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Global Wind Summit 2018

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28 September 2018
DAY FOUR

Poland to unveil 1GW renewables tender

BERND RADOWITZ

Poland's energy regulator is expected to announce details of a close-to-1GW tender for large onshore wind and solar projects next week, to be held before year-end, a senior Polish government official tells *Recharge*.

In an interview at the Global Wind Summit yesterday, Andrzej Kazmierski, director for renewable energy and distributed energy at the Polish ministry of energy, explained that wind projects participating in the auction will be exempt from a damaging distance rule introduced in 2016. The rule, which banned turbines being erected closer than ten times its tip height to the nearest settlement, effectively killed off the country's previously vibrant onshore wind expansion.

Including wind in the upcoming tender was made possible by a recent amendment to Poland's Renewable Sources Act, which extends the validity of existing building permits to mid-2021, and also restores rules for charging property tax for wind turbines to lower pre-2017 levels. High property taxes would otherwise have made new investments very difficult.

The Polish wind sector is nevertheless appealing to the government in Warsaw, led by the populist Law and Justice Party, to make more lasting reforms that would reverse the damaging rules enacted in 2016.

Kazmierski hinted at a change of heart over the government's previously very staunchly pro-coal position.

"We are not [pro] coal because we like the smoke. We need to change the grid, we need to change the distribution system, we need to change many things before we will go for renewables," he said. "The

CONTINUED on Page 2

Polish energy official Andrzej Kazmierski, speaking to *Recharge* at the Global Wind Summit yesterday.

Photograph | Bernd Radowitz

BERND RADOWITZ


Siemens Gamesa's offshore wind boss, Andreas Nauen

Photography | Siemens Gamesa

SGRE: Japan 'will be Asia's next big offshore wind market'

After Taiwan, Japan will be the next big market for offshore wind power in Asia, with projects of at least 600MW starting to be installed from 2022-23, says Andreas Nauen, offshore wind chief executive at Siemens Gamesa Renewable Energy (SGRE).

"Everything falls into place there. You have an existing industry, decent wind conditions, and legislation is currently being passed through parliament," Nauen told *Recharge* in an interview at the Global Wind Summit.

While in the longer run, floating wind is likely to be the technology of choice off Japan — due to the deeper waters found off its steep continental shelf — a first wave of projects will be bottom-fixed, he said, adding that the time frame for the transition to floating wind is not entirely clear.

Nauen said he couldn't immediately give an exact estimate of the volumes likely to be installed off Japan in the coming years, but said that the first so-called "harbour projects" will still be relatively small, in the 200-400MW category.

"And then the really big projects will start, with installations maybe in 2022-23, and we understand [their size will be] about 600MW-plus."

Legislation to set a framework for offshore wind expansion in Japan was delayed in July by a parliamentary logjam, but the Japanese Wind Power Association said it hopes the bill will get reintroduced in the parliamentary session this autumn.

Analysts said earlier this year that the bill represents an important first step in promoting large-scale development off the Japanese coast, even though a number of crucial details were still left hanging, such as responsibility for offshore grid transmission links.

SGRE earlier this month said it will offer a version of its SG 8.0-167 direct-drive offshore turbine that is adapted to extreme climates, such as typhoons for Taiwan and other Asia-Pacific markets.

French floating wind pioneer Ideol and investment group Macquarie are already getting ready for the time floating wind will take off in Japan.

In April, the pair signed a memorandum of understanding to develop a commercial-scale floating wind array off Japan, which they said would be a multi-hundred megawatt project.

Poland will also hold a 700MW tender for small-scale projects

FROM Front Page

co-operation of those two sources can make energy less expensive and cleaner."

A different 700MW auction for sub-1MW projects will also be held this year, which is likely to favour solar projects, Kazmierski added.

"Our system is screaming for PV because of the lack of energy during summer time."

The wind sector has welcomed the shift in government policy.

"Poland has a large pipeline of permitted onshore wind projects seeking a route to market," said Johannes Schiel, head of public affairs at Vestas Northern & Central Europe. "The re-establishment of the Polish wind energy market is regarded extremely positively by Vestas. The stall of the market for wind turbines will be overcome in 2019."

Bids for the 1GW auction for larger projects will be capped at 350 zloty ($95.80) per MWh for onshore wind, and 420 zloty per MWh for solar, according to industry sources. The total volume to be auctioned off is 45,000GWh for a 15-year period, with awarded capacity depending on the power production of the winning projects.

