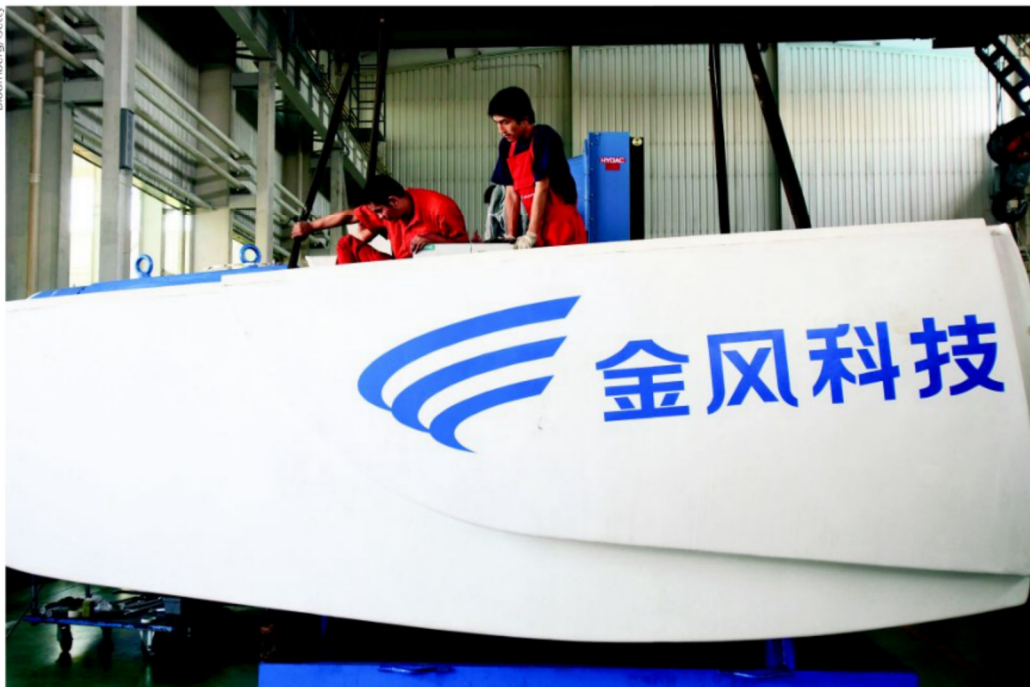


North America/China **Wind expansion**

Goldwind's US factory plan delayed by slump

**CLOSER LOOK:** Workers assemble a nacelle at a Goldwind facility in Urumuqi, Xinjiang province, China, where the company is based**BENJAMIN ROMANO**
SEATTLE

Chinese turbine maker Goldwind is continuing its search for a location for its first US factory, despite the downturn in the American wind market.

"We feel it's very important to bring jobs to the US market," says David Halligan, chief financial officer of the company's American subsidiary, Goldwind USA. "It's a bit of a chicken-and-egg situation. Obviously, the market is not as robust as it has been in prior years.

"So in a challenging wind market, plans for establishing manufacturing are being closely analysed, but until we see a general

pick-up in the market, I think it will be some time before Goldwind brings manufacturing into the US."

But the slump has not dampened the company's enthusiasm for expansion. "In general, we view that there will be a positive swing in the coming years," says Halligan.

He argues that the 10GW installed in the US in 2009 was "somewhat of an anomaly". Installations fell by about half to 5.1GW in 2010, but that level is not so far off "some of the frothy years in 2007 and 2008", he says.

Mitchell Silk, the head of the US China group in the New York office of law firm Allen & Overy, says the wind market is a medium- to long-term play that

will not be affected by "short-term blips".

"In our view, the Chinese have done an extraordinary job of ramping up domestically," he says. "I would have thought that all of the manufacturers are taking a mid-term view and are looking at the [US] market as one with very fertile growth potential."

Goldwind — one of the world's top five turbine makers — is among the Chinese players seeking new markets. Domestic competition in China has created "tremendous price pressure", which, coupled with inflation, is "resulting in lower margins on the manufacturers' projects", Halligan notes.

The average price for domestic wind turbines in China has

dropped from 6,500 yuan (\$990) per kW in 2007 to 4,500 yuan/kW in 2010, Halligan says, citing data from Datang New Energy's prospectus.

Other constraints on the Chinese market include transmission and a shortage of labour.

"There are so many projects that are going into operation that they're just having a tough time actually bringing labour to the facilities," Halligan says.

China installed 16.5GW of new wind capacity in 2010.

"They'll see significant growth over the next couple years, but within the next three to four years, that growth may level out [at] somewhere around 18-20GW annually, and may even drop from there," Halligan says.

Latin America Equity

Ecos digs deep into woody biomass

CHRISTIANA SCIAUDONE
RIO DE JANEIRO

Private-equity fund manager Grupo Ecos is building an investment pipeline for biomass projects in Latin America.

Panama-based Ecos has decided to move into the sector after conducting a study last year on wood biomass in the region.

The group "came to the conclusion that the segment is attractive to us, so as from 2011 we have started to generate investment-deal flow proactively," says Andreas Eggenberg, chief executive of the company, which is funded by a Swiss family.

Brazil, Chile, Uruguay and Colombia are among the target countries identified by Ecos, which takes minority stakes in companies and projects, and always seeks to partner with locals and co-investors.

"The size of each individual investment is not really pre-defined, and a lot depends on the quality of co-investors, the alignment of interests, expectations among investors, and the existence of potential purchase agreements," Eggenberg tells *Recharge*.

Ecos is strongly focused on both sustainable forestry and renewable energy. Wood biomass combines the two interests.

Markets with mandatory

It is of utmost importance that local markets exist close to the regions where the energy forests are planted"

ANDREAS EGGENBERG

renewable-energy targets defined by governments, such as within the EU, are obvious targets for Ecos, but the group also believes "it is of utmost importance that local markets should exist as well, close to the regions where the energy forests are planted", says Eggenberg.

Such local markets can be traditional power generation, with either dedicated plants or co-generation, or individually targeted end-customers with high power, heat or steam needs.

Ecos is particularly interested in planted forests, rather than relying on residue- or waste-based stock. Eucalyptus, acacia, poplar and willow are among the types of wood that have caught Ecos' attention.

US Solar/geothermal

NV seeks approval for 101MW of new projects

BENJAMIN ROMANO

Nevada utility NV Energy is seeking approval for a range of clean-power contracts covering 101MW, as well as renewable-energy credits from Amunix concentrating PV (CPV) projects.

The investor-owned utility needs approval from the Nevada Public Utilities Commission for contracts for energy from the

projects — two PV schemes of 30MW and 20MW in North Las Vegas, developed by Fotowatio and NextEra Energy respectively, and a 51MW Ormat Technologies geothermal project near Dixie Valley, Nevada.

NV Energy also wants to enter long-term contracts to purchase renewable-energy credits from Amunix projects to be developed in North Las Vegas, where the

CPV manufacturer is expected to begin production at a new facility by the end of the first quarter.

These projects would bring NV Energy's renewables portfolio to almost 1.3GW.

The utility says it expects to hit 15% renewables this year, keeping pace with the state's mandate, which tops out at 25% by 2025.

**ARRAY:** NV buys solar energy from the Nellis Air Force Base