

Wind farm supplier suspends production

Bluewater: Trouble won't affect Del. project, still four years away

By AARON NATHANS and JEFF MONTGOMERY, The News Journal

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The manufacturer picked to supply a proposed Delaware wind farm has halted production of its offshore turbine because of a faulty component.

Vestas Wind Systems is one of a handful of manufacturers of offshore wind turbines. The Denmark company is the world's largest producer of wind turbines, and the supplier chosen by Bluewater Wind for its Delaware project.

Of Vestas' 96 V-90 turbines installed off the coast of Europe, between 10 and 15 are idle as workers fix the gears, said Anders Soe-Jensen, president of Vestas Offshore. All of the gearboxes will eventually have to be replaced, if they haven't been already.

Peter Wenzel Kruse, a Vestas vice president, didn't offer specifics on the problems, but noted a pattern of problems that could lead to more breakdowns.

Bluewater is seeking to build a 150-turbine offshore wind farm 11.7 miles off Rehoboth Beach. The turbines would stand more than 400 feet tall when one of the blades is at the top position. It could be among the first off the United States coast.

Delmarva Power spokesman Bill Yingling said his company is disappointed Bluewater Wind didn't alert Delmarva to the mechanical problem during negotiations for a power purchase agreement.

"We see this much like buying a new and very expensive car. Just before you sign the paper, you read in the news that the car's engine is being recalled and they don't know what the root of the problem is," Yingling said. "Most people would wonder why the salesperson didn't mention it, and what reassurances they could give to convince you to still buy the car."

Delmarva is a reluctant player in negotiations, having been forced by the state to seek a 25-year contract to buy wind power to stabilize electricity prices.

Bluewater spokesman Jim Lanard said his company didn't consider the turbine malfunction an important issue, and said the problems should be resolved well before workers build the Delaware wind farm. He made his own automobile analogy, likening the problems to an automobile that has a part recalled.

"Those cars come in, the repairs are made, and they're back out on the road," Lanard said. "That's what is occurring with the Vestas turbine right now."

Lanard expressed confidence that Vestas would be ready with working turbines by the 2011 Delaware construction date. If not, Bluewater's parent company, Babcock and Brown, has the financial resources to sign quick contracts with competing suppliers if necessary, Lanard said. Besides, if the wind farm fails to operate, Bluewater is liable to Delmarva for up to \$68 million, he said.

"We stand by the commitments we've made, and we're surprised that Delmarva would throw out this red herring without speaking to us directly," Lanard said.

When asked why Bluewater didn't broach the subject with Delmarva during negotiations, he called it a "non-issue," saying the turbines won't be delivered to Delaware for more than three years.

Delmarva later sent Bluewater a letter on the subject; Yingling declined to release it.

Vestas has acknowledged malfunctions with the V-90 gearbox at three sites: the Barrow project and the Kentish Flats wind farm, both off the British coast, and a wind farm in the North Sea off the Dutch coast, where Gov. Ruth Ann Minner visited several weeks ago.

The gearboxes are made by a subcontractor to Vestas, Soe-Jensen said.

Kruse said the company has taken the turbine off the market "for the time being." He said the company continues to sell the onshore version of the turbine.

"We are looking into the gearbox, not the overall design of the turbine," Kruse said.

Soe-Jensen said a functioning version of the turbine could be on the market early next year.

Kruse noted that offshore wind projects, which tend to be expensive to build, have been slower to develop than observers anticipated.

"It will grow far bigger, but we do not believe, in the foreseeable future, it will become as big as people believe. Media coverage for offshore far exceeds reality," Kruse said.

There are about 15,000 megawatts of wind power available globally, but only about 198 of those megawatts come from offshore production, he noted.