As there are few fully permitted large PV projects, it is likely that onshore wind will win most of the capacity at the 1GW auction, *Recharge* has learned.


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Vestas turbines under construction at the 100MW Corti wind farm in Argentina

Argentine renewables build-out 'protected from economic crisis'

ANDREW LEE

Argentina's renewables programme is "well shielded" to ride out the economic storm battering the country, claimed the government's renewable energy under-secretary.

Argentina – seen as one of the world's key emerging wind and solar markets – is struggling with a contracting economy, falling currency and strikes, but Sebastian Kind said the global wind industry should take comfort from measures put in place to reassure international investors in its renewables sector.

"Of course the country is suffering turbulence in terms of the depreciation of the currency and so on," said Kind, the country's most senior renewable-energy official, in an interview with *Recharge* at the Global Wind Summit.

"It's an unfortunate situation. But the renewables programme [is] so well shielded out of Argentinian risk that we are still on track, even though we are in this situation."

Kind led the design of the country's RenovAr programme, which has driven procurement of 6GW of wind and solar since the current government came to power in 2015. The programme features safeguards such as US-dollar-denominated 20-year power-purchase agreements, underwritten by the Argentinian Treasury, and a $500m World Bank guarantee.

He claimed the derisking mechanism of the framework has been proved by the power prices achieved under RenovAr, which have been among the lowest in the world — around $40/MWh at the last tender round. "We obtained investment-grade-economy prices although we are not an investment-grade economy," said Kind.

The official said he is not necessarily expecting prices to fall further in the 400MW 'MiniRen' tender for renewables projects of up to 10MW that comprises

the latest round of RenovAr next month, and is designed to keep the programme bubbling while the country addresses transmission capacity issues.

"We got very fast to a very low [power price range] very quickly. There is still margin. We can still squeeze a little bit more out of that, but we know we can't expect another 50% of discount in the tariff."

Andrés Gismondi, Vestas' sales director for Latam South Cone, said the wind OEM — which is weeks away from opening a nacelle factory in the country and has 1.5GW of projects under execution there — remains steady in a "long-term commitment" to the Argentine market.

Hacking kings Alpha-I and Power2U win wind-power hackathon

LEIGH COLLINS

Teams from Alpha-I and Power2U hacked their way to €5,000 prizes at the second edition of the Hack the Wind energy hackathon, held under a deal between industry advocacy body WindEurope and European sustainable-energy innovation outfit InnoEnergy.

The decision was announced by a jury experts in the wind sector, led by mentor companies EDPR and Siemens Gamesa, and including *Recharge* editor-in-chief Darius Snieckus.

"We believe in the benefit that can be obtained from open innovation environments, as way to generate new ideas on the challenges of our industry," said Antonio de la Torre, chief technology officer of Siemens Gamesa.

"Hack The Wind gave us deep insights on what cross-functional teams are to achieve, combining blockchain knowledge, data analytics capabilities, understanding of the energy domain, and not least, front-end development skills."

António Vidigal, chief executive of EDP Innovation added: "We believe that our industry is moving from capital intensive to knowledge intensive, and EDP is betting on an Open Innovation Model – which allows EDP to leverage on external talent.

"It was also the right place and time to launch our EDP Open Data initiative, which puts digital and domain knowledge together. We look forward to partnering in new hackathons."

The teams were challenged with two tasks over 48 hours during the Global Wind Summit, with Siemens Gamesa mentoring work on blockchain applications for hybrid systems optimisation and EDP Renewables mentoring the predictive maintenance and O&M optimisation solutions.

Two other entrants, Chlorophyll and ODS AI, won the €2,000 prize for the best technical achievement on each challenge, while InnoEnergy awarded an In-Kind prize — namely, business coaching services — to both Alpha-I and Ginkgo.

Photography | Pampa Energia | Recharge

Equinor's Dudgeon project off the UK

Photograph | Equinor

Equinor and Petrobras to build offshore wind projects in Brazil

ANAMARIA DEDULEASA

Brazilian oil group Petrobras and Norway's Equinor have signed a memorandum of understanding (MoU) to jointly develop offshore wind projects in Brazil.

