



# News Digest

## Latin American wind power market to face uncertainty beyond 2018

MAKE has released findings that indicate the Latin America wind power market faces an uncertain future despite strong growth in recent years.

MAKE's latest wind power outlook for Latin America indicates that the wind power market increased to 4.2 GW in 2015, representing a slight 2% gain compared to the previous year. MAKE expects modest expansion of 8% in terms of new commissioned capacity in 2016.

The outlook forecasts steady regional growth driven by historically strong Brazil and an up-and-coming Mexico with its recently restructured electricity markets. Those two markets, however, may be cooling as concerns mount about wind's prospects at the auctions that have driven existing capacity growth thus far.

The series of severe political and economic crises in Brazil have caused utilities to repeatedly cut forecasts of electricity demand, eroding demand at that country's A3 and A5 capacity auctions. While the local wind power industry expects continued support from planning authorities in reserve auctions, any action to the contrary would lead to a cliff in the Brazilian wind power market as early as 2019, according to MAKE's findings.



Wind power in Latin America is expected to expand by 8% in terms of new commissioned capacity in 2016 (image courtesy of Shutterstock).

The surprising success of solar power at Mexico's first long-term power auctions caused concern in the wind industry as just 396 MW of wind power was contracted. But MAKE do not see the rapid emergence of solar as greatly impacting wind power's share of the country's 35% 2024 clean energy target. The company believes planned transmission improvements in Oaxaca, where quality wind resource drives down levelised cost of electricity (LCOE), will help wind bids in future auctions.

Argentina and Colombia have taken major steps toward becoming new growth

markets, according to MAKE. The newly elected Macri government in Argentina has focused efforts on a 1 GW renewable tender and hopes to attract investment in new renewable capacity as soon as the 2017–2018 timeframe. Colombian government planners meanwhile plan to develop transmission to unlock the country's world-class wind resource on the Guajira peninsula.

Competitive auctions, long employed in Brazil, Chile and Peru, have spread into other major Latin American markets and are proving a major driver for wind power development. The reduction of wind's LCOE is critical to maintaining competitiveness at these auctions as most have neither fiscal incentives nor renewable targets that would favor wind, and solar power is increasingly cost competitive while directly taking market share from wind.

The findings indicate that political risk continues to undermine foreign investment and wind power development in markets throughout the region, such as Venezuela and Ecuador; the future performance of the Argentinian market could prove the impact of business-friendly policies on wind power development in the region.

## SolarWorld debuts 1500-volt solar panel

SolarWorld has announced that it will release a 1500-volt solar panel in time for this year's fourth-quarter peak selling season.

The company will exhibit the new **72-cell XL product** at SolarWorld's Booth 7411 at Intersolar North America from July 12 to 14 in San Francisco.

The 1500-volt technology, compared with standard 1000-volt solar panels,

enables installers to increase lengths of solar-panel strings by up to 50 percent, thereby requiring fewer combiner boxes, less wiring and trenching and lower labor costs. Analysts have estimated the cost savings at up to 5 cents per watt installed.

The technology's application is ideal for large commercial and utility-scale designs. Unlike competitors, the company claims, [SolarWorld](#) has not needed to increase the size of its 72-cell solar panel to reach the 1500-volt standard. The new solar panel is certified to UL1703; it is free of potential induced

degradation (PID), as per IEC 62804-1:2015.

"SolarWorld does whatever it can to help its installation partners lower their costs and increase profits," said Mukesh Dulani, U.S. president of SolarWorld. "This new product maximizes the benefits of our 72-cell solar panel design without having to

alter its size. It represents just the latest development in our long track record of achieving innovations that serve the market. Our customers want this option, so therefore we are bringing it to market."

The company is taking orders for the 1500-volt module for delivery starting in October.

### TESVOLT to supply Rwanda with world's largest off-grid battery system

The German commercial storage system manufacturer Tesvolt has been awarded the contract to supply the world's largest decentralized off-grid storage system.

The company is set to deliver a lithium storage system with a total capacity of 2.68 megawatt-hours (MWh) which will provide water pumps in an agricultural project in Rwanda's Eastern Province with emergency power.

"In Rwanda, the power supply fails three or four times a day for between 5 and 45 min. For this reason, an important criterion in the call for tender was that the storage system is able to absorb electricity from the PV power plant and release it again



Production of storage systems for Rwanda (image courtesy of Tesvolt).

as quickly as possible, explains Simon Schandert, Director of Engineering at Tesvolt. "Only very powerful off-grid storage systems can supply the necessary emergency power several times per day, and there are only a few storage systems on the market which meet these requirements."

Schandert also states that affordability was also an important consideration.

[Tesvolt](#) is set to supply a total of 134 fully assembled lithium storage systems for the 44 water pumps. The company claims the storage system will supply the irrigation project with clean and safe emergency power, also boosting yields in local agriculture, thus improving the living conditions of the approximate 2000 farmers who currently live in extreme poverty.

The Tesvolt battery management system monitors each individual cell when the system is in operation so that any damaged cells are identified before they can fail entirely. If a defective cell is discovered, this will allow the installer to replace the single cell without the need to replace the entire battery block, which may be the case with other storage systems.

### Siemens and Gamesa to merge wind businesses to create a leading wind power player

Siemens and Gamesa have signed binding agreements to merge Siemens' wind power business with Gamesa to create a leading global wind power player.

[Siemens](#) will receive newly issued shares of the combined company and will hold 59% of the share capital while Gamesa's existing shareholders will hold 41 percent. As part of the merger, Siemens will fund a cash payment of €3.75 per share, which will be distributed to Gamesa's shareholders (excluding Siemens) immediately following the completion of the merger (net of any ordinary dividends paid until completion of the merger). The cash payment represents 26 percent of Gamesa's unaffected share price at market close on January 28, 2016.

Additionally [Gamesa](#) and [Areva](#) have entered into contractual agreements whereby [Areva](#) waives existing contractual

restrictions in Gamesa's and Areva's offshore wind joint venture Adwen simplifying the merger between Gamesa and Siemens. As part of these agreements, Gamesa – in alignment with Siemens – grants Areva a put option for Areva's 50 percent stake and a call option for Gamesa's 50 percent stake in Adwen. Both options expire in three months. Alternatively, Areva can in this time divest 100 percent of Adwen to a third party via a drag-along right for Gamesa's stake.

The new company, which will be consolidated in Siemens' financial statements, is expected to have on a pro forma basis (last twelve months as of March 2016) a 69 GW installed base worldwide, an order backlog of around €20 billion, revenue of €9.3 billion and an adjusted EBIT of €839 million. The combined company will have its global headquarters in Spain and will remain listed in Spain. The onshore headquarters will be located in Spain, while the offshore headquarters

will reside in Hamburg, Germany, and Vejle, Denmark.

The two businesses are complementary in terms of global footprint, existing product portfolios and technologies. The combined business will have a global reach across all important regions and manufacturing footprints in all continents. Siemens' wind power business has a strong foothold in North America and Northern Europe, and Gamesa is well positioned in fast-growing emerging markets, such as India and Latin America, and in Southern Europe. Further, the transaction will result in a product offering covering all wind classes and addressing all key market segments to better serve customers' needs.

"The merger with Siemens constitutes recognition for the work performed by the company in recent years and evidences our commitment to generating value in the long term by creating significant synergies and extending the horizon of our profitable growth. Today, we are embarking on a

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