

Green Tech

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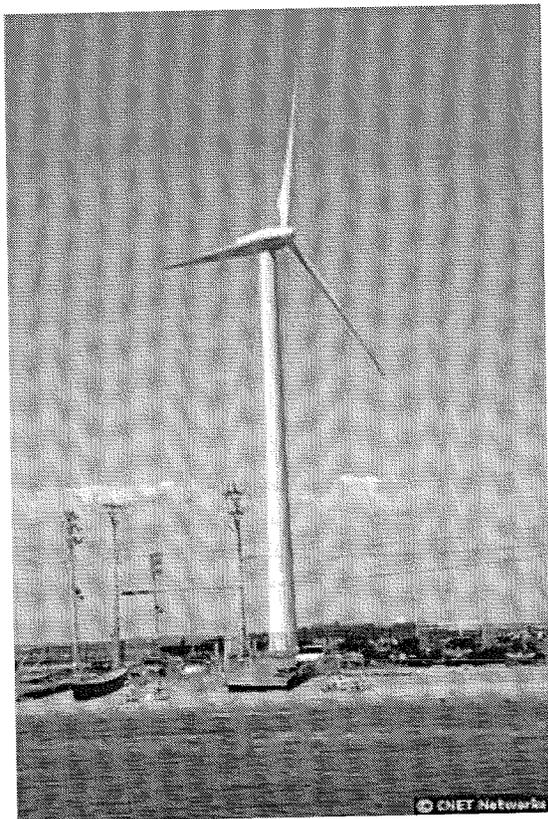
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GE confirms that wind turbine supply is getting worse

Posted by Michael Kanellos

The wind turbine shortage is growing, General Electric has confirmed.

The industrial conglomerate said in its conference call with analysts last Friday that the backlog of wind turbines--i.e. orders that have booked but can't ship--has grown to \$12 billion. That's up from \$11 billion in the fourth quarter and more than twice the size of the backlog in the first quarter a year ago.



A wind turbine in Massachusetts made by Vestas.

(Credit: Martin LaMonica)

Earlier this month, wind park developers and analysts said that **a shortage of wind turbines has forced power providers to push projects into the future and juggle supplier agreements.** Some have even speculated that the billion-plus acquisition of Airtricity earlier this year was prompted in part because the company had priority from certain manufacturers when it came to new turbines. We called GE several times in early April about the shortage, but they didn't return requests for comments.

GE sold \$1.8 billion in turbines during the quarter. Orders were up 40 percent. In all, 569 turbines shipped.

Wind turbines can produce kilowatts and even megawatts of power. Some of the largest turbines have a propeller span that surpasses the wingspan of commercial airliners. Thus, you just can't rush these things out of the factory. Skyrocketing demand, particularly in

Europe, has caused the demand. Although supported by subsidies, wind power is actually the renewable power source that's closest to the cost of getting power from natural gas plants. (And some places are quite windy. **Ireland could get close to all of its power from wind** if enough turbines and energy storage devices were installed.)

The margins on the wind business are lower than a lot of other divisions at GE, but the company won't be walking away from it because of that. The business has a 15 percent operating profit, according to CFO Keith Sherin, according to published transcripts of the call.

The solar guys, of course, have been dealing with a shortage of silicon since 2004.

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