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The Director
Operations 1
Anti-Dumping Commission
5 Constitution Ave
CANBERRA ACT 2601

PUBLIC FILE VERSION

Dear Sir/Madam

**Re: Dumping Investigation ADC 221 – Wind Towers exported from China and Korea
Submission by Importer – REpower Systems SE**

We act for REpower Systems SE and its Australian subsidiary REpower Australia Pty Ltd (collectively referred to as "REpower").

1 REpower's Profile concerning the Goods under Consideration

REpower is a German based company that supplies onshore and offshore wind turbines throughout the world. It has been supplying the Australian market for over ten years and has approximately thirty percent of the Australian wind energy market. REpower provides its customers with a complete 'turnkey' solution and it is involved in the design, building, operation and maintenance of wind farms. REpower is an important contributor in the global supply chain for renewable energy projects. In Australia, REpower has supplied wind turbines principally in Victoria, New South Wales and South Australia that generate over 1,000 Megawatts of power. This assists Australia to move towards its renewable energy targets. REpower is part of the Suzlon Group, which is the fifth largest wind power company in the world, with operations in 33 countries. The Suzlon Group has supplied over 22 Gigawatts of wind energy capacity across the world.

REpower strongly objects to the prospect of dumping duties being imposed on wind towers exported from China or Korea for the reasons set out in this submission. As REpower is not itself an exporter of wind towers to Australia from the countries under investigation it is not in a position to address the question of whether dumping is occurring. However, wind towers are expensive, made-to-order products that are purchased for large-scale wind power projects. Further, most wind tower suppliers in the world are supplying towers to global wind turbine manufacturers (and are not supplying directly to the Australian wind farm developers). A global supply chain exists for wind turbine manufacturing, supply and installation. These factors impact upon this investigation and must be addressed by the Anti-Dumping Commission in considering the criteria for the imposition of dumping duties. It is REpower's principal contention that any alleged dumping cannot be found to have caused material injury to the complainants.

As an importer and supplier to the Australian wind farm industry, REpower will accordingly in this submission address the issues of causation and material injury, as well as comment generally on the claims made by Australian producers of wind towers.

2 The Absence of a Causal Link between claimed material injury and alleged dumping

As part of the dumping complaint, the Australian producers of wind towers must provide positive evidence to establish that any material injury being suffered has been caused by dumping. Article 3.5 of the WTO Anti-Dumping Agreement provides that:

'The demonstration of a casual relationship between the dumped imports and the injury to the domestic industry shall be based on an examination of all relevant evidence before the authorities. The authorities shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, and the injuries caused by these other factors must not be attributed to the dumped imports.'
(A3.5 second and third sentences).

In the WTO decision of US-Hot-Rolled Steel, the Appellate Body ruled that *'investigating authorities must make an appropriate assessment of the injury caused to the domestic industry by the other known factors, and they must separate and distinguish the injurious effects of the dumped imports from those other factors. This requires a satisfactory explanation of the nature and extent of the injurious effects of the other factors, as distinguished from the injurious effects of the dumped imports'*.¹

The abovementioned interpretation of this aspect of WTO law is directly relevant to the application of S269TG(1)(b)(i) and related provisions of the Australian Customs Act, upon which such Australian laws are based. It is prescriptive as to the rigorous task that investigating authorities must undertake in assessing material injury and causation. It is insufficient to assume, for the purposes of a dumping investigation, that any material injury

¹ Appellate Body Report, *US-Hot-Rolled Steel*, WT/DS184/AB/R [226].

that has been suffered by a domestic industry has been caused by dumping simply where these two indicia co-exist in the period of investigation.

In this case, the subject goods are sophisticated, made-to-order products that are ordinarily procured through a complex tendering or Request for Quotation (RFQ) process. In addition, suppliers of wind towers to REpower must undertake an expensive, rigorous and lengthy qualification process to ensure manufacturing can comply with the international design accreditation to which the wind turbines are certified (being IEC 61400-1: 2005 Wind Turbines Part 1: Design Requirements). Accordingly, even if dumping can be proven, the Australian industry will have to demonstrate that it would have won specific contracts to supply wind towers during the period of investigation but for such dumping. It is falsely alleged by the Australian industry that wind towers are supplied for wind farm projects purely on the basis of the lowest price. This allegation ignores the fact that a global market for wind turbine production now exists. Suppliers within this global supply chain have developed long-term commercial relationships with wind turbine manufacturers and wind tower suppliers have become more specialized as they supply wind turbine manufacturers for different wind farm projects around the world. **[DELETED – NAME AND COUNTRY OF SUPPLIER]** is an example of a specialized wind tower manufacturer. This is to be contrasted with the Australian industry, which has not specialized in wind tower production and does not export wind towers. Instead, the Australian industry has elected to maintain diverse fabrication and maintenance businesses servicing a wide-range of industries within Australia. For example, Haywards market themselves on their website as fabricators of products as diverse as conveyor systems and underground crushing plants.