No investment or capacity plans were detailed, but the partners expect to spend two years identifying and assessing potential projects before moving towards construction, said Equinor Brazil president Anders Opedal, while announcing the MoU during the Rio Oil&Gas conference on Wednesday.

"Brazil has great potential for renewable energy. We want to understand how our expertise can contribute to the generation of offshore wind energy in the country, the way we are doing in Europe," Opedal said.

"We will use our vast expertise in offshore, and combine the technology of oil & gas with existing offshore wind technology. Engineers who are used to working in oil & gas will now use their skills to develop offshore wind farms."

Equinor, which has pledged to invest 15-20% of its annual capital expenditure in renewables by 2030, is already advancing plans to replace some gas turbines at the Snorre and Gullfaks platforms in the North Sea with floating wind power to reduce CO_2 emissions.

Nelson Silva, Petrobras director of strategy, said: "Now that some of the financial problems of Petrobras have been resolved, we are starting to look towards the future. And this partnership with Equinor is very complementary to our skills and ambitions."

Petrobras has four onshore wind farms in the state of Rio Grande do Norte, totalling 104MW, and a PV energy research and development plant in Rio Grande do Sul North, where the potential of four technologies is being evaluated.

New investment in ports 'could save 5.3% on offshore LCOE'

CHRISTOPHER HOPSON

Investments of €500m-€1bn in some of Europe's key wind ports could reduce the levelised cost of energy (LCOE) for offshore wind by 5.3% by 2030, according to figures released yesterday by the WindEurope Ports Platform.

The upgrading, redesigning and adapting of ports will allow developers to work with larger turbine components, larger vessels that can complete installation faster, and allow the consolidation of O&M teams at dedicated hubs — all of which would help to reduce costs.

New port facilities are also needed for the annual decommissioning of 750MW of turbines that are due to reach the end of their working lives between now and 2030, said the Ports Platform, a group of Europe's major ports serving the wind industry.

"With offshore wind turbine components getting larger and installation volumes going up there's a need for new investments in infrastructure," said WindEurope chief executive Giles Dickson. "These investments will help the offshore wind sector to cut costs, and will help ports to attract new business activities.

"We'd be keen to see new public-private partnerships and the allocation of existing EU funds to make this happen."

AN INVESTMENT IN KNOWLEDGE ALWAYS PAYS THE BEST INTEREST

Benjamin Franklin

RECHARGE has been reporting from the front lines of the renewables industry on five continents since late-2008 led by an editorial mission to bring depth and dimension to coverage of the news that matters, with the accent on analysis, opinion and relevant in-depth features.

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Spanish wind sector welcomes energy reforms

CHRISTOPHER HOPSON

Spain's long-suffering wind industry has given a big welcome to major government reforms of the electricity sector, designed to encourage the wider deployment of renewables, while rolling back many of the restrictions imposed by the previous administration.

Teresa Ribera, Spain's minister for ecological transition, this week announced sweeping electricity market reforms, including measures to change outdated price-setting mechanisms because of their negative impact on both investors and consumers.

Heikki Willstedt Mesa, director of energy policy at the Spanish Wind Energy Association (AEE), told *Recharge* at the Global Wind Summit that it welcomed the reforms because finally there is a minister in Spain who understands that the right policies need to be in place to achieve stated objectives.

"In this case, the objectives are quite ambitious, because Ribera has said at least 32% of energy has to come from renewables in Spain by 2030. But they might go for an even higher target, and together with other associations we are discussing what that might be."

Spain's minister for ecological transition, Teresa Ribera

Ribera said with a €100bn ($117m) investment in renewable generation and increased storage capacity, Spain could obtain a saving of around €400bn on consumers' electricity bills and meet its 32% EU renewables target by 2030.

She said it was important for Spain to reverse the damage to investor confidence created by the unilateral changes to renewables tariffs made in 2013 by the previous government of prime minister Mariano Rajoy.

Willstedt Mesa said the government wants to promote the use of long-term corporate power-purchase agreements (PPAs) in order to shift a large percentage of energy out of the wholesale electricity market.

"The situation in Spain is very conducive to the introduction of these types of contracts as wholesale prices have gone up, so big industrial players are looking at these PPAs so they can hedge against an increase in the cost of electricity."

The AEE has welcomed government plans to encourage the repowering of older wind farms and for developers to be granted time extensions for projects held up by bureaucratic obstacles.

