POWER cluster
www.power-cluster.net

Report

Roundtable 3 – Supply chain for the offshore RES sector

The key message which emerged from the roundtable discussion was the need for clear leadership in Europe on development of the renewable energy sector and its supply chain. Without clear leadership, there is the danger that European countries and regions will duplicate efforts or end up competing against one another, rather than collaborating to be better able to compete in the international sphere.

We need to concentrate investments to achieve critical mass in Europe, and to ensure investments are worthwhile, rather than losing the funds that might otherwise go into projects which fail. In the current economic crisis, there has been the appearance of nationalism in Europe in the battle to create jobs. This shouldn’t be allowed to hamper collaboration and learning from one another where we can.

However, it was also noted that competition, rather than too much collaboration, can play its role in bringing the costs of renewables down. While this could be true for the offshore wind sector, it is felt that wave and tidal energies are not yet at a sufficiently advanced stage for competition to be beneficial to their development. It was noted that several companies – including defence companies - are currently looking at the sector as a future business opportunity but are as yet not convinced of its longevity.

The greatest danger for the sector is the lack of a market, with a peak in energy demand imminent and profit margins continuing to reach 40-50% higher for oil and gas than for renewables.

On supply chain needs, it is not clear that these are the same for the number of different energy systems which exist, particularly in the case of marine renewables. One prominent need for all offshore systems is adequate port infrastructure. Bremerhaven was held up as a best practice example of successful upgrading of a key port, but it was noted that there are some clear limits to the scope for cooperation on such infrastructure projects; there is of course competition between different port locations, and the sheer scale of the Bremerhaven port makes it difficult to replicate in other areas.

European Union The European Regional Development Fund

The Interreg IVB North Sea Region Programme
Investing in the future by working together for a sustainable and competitive region

The project's success does, however, depend on strong, collaborative networks at the local level with, for example, the research and development community.

Further key concerns for EU regions include:

- Bringing down costs in all elements of the supply chain
- An emerging skills gap
- A lack of manufacturing capacity for offshore wind
- The longer term predictability and sustainability of public subsidies
- The need for knowledge sharing between the offshore renewables and oil and gas sectors
- Adapting infrastructure, particularly ports
- Issue of certification of devices