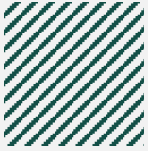


Quarterly Market Observatory



# European Wind Turbine Market Outlook Update – Q3 2020

July 2020



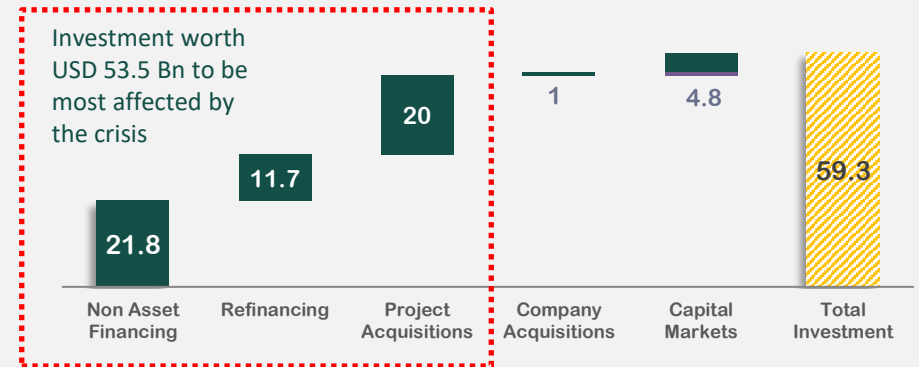
# The Eighty – 20 of Industry: What Matters?

## Leading Edge

**Following the easing of restrictions on wind turbine supply chain across Europe in Q3 2020, the outlook for the wind sector will depend on the effectiveness of national and EU recovery plans**

The European wind industry is the global leader in the wind turbine market, realising projects in more than 80 countries worldwide. As such, its companies rely on both European and global supply chains for raw materials and components. However, outbreak of Covid-19 posed a risk to investments made in wind energy segment in Europe facing higher risk of delay or even cancellation. In 2019 the wind energy industry invested USD 59.3 bn in Europe, USD 21.8 bn of which was for the financing of new wind energy projects which are likely to be affected due to the crisis. Additionally, the uncertainty over the evolution of the COVID-19 crisis will also likely increase the cost of finance as banks will be less willing to lend as they are concerned about liquidity and corporate finance. In contrary, many European countries like Germany, Netherlands, Lithuania and Greece have confirmed they will stick exactly to their 2020 auction schedules. Also, France and Germany are setting out the Recovery Plan, made climate policy commitments such as: support for a higher 2030 emissions reduction target which shall put the wind turbine segment in Europe on track to bring in efficiency in supply chain.

European wind energy investments in 2019 per asset class (USD bn) likely to be affected by pandemic Covid-19



Source: eninrac consulting, WindEurope



**Wind energy installations for 2020 are expected to be 30% down compared to industry forecasts. This will depend on the how quickly activity can ramp up in the most heavily impacted countries.**



**As on Q3 2020, All of Europe's wind turbine and component factories are now open following the easing of restrictions across Europe bringing normalcy in the segment**

## Numbers to Focus Upon



**Wind energy installations for 2020 are expected to be 30% down compared**

Wind energy installations for 2020 are expected to be 30% down compared to industry forecasts. Now, the work has started as Europe's wind turbine and component factories are now open following the easing of restrictions. Also, the supply of components and materials from China is now ramping back up after the interruption.