"Most of the installations from recent renewables auctions held in 2016 and 2017 will be built next year, but their permits were due to expire before they could be built — so it was very important these permits were extended for a couple of years.

"Ribera plans to scrap a 7% tax on electricity production from all types of technologies, introduced by the previous administration. This tax is going to be suspended next week.

"She has also announced plans to remove the barriers to self-generation in Spain — by scrapping the so-called solar tax — also introduced by the previous administration."

Turbine availability 'significantly reduced' after 10 years in operation

ANDREW LEE

Onshore turbines show "significant reduction" in availability after ten years of operation, with later-life failures resulting in significantly more downtime than earlier in their lifecycle, latest data from wind benchmarking specialist WEBS shows.

WEBS looked at performance metrics from 22 "appropriately aged" operating onshore wind farms to explore the impact of age on performance, revealing "a bathtub curve" with high failure rates at the start and end of life.

"However, the failures later in life have much more downtime associated with each outage," said its latest report.

"Consequently, older wind farms are experiencing significantly more unforeseen downtime and this is driving the major reduction in availability in the latter half of life."

WEBS, which provides anonymised data from "leading international onshore wind farms" added that its sample group showed relatively stable rates of availability across the year, while capacity factor averaged 29% and peaked at 37% in Q4 2017.

Photograph | AFP/Getty

The WindEnergy Hamburg app 2018

Extremely practical: the services offered by the WindEnergy Hamburg App.
It helps you to make the ideal preparations for your visit. With exhibition hall plan, and the latest news on the programme.

The free App is available for iPhone, iPod touch, iPad and Android.

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DON'T MISS

Take a wander through the world's leading expo and browse around. Be prepared to make many connections with other business and top class events. Examples include:

Today: WindEnergy Hamburg is partner of the 10th Hamburg Climate Week

As a partner of the 10th Hamburg Climate Week, the world's leading wind energy expo is also open to non-trade visitors today. Anyone who wants to get an impression of the innovative power and career opportunities of this industry can visit the expo at the reduced rate of €15 at all cash desks.

Today at noon: Ruslana on stage

Want to take a break and listen to some music? Ukrainian Eurovision Song Contest winning artist Ruslana is on stage between Hall B3 and B7. Starting at 12pm she wants to set a sign as she is campaigning for renewable energies in her country.

Between Hall B3 and B7

RECRUITING FORUM

UPPER FLOOR BETWEEN HALLS B1 AND B2

10.30 – 10.55
Arbeiten in der Windbranche. Ihre Karrieremöglichkeiten mit Kelly Services
Insa Helmholz, Niederlassungsleiterin Engineering und Standortleiter Hamburg, Kelly Services GmbH

11.00 – 11.15
Die 7 Todsünden bei der Bewerbung Marcus Bach, Finanzwirt (CoB) / Selbstständiger Wirtschaftsberater, A.S.I

11.20 – 11.35
Was bin ich Wert? Einstiegsgehälter und Tarifverträge in der Windindustrie
Florian Rebstock, Gewerkschaftssekretär und Ingenieur, IG Metall

11.40 – 11.55
Recruiting 24/7 - Talentmanagement aus Sicht eines Personalexperten für die Windenergie
Marcel Patrick Kelm, Head of Marketing and PR, convent experts GmbH

12.40 – 12.55
Wind & Karriere bei Bureau Veritas Daniel Carl, Business Unit Manager CAPEX Services (INP, PCA & Wind), Bureau Veritas Industry Services GmbH

13.00 – 13.15
Study Solar - Wind - Renewable Energy - Online and Next to your Job
Philipp Bucher, Program Coordinator, Universität Kassel / University of Freiburg

13.20 – 13.35
Was bin ich Wert? Einstiegsgehälter und Tarifverträge in der Windindustrie
Florian Rebstock, Gewerkschaftssekretär und Ingenieur, IG Metall

13.40 – 13.55
Alle 11 Minuten...
Yaw Boateng, Manager, Power Engineering, emagine GmbH

14.00 - 14.15
Wanted: talent for innovation!
Eline Vandenbroeck, HR Business Partner, Jan De Nul NV

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Recruiting Area

The Recruiting Area is located on the upper floor between Halls B1 and B2.

The highlight today – many of the exhibitors will present themselves as employers in the Recruiting Area. Skilled specialists will have an opportunity today, alongside the normal expo and meeting activities, to meet up with human resource managers and find out about further education opportunities. You can look forward to stimulating talks, useful insights and specific job opportunities.

