (MAS), Renewable UK, and the University of Sheffield.

Working closely with government and industry leaders, the service has been instrumental in raising the profile of offshore wind and how suppliers can tap into opportunities



slowly coming to fruition in and around the UK's coasts.

Eight dedicated GROW specialists have been working with companies on the ground, whilst

senior officials have been cultivating relationships with tier-1s and the big contractors responsible for delivering the wind farms.

Dominic continued: "Another

focus has been around building links with the organisations responsible for developing the supply chains.

"We are starting to see a noticeable change in Developers and tier-1s engaging with SMEs. There seems to be a genuine commitment for local supply and, as a result, we are now putting on events that are bringing suppliers in direct contact with tier-1s (A2Sea, Carillion and Sif Group for example) and operators, such as Statoil and Siemens.

"It has taken a while for the potential to turn into reality and suppliers need to work hard to prove themselves. However, with investment being seen in East Yorkshire and off the Norfolk Coast, the appetite to be involved has definitely grown."

For more information, visit [www.growoffshorewind.com](http://www.growoffshorewind.com). ↗

## REPORT: WIND TURBINES ARE IN OVERSUPPLY GLOBALLY

*Innovation and lean manufacturing practices cited as causes for surplus*

A new report from Navigant Research examines the significant forces shaping the global wind power industry's supply chain, including analyses of more than 500 component and materials suppliers.

During the past two years, more flexible sourcing strategies across the wind power supply chain have resulted in cost reductions, enabling greater geographic market access while reducing risk and ensuring profitability for wind turbine vendors and their partners in the component value chain. Overcapacity, however, persists in most, though not all areas of the supply chain, providing purchasers with more choice, flexibility, and cost control. According to a new report from Navigant Research, while demand in 2014 is projected to be less than 47,000 MW, annual turbine manufacturing capacity, according to vendor estimates, is likely to exceed 71,000 MW.

"Oversupply is allowing wind turbine manufacturers to more easily adjust what components they produce in-house, what is outsourced, and when a blend of both is advantageous for cost, technological, or geographic reasons," says Jesse Broehl, senior research analyst with

Navigant Research. "Although many manufacturing facilities are running at less than full capacity, product innovation, lean manufacturing, and outsourcing are resulting in a highly competitive wind industry ready for the challenges of today's and tomorrow's wind markets."

Blades are a particularly strong area of strategic product evolution and sourcing shifts, according to the report. Turbine manufacturers are making major, capital-intensive investment changes in how blades are designed, what materials are used, the manufacturing processes behind them, and what companies they source from.

The report, "Supply Chain Assessment 2014 – Wind Energy," examines the significant forces shaping the global wind power industry's supply chain. The nearly 300-page report examines 11 component categories and profiles more than 300 component suppliers; it also identifies more than 200 suppliers across four groups of materials. Analysis is provided of the top wind turbine vendors and their manufacturing capabilities, supply chain relationships, and technology strategies. Key offerings and the capacity for leading suppliers, located

primarily in North America, Europe, Asia Pacific, and Latin America, are quantified. The report also analyzes the major technology trends within each of the component and materials categories, as well as the related manufacturing capacity and supply versus demand dynamics

expected through 2018. An Executive Summary of the report is available for free download on the Navigant Research website. ✎

— Source: Navigant Research

## MANUFACTURER REPORTS \$7.3 MILLION IN ORDERS FROM WIND

Cleantech Solutions International, Inc., a manufacturer of metal components and assemblies used in various manufacturing industries, including clean technology, textile dyeing and finishing machines, and oil and gas refineries, recently announced that it received two purchase orders in early December for a total purchase price of approximately \$7.3 million from customers in the wind power industry.

Pursuant to one of the purchase orders, Cleantech Solutions will supply shafts to a major wind turbine and electric machinery manufacturer in China, for a purchase price of approximately

\$4.4 million. Cleantech Solutions has received an advance payment of 20 percent of the purchase price, will receive an additional 70 percent upon delivery, and the remaining 10 percent within three months after delivery — provided that there are no technical problems with the equipment. The company expects to deliver the equipment in May 2015.

Pursuant to the second purchase order, Cleantech Solutions will supply gearbox casings for wind power equipment to one of the largest industrial blower manufacturers in China, for approximately \$2.9 million. The same

payment schedule applies to the second order, which Cleantech expects to deliver in March.

“We believe that the recent push by China’s leadership to support wind power spurred these orders. Although China’s wind power industry still has significant issues to address in terms of system integration, we are cautiously encouraged by the government’s support and hope that it will drive additional demand for our products,” said Mr. Jianhua Wu, Chairman and CEO of Cleantech Solutions.

— Source: Cleantech Solutions

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Kristen Graf (WoWE Staff)



Spring 2014 WoWE Board Meeting

(Back Row L-R): Trudy Forsyth, Karen Conover,  
Jan Blomstrann, Michelle Montague, Jennifer Martin,  
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