With this global supply chain, wind turbine manufacturers will generally use a range of criteria to select wind tower suppliers. In REpower's case, it bases the choice of wind tower supplier on a number of specific criteria summarised as follows:

2.1 The Requirement for High Quality Products and Associated Services

REpower's wind turbines are products that are designed to operate in often harsh environments with an expected operating period of at least twenty years.² As such, REpower has a rigorous quality assurance process for both its in-house manufacturing and its external supplier base. This involves the auditing and accreditation of its major suppliers. The process is extremely detailed, expensive, lengthy and includes (inter alia):

- a self evaluation questionnaire;
- a supplier audit;
- a supplier quality rating;
- a technical clarification phase;
- manufacturing surveillance;
- first article inspection;
- surveillance of production of small commercial quantities; and
- approval for serial production.

² This requirement is discussed further under the heading 'International Design Certification'.

This process is summarized in **confidential attachment 'REP-1'** entitled 'Supplier System Evaluation & Component Qualification'.

The costs of the audit process are borne by REpower and the process involves arranging for overseas-based auditors to conduct an audit onsite at the wind tower supplier's premises. There are also additional costs for REpower of requesting the manufacturing of a small number of products which are then reviewed as part of the audit process.

Under REpower's global sourcing procurement policy, it is a requirement for REpower entities to use an accredited supplier. Once a major supplier has been accredited then a quality assurance agreement is executed which forms part of the supply agreement. The ability for a REpower supplier to provide adequate servicing and support for the product, to stand by the product and provide appropriate warranties, is also of high importance. The accreditation of a supplier will lapse if a supplier has not manufactured the specific qualified products within a **[DELETED – LENGTH OF TIME]** period. In this event, the supplier will be required to requalify as an accredited supplier. This imposes further costs on REpower. Further, the sporadic and inconsistent demand for wind farm construction in Australia means that Australian suppliers are more likely to need re-accreditation, whereas this is not likely to be an issue for wind tower suppliers that sell to REpower in a number of different markets. A related difficulty for Australian wind tower manufacturers is that their best opportunity to become accredited is after a wind farm project is awarded to a particular wind turbine manufacturer (as it is sometimes possible for prequalification to be completed as part of supplying a current project).³ However, it is commonly the case that short deadlines in the construction of wind farms do not allow sufficient time to qualify local wind tower suppliers. Again, this puts the local industry at a disadvantage in being able to supply projects and larger overseas suppliers do not generally face this difficulty.

There are statements in the dumping complaint to the effect that the Australian industry has always met the prequalification criteria of wind turbine suppliers (refer page 38 of application). This is not correct. In 2012, **[DELETED – NAME OF SUPPLIERS]** have failed in the early stages of REpower's accreditation process. The relevant circumstances were that **[DELETED – DATE AND NAMES OF SUPPLIERS]** were informed that they were unsuccessful in bidding for the supply of 64 wind towers for the Mt Mercer wind farm, which REpower is contracted to supply. In response to dissatisfaction **[DELETED – DESCRIPTION OF SUPPLIER]**, REpower issued purchase orders to these companies to produce a small number of embedments and the accreditation process was undertaken as part of this purchase order. The audit outcome is summarized in **confidential attachment 'REP-2'**.

REpower has used **[DELETED – NAME OF SUPPLIER]** previously to supply wind towers. However, in one project in Portland, the towers rusted in parts and this was subject of a warranty claim that was eventually resolved. There have also been rust issues in other projects where **[DELETED – NAME OF SUPPLIER]** was used. **[DELETED – NAME OF SUPPLIER]** have not been used for some time as a wind tower supplier due to the absence

³ This will usually occur as funds and resources become available to carry out this process.

of project opportunities and, under REpower's quality assurance guidelines, supplier accreditation lapses after a defined period, and accordingly, requalification was required.