Job Route

The Job Route allows you to find more participating companies at a glance and seek them out directly. You find the companies by the green stand in the Visitor Guide.

Interested jobseekers can find their way to exhibitors in different halls whose stands are staffed by personnel managers available for discussions. Also you can visit our Job Wall between Halls B1 and B2, upper floor, to find interesting job advertisements.

Find your job! Participating companies at the Recruiting Area and Job Route

- Delft University of Technology, Hall B7, booth 667
- Deutsche Windtechnik, Hall A1, booth 418
- Enercon, Hall A1, booth 223
- EWE Offshore Service & Solutions, Hall B2, upper floor, booth RD22
- Fraunhofer Institute for Wind Energy Systems IWES, Hall B2, upper floor, booth RD12
- Innogy, Hall B6, booth 435
- Jan De Nul, Hall B2, upper floor, booth RD21
- K2 Management, Hall B2, upper floor, RD08
- Kelly Services, Hall B2, upper floor, booth RD34
- LM Wind Power, Hall A1, booth 521
- Nordex Group, Hall B2, upper floor, booth RD17
- REETEC, Hall B6, booth 375
- Senvion, Hall B2, upper floor, booth RD28
- Siemens, Hall B6, booth 362
- Van Oord Offshore Wind, Hall B4, ground floor, booth 311
- Vattenfall, Hall B6, booth 339
- Ventur, Hall B6, booth 143
- Windigo, Hall A1, booth 250.07
- wpd windmanager, Hall A1, booth 132

You can find more companies taking part in the Job Route throughout the halls!

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DAY 4: New markets, new frontiers: the long-term outlook

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09:15 – 10:15, Room: Brussels
New markets, new frontiers: the long-term outlook

This session will look at the long-term outlook for wind, focusing on new exciting developments which may soon change the face of the industry.

10:45 – 12:00, Room: Brussels
Recycling and other sustainability challenges for the wind

The success of the wind industry relies on both the practical and strategic management of environmental impact and social acceptance. This session brings the latest practical examples and insights to how these challenges can be managed.

13:00 – 13:50, Room: Brussels
Towards commercial deployment: key lessons from the most advanced floating wind projects

This session will outline key technical, environmental, commercial and financial challenges faced by current and future floating wind projects and how these have been or will be overcome.

13:55 – 14:50, Room: Bilbao
Offshore wind outside Europe: a look at the US, Taiwan and Japan

This session will focus on Japan, Taiwan and the United States, all of whom have the potential to become major new markets for the offshore industry.

SOCIAL & SIDE EVENTS

09:30 – 10:00, Kopenhagen 1
The winds blowing in from China.

Meet prominent chinese companies and find out the latest news, developments, and opportunities for collaboration.

WindEurope has two stands in Hall B1.

WindEurope Stand B1.OG.311

- Meet the WindEurope team and pick up your copy of our new flagship report on wind energy and electrification in Europe and explore our wide range of industry-leading publications.
- Get a taste of our business intelligence tools.
- Book your stand or sponsorship package for our upcoming events.

WindEurope Stage B1.OG.211

9:30 – 10:00 WindEurope – how do we support your growth in the wind industry?

10:30 – 11:00 Carrying your voice in the political arena.

11:30 – 12:00 WindEurope events: what's coming next? (2018-2019).

12:30 – 13:00 Offshore Wind Energy in Germany: Status Quo and positions of the Offshore Wind Industry.

13:30 – 14:00 Research & Innovation – shaping Europe's funding priorities for wind energy.

14:00 – 14:30 Wind Energy in Europe: Outlook to 2022.

Agenda subject to alteration.

SEE FULL AGENDA: windeurope.org/stage

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For more information, **visit the WindEurope stand** – we're in Hall B1 on the upper level at **B1.OG.311**!

OEMs 'may soon begin outsourcing offshore blade supply'

KARL-ERIK STROMSTA

Global turbine OEMs that have outsourced a growing portion of their onshore blade production may soon begin doing so for offshore projects as well, TPI Composites chief executive Steve Lockard tells *Recharge*.

"Historically the offshore business has been dominated by one or two players who built most all of their blades in house, so it wasn't as target-rich for us [as onshore]," Lockard said in an interview on the sidelines of the Global Wind Summit.