**France submits final 2030 National Plan: What's in it for Wind?**

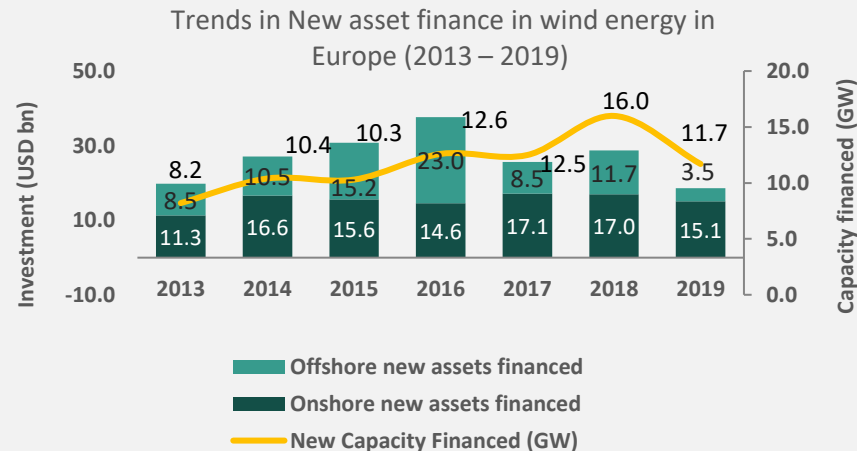
The Plan foresees up to 34.7GW of onshore wind in 2028. And the Government boosted up offshore wind ambitions to 5.2-6.2 GW by 2028 on the back of the competitive price. France is also betting on cost reductions in floating wind. 750 MW auctions of floating wind are now scheduled by 2022.

## Key Features Expected



**The birth of offshore wind energy in Poland**

Polish government and industry agree to jointly develop Baltic wind power as the country seeks to reduce its reliance on coal. Poland generates almost 80% of its electricity from coal. Poland's expansion targets for offshore wind turbines are ambitious as by 2030 they aim to have installed 3.8 GW of offshore wind energy



Source: eninrac consulting, WindEurope

## Deployment Trends - Projects

**01 Nordex obtains major order for 312 MW of wind energy in Spain**

Nordex has obtained a large order from Spain. The Group will supply and install N149/4.0-4.5 wind turbines in the 4.8 MW operating mode for the 312 MW "Gecama" wind farm.

**02 GE to Build State-of-the-Art HVDC System for RWE Sofia Offshore Wind Farm**

GE Renewable Energy and Sembcorp Marine network solutions chosen as preferred providers of high voltage direct current transmission system. More than 50% of the components will be manufactured at local facilities

**03 New asset finance in wind energy at lowest since 2013**

Investments in new assets were at their lowest level since 2013. Onshore wind financing was fairly solid at USD 15.1 bn, seeing the second most onshore capacity financed in a year (10.3 GW).

## Impact of Covid-19 on Wind segment in Europe



### Wind Supply Chain

- Europe's wind turbine and component factories are now open
- The uncertainty over the evolution of the COVID-19 crisis will also likely increase the cost of finance



### Policy & Regulation

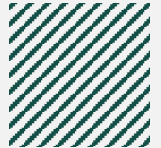
- France is auctioning the same volumes only a few months later than planned
- Germany declared European Green Deal and the European Recovery Plan, setting out climate policy commitments till 2030



### Economic Relief

- Initial USD 620 billion stimulus package for loans under the European Stability Mechanism
- The European Commission has put forth a proposal for an EU Recovery Plan with package between USD 1-2 trillion

## Quarterly Update – Q3 CY 2020



- COVID-19 pandemic is expected to cause wind commissioning project delays due to disruptions in the supply chain. It will not be possible to make up the lost ground in wind energy installations in 2021. The outlook for the sector will also depend on the effectiveness of national and EU recovery plans.

Source: eninrac consulting, WindEurope



### Key Investments – Q3 2020

- The European Investment Bank (EIB) is providing USD 66 million of finance for the construction and operation of two new wind farms in Austria with a total capacity of approximately 43.6 MW.
- Iberdrola seals the purchase of the French wind power company Aalto Power for €100m. This company has 118 MW of onshore wind energy already operational and a portfolio of wind farm projects totalling 636 MW at various stages of development.
- German wind developer WPD AG has plans to build as many as 30 wind turbines that would reach heights of up to 250 meters (820 feet) in Sweden.



### Key Trends – Wind Turbine market in Europe Q3 2020

- Vestas enters into a wind power service agreement for Senvion wind turbines in Croatia. Vestas will deliver the maintenance of the project's five Senvion MM92-2.05 wind turbines and the 18-year Active Output Management 4000 (AOM 4000) service agreement will commence immediately.
- UK government ministers awarded development consent to Swedish company Vattenfall's plans for a 1.8 GW wind farm in the UK North Sea. The Norfolk Vanguard wind farm will comprise 90 to 180 wind turbines with heights of up to 350m.