2.2 International Design Certification

It is also important to note that wind towers are not simple steel manufactured products and that there is a significant amount of research and development that REpower undertakes to ensure that these products are progressively improved and that good engineering practices and project experiences are taken into account. Wind towers must also be built to stringent manufacturing specifications and there should not be any deviation from these specifications during the manufacturing process.

REpower's wind towers, with hub heights up to 143 metres, are an integral part of the Wind Turbine, being a sophisticated power plant. The design of REpower's wind turbines is certified by an independent party, to meet the International Electrotechnical Commission (IEC) standard IEC 61400-1:2005 "Wind Turbines Part 1: Design Requirements". Without this certification, banks would not be prepared to finance REpower projects and thus it is critical to the REpower business. As part of this certification process, all parts of the design are assessed. Part of the assessment involves REpower's research and development department calculating extreme loads and torsions which apply to a steel tower to ensure a high quality product which can be operated in a safe and secure manner for at least 20 years. REpower's development of the design ensures that these steel towers are progressively improved by using advanced engineering practices and by taking into account decades of project experience. We attach **confidential attachment 'REP-3'** which comprises a Statement of Compliance for Design Evaluation and a Type Certificate which together confirm that REpower's Model MM92 conforms to the technical requirements of the applicable standard. The Statement of Compliance for Design Evaluation is a supporting document to the Type Certificate and lists the various reports on the tower design (refer page 4 of the Statement of Compliance). When REpower conducts supplier audits, some of the key factors taken into account include whether the supplier can produce a product which is compliant with the Type Certificate and also compliant with REpower's established and internationally proven steel tower specifications.

2.3 Meeting Customer Deadlines

The ability for REpower to comply with a customer's project timelines is absolutely essential. There are often short lead times in wind farm projects and frequently the project time lines will vary and the wind turbine supplier will be required to accommodate these changes. It is therefore imperative that a wind tower manufacturer is able to produce sufficient quantities of wind tower sections quickly and efficiently to satisfy these commercial imperatives. REpower's accredited suppliers must have sufficient production capacity to deal with these project pressures. During the qualification process, a supplier's ability to deliver to a defined schedule is normally assessed. This is particularly important because REpower will often be liable to its customer for significant project delay damages in addition to any reputational damage it may suffer as a result of a delayed project. The supplier qualification process is used to mitigate this risk and exclude any supplier who may not be able to meet these important delivery dates.

There have been issues in the past with the Australian industry whereby there were delays in providing embedments due to a quality issue which arose. As a result, the embedments were not able to be used for a particular project in question. It is overall very difficult for Australian companies to satisfy these production demands despite the fact that their facilities may be closer geographically to the wind farm site.

2.4 Production of Complete Wind Towers

REpower requires its wind tower suppliers to supply not simply the wind tower sections and embedments but also the various internal components used in conjunction with the wind tower. As with many wind tower suppliers, the two Australian producers do not themselves manufacture internal components. We are instructed that the Australian wind tower producer Haywards does not supply internal components to its customers and if a wind turbine manufacturer engages Haywards, the wind turbine manufacturer must independently source such internal components from overseas suppliers. This situation is inadequate for REpower in that it seeks a supplier that can supply the entire wind tower. The failure to supply a complete wind tower may have a negative impact on the quality of the end product as well as the ability of REpower to meet project deadlines, given the potential need for physical inspections at different locations by quality control personnel. We also understand that the other Australian manufacturer, Keppel Prince is now sourcing internal components from China for some of its wind towers. These matters should be taken into account by the Anti-Dumping Commission in any comparison of like goods and prices of those goods, as well as in any injury analysis.

2.5 Price

In addition to the criteria outlined above, it is correct to say that price is still an important consideration for companies such as REpower, particularly given the competitive nature of the tenders for wind turbine manufacturers to win wind farm projects in Australia. In REpower's case, quotations are usually requested of known suppliers of wind towers, noting that not all potential suppliers are accredited at the time of quotation, but that they may be working through this process. However, a supply contract can only be awarded to accredited suppliers or suppliers that can achieve accreditation within the project delivery timeframes.

