

# Wind power companies breaking into foreign markets

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BEIJING - China's wind power companies are finding their way into overseas markets, where fierce competition has previously limited their presence, usually by acquiring existing projects or investing in joint venture efforts. China Longyuan Power Group Corp (CLPG), the world's third-largest wind power operator by installed capacity, took its first step overseas by acquiring the rights to develop a 100 megawatt (mW) project in Ontario, Canada on Wednesday from Farm Owned Power (Melancthon) Ltd.



Workers building a wind farm for China Longyuan Power Group Corp in Chuzhou, Anhui province. The company has bought rights to develop a wind project in Canada. [Photo/China Daily]

The deal, costing 1.68 billion yuan (\$260 million), will give Longyuan, the new energy operation arm of State-owned China Guodian Corp, a 20-year contract to supply electricity to the local grid. This arrangement will generate an estimated 12 percent return on the investment, according to the company.

The project is scheduled for completion in 24 months.

The deal will also give United Power Technology Co, the wind turbine maker affiliated with China Guodian, entry to the overseas market by supplying turbines to the project.

Separately, the largest domestic maker of wind turbines, Sinovel Wind Energy Group, said on July 5 that it will build a 1000 mW wind farm in Ireland jointly with a local company, Mainstream Renewable Power Ltd. Sinovel will provide generation equipment. Sinovel also signed an agreement with Public Power Corp SA, Greece's largest electricity producer, in April to build a 200mW to 300 mW wind park and to explore the development of an offshore wind farm.

China, the world's largest wind power market by installed capacity, had sold only 13 wind turbines abroad by the end of 2010, according the China Wind Energy Association.

The new strategies being used by Chinese wind power companies to enter foreign markets coincides with some Western companies' plans to expand in China.

Gamesa, a Spanish wind turbine maker, relies on partnerships with State-owned wind farm developers to expand in China.

The company has reached agreements with major wind farm developers including CLPG itself and China Resources Power Holdings

Co Ltd and China Datang Corp Renewable Power Co Ltd to co-develop wind projects, which could mean supply contracts totaling 900 mW.

Domestic wind power companies are also looking off China's own shores to grow, as the country plans to start large-scale development of coastal wind farms.

China will develop 5 gigawatts (gW) of offshore wind capacity during the 12th Five-Year Plan (2011-2015) period. There are now just a few pilot projects in this sector.

Longyuan said it aims to garner 20 percent to 30 percent of the offshore market during the plan period.

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