



# Capital Expenditure Must Be Reduced In Offshore Wind

*The European offshore wind sector installed 277 turbines, with a capacity of 1045MW in the first half of 2013.*

LONDON, July 18, 2013 /EINPresswire.com/ -- However, despite this report by the European Wind Energy Association, growth in the industry has noticed a slowdown in investments in new projects. This slow down can be attributed to the high cost of Offshore Wind energy, especially when seen in comparison to other forms of energy generation such as coal, oil and gas.

Between 2003 and 2010, Offshore Wind Capital Expenditure [CAPEX] increased. This rise can be explained by a change in both site conditions and market conditions at the time. Due to increases in site wind speeds and use of larger turbines, the Levelised Cost of Energy [LCOE] actually decreased during this period despite a CAPEX increase. CAPEX then stabilised between 2010 - 2012.

To inspire further investment in new projects, CAPEX much be brought down. To do this companies need to establish their baselines costs by looking at the LCoE and then develop pathways for cost reduction by assessing current market developments, the speed at which technology is developing and the maturity of the supply chain.

The turbine is still today the biggest part of a project owner's investment decision. There is already increased competition for turbine suppliers which will help push this cost down. Once the prices of the turbine are down, the industry can then commence work on the BOP part: the foundations, the substation, the cables and the Offshore Marine Services [OMS] to help reduce costs even further.

The 5th Offshore Wind Construction, Installation and Commissioning Conference taking place in Hamburg, Germany on October 14-15 will focus on this crucial aspect of an offshore wind project. Key industry experts such as Morten Melin, Vice President - Project Execution at DONG Energy, Johannes Kammer, Program Manager LEC Reduction at Vattenfall, Bernard Casey, Head of Offshore Engineering at Mainstream Renewable Power and Thierry Aelens, Chief Commercial Officer at RWE OLC examining cost reduction in depth.

This offshore construction specific conference will bring together the key developers, utilities, contractors, government representatives, and other key and other current industry experts to deliver not only their successes in far shore deep-water installation, but also their downfalls so to equip others with the knowledge needed for future installation projects.

Other speakers include senior level representatives from the UK and European major stakeholders including Ofgem, Ministry of Economy of Belgium, TenneT, 50 Hertz, EnBW, Scottish Power Renewables and many more.

For more details, just visit: <http://goo.gl/13XMy>

Jon Harman  
Managing Director | Wind Energy Update

Jon Harman  
Wind Energy Update  
442073757577  
email us here

---

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases.

© 1995-2015 IPD Group, Inc. All Right Reserved.