It has been alleged in the dumping complaint (refer page 32) that the Australian industry has followed pricing signals in a downward trend in seeking to win orders for wind towers. REpower does not accept this proposition given that any quotations received by it are received through a closed process and it understands that this is an industry wide practice. Hence the pricing of the other bidders would not be known to a bidder. Further, there is a strong likelihood that the reason for being unsuccessful was due to a factor other than price. With capital goods of this nature, it is incumbent upon the Anti-Dumping Commission to examine wind farm projects on a case by case basis to determine the criteria for awarding wind tower construction contracts. The traditional price analysis whereby prices are compared and price is accepted as the prevailing factor must be abandoned. This may provide adequate guidance in the case of commodity type products but this methodology should not be applied in the case of highly complex and expensive capital equipment of this nature. As stated above, the supply of wind towers requires rigorous quality controls due to

the long expected lifespan of the equipment, the harsh environmental operating conditions and the severe adverse consequences of a failure of the equipment, including financial, reputational and safety consequences.

3 Other likely causes of Material Injury and the extent of Material Injury

In the event that the Anti-Dumping Commission determines that Australian wind tower producers have suffered material injury since 2008, being the beginning of the injury analysis period, it is likely that such injury has been contributed to by a number of extrinsic economic factors. These factors are in addition to the factors that have been described in the previous section of this submission.

3.1 Currency Movements

The Australian Dollar has appreciated significantly against the United States Dollar during the last four years. The rate has varied between 1 January 2005 (1AU = US 78 cents) and 2 May 2011 (1AU = US 1.0925) by almost 40 percent. The AUD-USD exchange rate has been above parity for most of the period between 2011 and 2013, which coincides with the period when Australian producers have claimed the majority of injury has occurred. Despite the fact that the selection of wind tower suppliers is based in large part on non-price related factors, this currency trend has made Australian producers less competitive. Further, as there has been a depreciation of around 10-15 percent of the Australian dollar against the US dollar since mid-2013, there is a prospect that Australian wind tower producers may become more competitive in supplying Australian wind farm projects. We **attach** graph '**REP-4**' which sets out wind tower sales by country of origin between 2006 and 2013 together with the AU-US exchange rate for that period. The graph demonstrates that there is no obvious trend towards an increase in imports of wind towers. Rather it shows that there is an uneven mix of locally sourced and imported wind towers.

3.2 Demand Variability

The wind farm industry in Australia is a relatively new industry and the demand for wind power projects varies greatly in any given year. The demand for building wind farms is affected by factors such as Australian government policies and the priorities of energy companies and investors. In the Australian industry's complaint, this demand variability is recognised (refer to page 13) where the Australian industry refers to demand of between 100 and 200 towers per annum. The application also states that there was a contraction in the size of the Australian market in 2010 and 2011 (refer to page 37). Whilst there are positive market signals derived from Australia's renewable energy targets, which may encourage wind farm developments, there have been large fluctuations in the number and size of wind farms over recent years and this is likely to continue for the foreseeable future. If Australian producers operate in particular Australian states and only supply Australian projects, they are more at risk of suffering financial harm due to the uneven nature of market conditions. We **attach** graph '**REP-5**' which shows the sales of wind towers by Australian state in addition to the percentage of towers produced each year by Australian suppliers. We further **attach** '**REP-6**' which confirms the unpredictability of tower sales between 2006 and 2013.

3.3 Low Economies of Scale and High Production Costs

Australian producers of wind towers have lower economies of scale and higher production costs than many of their foreign competitors. By way of contrast, a major wind tower supplier to REpower based in **[DELETED – COUNTRY OF ORIGIN]** is able to produce in excess of 400 wind towers per year operating with a single daily shift and we anticipate the same high economies of scale would apply to **[DELETED – COUNTRY OF ORIGIN]** sourced wind towers. Such large economies of scale permit foreign producers to specialise in wind tower production and undertake further research and development, all of which has the propensity to render Australian producers less competitive. As previously stated in this submission, Australian producers are diversified fabrication companies, and the wind power industry is one of many industries to which they supply products. Even in a year when the Australian industry is producing relatively high number of wind towers (such as in 2010/2011 with the MacArthur wind farm), the volumes are less than half what a specialist supplier such as **[DELETED – NAME OF SUPPLIER]** may supply in any given year. The higher volumes of a specialist tower supplier will result in lower fixed costs per unit of production. In addition, higher efficiencies and knowledge gained by specialisation result in lower variable costs per tower such as labour costs and inspection costs.