"We're not building offshore blades today, but the opportunity is growing and it's becoming more and more interesting."

TPI, the world's leading independent blade maker, has seen rapid growth in recent years as turbine manufacturers have outsourced more of their blade production. TPI operates blade plants in China, Mexico and Turkey in addition to its home market of the US, and a recent deal with Germany's Enercon in Turkey means it now counts the world's six largest non-Chinese turbine OEMs as customers.

The percentage of outsourced blades being used in the global wind market has grown from 30% a few years ago to more than 50% today, Lockard said.

That's happened even as GE has moved much of its blade production in-house through its 2017 acquisition LM Wind Power. And that percentage will continue to rise, Lockard predicted.

The "same paradigm" of outsourced blade production that allows turbine OEMs to enter new onshore markets quickly and without sinking capital into local factories can also apply to offshore, he said. "With international markets expanding, the same model can work for offshore."

Offshore wind will remain a relatively small fraction of the global wind market, with analyst MAKE forecasting its share at less than 20% in 2027. "We don't expect it to be a major percentage of what we do," Lockard said.

But within TPI's current prioritised pipeline of deals, Lockard confirmed that "a couple in that pipeline would be offshore related".

SGRE hiring for 12MW+ turbines

BERND RADOWITZ

Siemens Gamesa Renewable Energy (SGRE) is hiring engineers in Denmark and India for its planned 12MW-plus offshore wind turbine, the OEM's offshore chief executive Andreas Nauen told *Recharge* in an interview at the Global Wind Summit.

He still couldn't tell when exactly SGRE will launch its super-sized offshore machine, but Nauen said that it would be within a year.

The usual cycle, once the company starts hiring people, lasts around half a year, he added, which gives some indication that the process will take a while.

Siemens first revealed plans for a 10MW-plus machine in 2015, before its merger with Gamesa, but little has been said about it since.

MHI Vestas announced the first 10MW-plus turbine on Tuesday, while rivals GE, Senvion, Goldwind and others are now working on double-digit-megawatt machines, which are expected to cause another round of steep price declines in offshore wind.

Photograph | Getty

Engie acquires 500MW of French wind projects

France's Engie has acquired French developer Sameole and its 500MW pipeline of onshore wind projects in the country for an undisclosed amount, building on its recent global renewables acquisition spree.

The acquisition of Sameole and its 20-member development team strengthens Engie's position in its home market, where it already operates 1.9GW of wind capacity.

Engie chief executive Isabelle Kocher

Eni to build first large wind farm in Kazakhstan

The first utility-scale wind farm in Kazakhstan, a 48MW project, is to be built by Italian oil & has giant Eni, using 3.8MW turbines supplied by GE.

The Badashma wind farm will be Eni's first significant investment in wind power, while the plant will also be the first in the country to use GE machines.

GWEC creates offshore wind advisory taskforce

The Global Wind Energy Council (GWEC) has set up an offshore wind taskforce to advise non-European governments on the benefits of the technology, as well as best practices.

The taskforce will be chaired by the UK's Alastair Dutton, with industry pioneer Henrik Steisdal as its first global offshore wind ambassador.

ABB to supply WindFloat Atlantic transformers

ABB will supply custom-designed transformers for the 8.4MW MHI Vestas turbines to be deployed on the WindFloat Atlantic floating wind project off northern Portugal, being developed by an EDP Renewables-led consortium. The compact 66kV transformers are specifically designed to withstand the additional vibration and movement of a floating project.

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Vietnam approves higher FIT for wind

Fishermen working near Vietnam's first wind farm, the 99.2MW Bac Lieu facility, in the southern province of the same name

Photograph | AFP/Getty

ANDREW LEE

Vietnam's government has signed off an increase to the country's wind power feed-in tariff (FIT), in a bid to spur higher levels of development in one of the sector's most promising markets that remains largely untapped.

The country's Prime Minister approved an increase from the previous flat-rate FIT equivalent to $0.078/kWh to a new level of $0.085/kWh for onshore projects and $0.098/kWh for offshore wind, said the Vietnam office of legal firm Baker McKenzie in a note to clients.

The new 20-year FIT is open to projects commencing commercial operations before 1 November 2021, it added. After that date, the Prime Minister has instructed the country's Ministry of Industry and Trade (MOIT) to study options for moving to an auction-based mechanism.

