

## Press Release

15 May 2019

### **Siemens Gamesa to establish regional offshore wind nacelle industrial hub in Taiwan with 300 MW Hai Long 2 as anchor project**

- **Siemens Gamesa to expand nacelle assembly facility in Taichung with hub and backend assembly, subject to Hai Long 2's Industrial Relevance Proposal approval**
- **Production scope significantly broadened, transition to future turbine technologies in the Asia Pacific region supported**
- **Four conditional supplier contracts also signed for localized nacelle components to be fed directly to Siemens Gamesa's Taichung factory**
- **Suppliers will create two new production plants and two new production lines for nacelle components, combining with Siemens Gamesa's footprint into an export-ready industrial complex in Taiwan**

Siemens Gamesa Renewable Energy plans to expand its nacelle assembly facility in Taichung to form a regional offshore wind nacelle industrial hub together with Taiwan-based suppliers. The first project to be supported by the broader manufacturing plant will be the 300 MW Hai Long 2 project.

The expansion is subject to certain conditions including Hai Long 2's Industrial Relevance Proposal (IRP) being approved by the Taiwanese authorities, and final investment decision by the project partners. Siemens Gamesa was named as preferred supplier for the offshore wind turbines in November 2019.

The facility is currently under construction and will start production in 2021 to deliver nacelles to Orsted's Greater Changhua 1&2a offshore wind power project. Once the nacelle assembly work is completed in 2022, Taichung factory expansion will start. It will include doubling the plot area to over 60,000 m<sup>2</sup>, as well as at least doubling the number of Siemens Gamesa employees working in the factory.

Two new production halls and a new warehouse will be constructed, encompassing local hub, and backend production in Taiwan for Siemens Gamesa's latest offshore wind turbine technology. This will open a compelling opportunity for a vast range of local suppliers to feed components directly to the factory, thanks to high proximity, and short transportation time to Taichung.

"Our actions to localize and expand nacelle manufacturing in Taiwan demonstrate our strong beliefs in both the Taiwanese market and the Asia Pacific region as a whole. Supported by proactive policies, strong wind resources, and a proven contribution to combatting climate change, offshore wind is an essential element in the energy mix around the globe," states Andreas Nauen, CEO of the Siemens Gamesa Offshore Business Unit.

## **Enabling a strong localized nacelle supply chain**

In 2019, Siemens Gamesa and Yeong Guan Group (YGG) sealed an agreement for localized hub and base frame castings for Hai Long 2. YGG and partner AH Industries will build a new global casting production factory for offshore wind in Taichung, neighboring Siemens Gamesa's plot.

Additionally, Siemens Gamesa has now signed four conditional contracts for the localization of six different type of nacelle components for Hai Long 2. All of these components will be delivered to Siemens Gamesa's Taichung factory as part of the localized nacelle production process. Similarly to the deal made with YGG, three of those contracts include the setup of new local production facilities:

- KK Wind Solutions will invest in a new production plant in Taiwan, as well as in the recruitment and the training of a local workforce to enable knowledge transfer. The factory will manufacture uninterruptible power supplies and power conversion systems.
- SINBON will extend its existing footprint with a new production line in Taiwan for cable manufacturing.
- Atech, together with an existing global supplier, will provide nacelle canopies and spinners. A new production line will be set-up in Taiwan accordingly. This collaboration will combine strong offshore wind expertise with local market knowledge and production capabilities.
- Würth will leverage its existing footprint in Taiwan and strong local supplier network to locally procure fasteners.

"We are very glad to announce the reinforcement of our local supplier footprint with four very experienced wind component manufacturers, and a local company. We are confident that they can contribute to our vision to create a greater industrial hub in Taiwan, as a foundation for future exports, and we are looking forward to work with them on the Hai Long 2 project " said Niels Steenberg, Executive General Manager of Siemens Gamesa Offshore for Asia-Pacific.

David Povall, Executive Vice President for Development at Northland Power said: "Our selection of Siemens Gamesa as preferred supplier not only makes sense commercially for the project but also strategically for Taiwan. Hai Long's IRP places specific focus on the export capability of the local supply chain. Our construction and operation timeline allows us to look at new technologies that will be state of the art within APAC. On top of that, local talents will be trained as we go. Hence, through Hai Long as the Anchor Project, Taiwan will truly become the APAC Offshore Wind Export Hub for new technology, service, and talents."

## **About Siemens Gamesa Renewable Energy**

Siemens Gamesa is a global leader in the wind power industry, with a strong presence in all facets of the business: offshore, onshore and services. The company's advanced digital capabilities enable it to offer one of the broadest product portfolios in the sector as well as industry-leading service solutions, helping to make clean energy more affordable and reliable. With more than 103 GW installed worldwide, Siemens Gamesa manufactures, installs and maintains wind turbines, both onshore and offshore. The company's orders backlog stands at €28.6 billion. The company is headquartered in Spain and listed on the Spanish stock exchange (trading on the Ibex-35 index).

As of May 2020, Siemens Gamesa has over 3,500 offshore wind turbines in operation globally with a combined capacity of more than 15.5 GW. The company's experiences reach back as far as 1991,

when it established the world's first offshore wind power plant. Through a strong focus on safety and innovation, SGRE constantly strives to reduce the Levelized Cost of Energy from offshore wind power.

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