### Key Signpost – Wind Turbine Market in Europe – Q3 2020

- Wind energy installations for 2020 are expected to be 30% down compared to industry forecasts. This will depend on how quickly activity can ramp up in the most heavily impacted countries – Spain, Italy.
- The uncertainty over the evolution of the COVID-19 crisis will also likely increase the cost of finance. In the short-term banks will be less willing to lend as they are concerned about liquidity and corporate finance will be more challenging, notably for debt.



## Contents & Coverage – Q2 2020

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### 01 This Quarter

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The section shall showcase the major highlights for wind turbine segment in Europe including investments, project developments, policy & regulatory interface, M&A etc.

### 04 Numbers to Learn

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All wind power capacity additions with a split on ownership wise, & state wise break up shall be included. Moreover, the numbers for deals secured by wind turbine manufacturers in Europe

### 07 Deployment Trends

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The pace of deployment of projects at wind turbine manufacturers levels covering issues like investments, tenders and capacity additions shall form part of this section

### 02 Key Features

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Key features shall cover the major strengths and development map that the industry has shown over the quarter

### 05 The Eighty - 20 of Industry – What Matters?

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In this section the major factors which are acting as the growth catalysts / barriers in the Wind turbine segment are highlighted inclusive of policies, regulations etc.

### 08 Technology & Price Trends

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This section shall cover all the latest technology implementation and trends, price benchmarks of wind turbines in Europe

## European Wind Turbine Market Outlook Update – Q3 2020

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### 03 Leading Edge

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The current affairs leading business impacts on Wind turbine market with insightful data analytics & our exclusive “Knowledge Grid” feeds covered in the section. Our analyst's viewpoints with sharp edged objectives shall be central to the section

### 06 Key Signposts

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The business factors which shall govern the course of coming quarters of business and the industry response to the changes shall be the focus area of this segment

### 09 Industry Activities & Corporate Strategies

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All the industry order track & merger's and acquisition activities shall be tracked. Fresh investments in wind turbine sector as per players profiles shall also be tracked in this section



## Must Buy For

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- Power Transmission Utilities
- Power Distribution Utilities (DISCOMs)
- Original Equipment Manufacturers
- Power Traders
- Banks/Financial Institutions/Project Financing Agencies
- EPC Service Providers
- Consultants
- Research Firms/Research Institutions
- Regulatory Bodies
- Government Agencies



## For Queries

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**Research** : Write to: [connect@eninrac.com](mailto:connect@eninrac.com) and alternatively you may reach our consultant at [sumit.sethi@eninrac.com](mailto:sumit.sethi@eninrac.com)

**Sales**: Write to [sales@eninrac.com](mailto:sales@eninrac.com) and alternatively you may reach our representative at [nivi.bakhru@eninrac.com](mailto:nivi.bakhru@eninrac.com)

Please call at +91 120 – 4147 000 for any other queries

## European Wind Turbine Market Outlook Update – Q3 2020

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## Companies Mentioned

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- General Electric
- Vestas
- Suzlon
- Inox Wind
- Wind World
- Indowind Energy Limited
- Siemens Gamesa
- Envision Energy
- Acciona Nordex
- ReNew Power
- Enercon
- Orient Green Power Ltd.
- Enel Green Power India Pvt Ltd
- Senvion India Pvt Ltd
- Continuum Wind Energy India Pvt Ltd
- Hero Future Energies Pvt Ltd
- Indian Wind Turbine Manufacturers Association



The life of a man consists not in seeing visions and in dreaming dreams, but in active charity and in willing service

- Henry Wadsworth Longfellow

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Contact – Mumbai Office

Address : 4th Floor Duru House, Juhu, Opposite JW Marriott, Mumbai, Maharashtra



[connect@enirrac.com](mailto:connect@enirrac.com)



+91 120 4147 000



[www.enirrac.com](http://www.enirrac.com)