The FIT level was seen as one of the obstacles preventing full lift-off of the wind power sector in Vietnam, which has just 189MW in place towards an official target of 800MW by 2020 and 7GW by 2030.

The Global Wind Energy Council (GWEC) earlier this year told *Recharge* it hopes the government will also look at shoring up the bankability of the PPAs on offer with state utility EVN, which lack, for example, guarantees regarding longevity of power offtake.

Availability of grid connections is also a potential barrier, given the huge amount of solar power Vietnam is planning to bring on line.

Despite this, wind industry players regularly put Vietnam on their list of key emerging markets, not least because of its excellent wind resources.

GWEC chairman Morton Dyrholm told *Recharge* previously: "If you look at the wind resource and market condition, Vietnam should be the first country in line after the US and Taiwan for offshore wind development."

Enercon, the German onshore OEM, announced its debut in Vietnam earlier this month, with a deal to supply 77MW that it expects to be the start of further business in the country.

In the offshore wind market, OEM MHI Vestas joined DNV GL and regional partners in an alliance that hopes to develop large-scale offshore wind projects off Vietnam's southern coasts.

Russian tower JV to supply 1.8GW of Fortum-Rusnano projects

ANDREW LEE

Developer Rusnano has linked with steel group Severstal and Windar Renovables to produce towers for the 1.8GW Russian project pipeline for which Vestas is lined up to supply turbines.

Spanish tower specialist Windar will be the 51% major shareholder in WRS Bashni, a joint venture set up by the trio. Russian partners Rusnano and Severstal will hold 24.5% each, said a statement announcing its formation.

The JV will invest an initial 750m roubles ($10.9m) to get WRS Bashni up and running, producing steel towers up to 120 metres tall from a factory in the Rostov region.

WRS Bashni's first "key customer" will be the separate partnership between Rusnano and Finnish energy group Fortum, which, with 1.8GW, has proved the big early winner in Russia's initial spate of wind tenders.

Vestas has already been named preferred supplier to the Rusnano-Fortum pipeline, and opened a nacelle line in Nizhny Novgorod earlier this year, while a blade plant is due to start production in early 2019.

The JV partners expect the tower operation to expand to an output capacity of 300MW within two years, and hope it will account for up to half of the total annual Russian wind market.

The tower plant will help developers comply with Russia's stringent local-content rules.

ANDREW LEE

Another self-inflicted wound in South Africa?

South African President Cyril Ramaphosa

South Africa's renewables sector hopes intensive lobbying can persuade its government to avoid another self-inflicted policy wound, just when it seemed the country's clean-energy ambitions were back on track.

The South African wind and solar industries fear a three-year renewables procurement gap proposed in a draft version of the government's Integrated Resource Plan (IRP) could seriously undermine supply chains already rattled by a policy-related market lockdown that was only lifted earlier this year.

The issue risks taking the gloss off an IRP — South Africa's overarching 10-year roadmap for matching power supply and demand in 2020-30 — whose headline figures look highly favourable for the renewable energy sector and were widely welcomed when the draft document was unveiled in August.

The draft IRP foresees 8.1GW of additional wind power and 5.67GW of new solar PV in the next decade. By 2030 that would bring the two renewable sources to 11.44GW and 7.96GW respectively, and a projected 25% combined share of South Africa's total power fleet by capacity. The draft IRP also kicked into touch South Africa's new-build nuclear programme, marking a decisive break by newly appointed President Cyril Ramaphosa with the energy policy of his predecessor, Jacob Zuma.

However, examination of the proposed timetable soon set alarm bells ringing over the Department of Energy's suggestion that no procurement of renewables would take place in the three years covering 2022-24, with the additional wind and solar capacity taken forward only in the final five years of the decade.

Commentators told *Recharge* the prospect of another halt to procurement is the last thing the South African wind and solar supply chains need. They are only just preparing to ramp back up again after the three-year stand-off with state utility Eskom that froze the market when it refused to sign power-purchase agreements (PPAs) previously awarded under South Africa's Renewable Energy Independent Power Producers Procurement Programme (REIPPPP).

Nordex turbines in South Africa

Eskom's intransigence seriously dented international investor confidence in the South African renewables programme until Ramaphosa's newly appointed energy minister, Jeff Radebe, ended the impasse and swiftly ensured signing of the PPAs soon after the new government took power in early 2018. Radebe's action unblocked about 2.2GW of mainly wind and solar projects and billions of dollars' worth of investment. His subsequent announcement of a new 1.8GW REIPPPP procurement round scheduled for November appeared to confirm the good times were back for South African renewables.

The South African Wind Energy Association (SAWEA) fears the procurement hiatus contained in the draft IRP means the sector would effectively run out of steam again, once the crop of projects commissioned under the current REIPPPP awards have worked their way through to commissioning over the next

Photography | AFP/Getty | Nordex

three years or so.

Along with others in the renewables lobby, it hopes the 60-day consultation window that opened after the publication of the draft IRP can be used to show Radebe and his officials the dangers of the plan as it currently stands and persuade them to change it, or risk undermining the industrial benefits wind has already brought to the South African economy via the 2.1GW installed by the end of 2017.

> The inclusion of new coal capacity will add $1.35bn of unnecessary costs for South African consumers

"Boom and bust procurement can be very damaging to the development of a localised supply chain," SAWEA tells *Recharge* in a statement. "Attracting investors — whether domestic or international — requires reasonable certainty of a pipeline or demand."

Independent industry analysts agree that a three-year hole in activity would spell trouble for the South African sector — and potentially for the overall renewables capacity ambitions set out in the IRP.

"A three-year gap period for wind power would cause commercial losses for local manufacturers, particularly those with limited export opportunities," says Sohaib Malik, an analyst at wind consultancy MAKE. "Moreover, as more and more governments compete over international capital to support renewable-energy development in their countries, international investors, who have contributed substantially to the success of South Africa's renewable energy industry, may find the market less attractive.

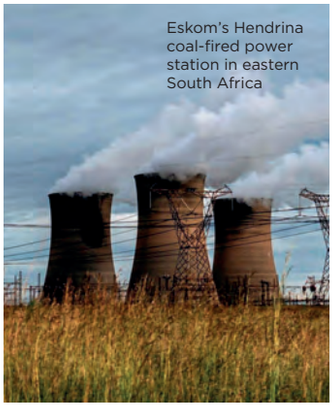
"If the South African government does not introduce a concrete renewable power development plan to support market growth between 2020 and 2025, it may have difficulty in achieving its ambitious target of 14GW of wind and solar PV capacity from 2025 to 2030."

The root of the problem facing renewables in the early part of the next decade under the IRP as it currently stands can be summed up in one word — coal.

Nuclear may have vanished from South Africa's plans but coal remains centre stage, and will still account for 46% of South Africa's power fleet by capacity in 2030 under the scenario set out in the draft IRP document. Coal capacity dominates the installed generation fleet of financially-troubled state power giant Eskom — accounting for 36GW out of 43.5GW in 2017 — and coal mining is a major employer and source of exports for South Africa, with all the political sensitivities that creates.

Malik points out that the IRP proposes adding 6.7GW of new coal capacity between 2019 and 2024 — time that he argues would be better spent "optimising the benefits of renewable energy and improving the overall economic stability of its electricity market".

As it stands, the bad and worsening economics of coal-fired generation compared to ever-cheaper renewables mean the inclusion of new capacity in the IRP will add 20bn rand ($1.35bn) of unnecessary costs for South African consumers, according to calculations by Greenpeace Africa.



Eskom's Hendrina coal-fired power station in eastern South Africa

Chris Ahlfeldt, a South African energy specialist for consultancy Blue Horizon, tells *Recharge* that Eskom needs reforming by the government to allow it to focus on managing the grid rather than generation.

Jeff Radebe

In any case, according to Ahlfeldt, Eskom will increasingly be forced to recognise the interests of bill-payers by prioritising renewable IPP projects that are producing some of the cheapest power on the market.

"In addition, the smaller-scale distributed generation market projects are continuing to grow rapidly, especially for solar PV as more customers are opting for less expensive rooftop solar solutions to reduce their risk exposure to Eskom's rising tariffs," he says. "This trend is expected to continue especially as battery prices continue to decrease."

SAWEA, which told *Recharge* it began work on a "strong submission" over the procurement gap issue as soon as the draft IRP was published, adds: "We are reasonably hopeful that government will recognise the need to urgently reassess the assumptions that have resulted in the draft plan, particularly given the readily available evidence of the many socio-economic risks associated with a continued investment in coal."

The IRP is expected to be finalised in the first quarter of 2019.

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