3.4 Effects of Performance by other Business Units and Transportation Costs

Any material injury found to have been sustained by Australian producers must also be separated from other under performing businesses that may be conducted by Australian producers. For example, RPG Australia, which is now in liquidation, appears to have had a number of different products and services and we understand it was a supplier of various diverse products to a number of industries, including the mining, construction, agricultural and transport industries. In addition, the Anti-Dumping Commission, as part of its injury analysis, must take into account the total costs of delivering wind towers to the project site in undertaking a comparison of the economics of sourcing from an Australian versus an overseas supplier. Transportation costs may vary significantly depending upon the location of the Australian producer relative to the wind farm project site.

4 Critique of the Application by Australian Wind Tower Producers

We refer to the arguments and data used by the Australian wind tower producers in support of their request for the imposition of dumping duties and we make the following further observations in response.

- 4.1 The complainants assert that the Australian market for wind towers is expected to double during the next 2-3 years as renewable energy policy heads towards achieving a 20 percent renewable energy mix by 2020. There is also a claim that 400 wind towers per year would be required in order meet the 2020 target (refer page 13 of Application). There is an implication in this statement that Australian wind tower producers will miss out on sales opportunities by virtue of alleged dumping. The renewable energy market in Australia is, in fact, not in a period of unbridled growth. There is a degree of uncertainty created by the

change in Federal Government and there is to be a review of renewable energy targets and policies in 2014. REpower is of the view that it is very unlikely that 400 towers per year will be constructed for the balance of this decade. A further key 'driver' of the construction of wind farms is the Renewable Energy Certificate (REC) price, which is currently low with a major contributing factor being the small scale solar power subsidies that were until recently available to households.

- 4.2 The statement that 'the total value of a utility scale wind tower constitutes approximately 8 percent of a fully constructed wind turbine' is not correct and is far too low. Wind towers represent a major part of the cost of production of the overall wind turbine. For example, the cost of a wind tower represents approximately **[DELETED – FIGURE HIGHER THAN 8 PERCENT]** percent of the total retail price of REpower's most popular wind turbine, being model MM92. Further, if craning and installation costs in relation to the wind tower are factored in, the wind tower represents approximately **[DELETED – FIGURE HIGHER THAN 8 PERCENT]** percent of the retail price of model MM92. Accordingly, the imposition of dumping duties would severely impact upon the price of wind farm construction in Australia as is discussed in the next section of this submission.
- 4.3 The data presented by the complainants confirms that sales by Australian producers in the period from 2010 – 2012 has increased (refer Diagram A – 9.1.1 on page 26). Further, there is no evidence in the complainants' own material to show that a trend line of dumping exists between 2010 and 2012. Diagram A – 9.1.1 (accepting its validity for present purposes) discloses that dumping as only being apparent in calendar year 2012. These figures do not support the proposition that dumping or material injury exists and, if anything, highlight the unpredictability of the sales data and the Commission should take a cautious approach in analysing such data. In this regard, we refer again to attachment '**REP-4**' 'origin of towers by year'.
- 4.4 The Anti-Dumping Commission should thoroughly investigate the claims by Australian producers that they have missed out on supplying particular wind farm projects (refer pages 23-24). The Anti-Dumping Commission's advice that wind towers supplied to the Snowtown II Project did not emanate from China or Korea is a case in point (refer ADC notice dated 10 October 2013). Care must also be taken when examining wind towers supplied by Korean versus Chinese firms. It is unclear from the application as to exactly how many towers have been exported from each country in order to properly assess the effects (if any) on the Australian market. REpower has compiled its own figures based upon best available market information, as set out in attachment '**REP-7**' being an excel spreadsheet labelled 'List of wind farms and origins 2006-2013'.
- 4.5 The claim that Australian wind tower producers had a 59 percent loss in market share between 2008 and 2012 is very misleading (refer page 35) because as of 2008 imports represented only 7 percent of sales. There is no evidence of an established market presence by importers in or about 2008 and much of the subsequent increase in market share of imports is, on the complainants' own figures, comprised of non-dumped imports.

- 4.6 Australian producers have incorrectly asserted that wind tower producers from other countries have exited the Australian market (refer page 37). REpower is aware of a significant project in Western Australia supplied in 2011 by an Indonesian wind tower manufacturer. It is also inaccurate to refer to an Australian wind tower market per se as wind tower suppliers are not selling directly into the Australian wind farm market, but rather their customers are global wind turbine manufacturers, headquartered in the United States, Europe or Asia. The decisions by the procurement departments of these global wind turbine manufacturers are, in REpower's experience, based upon the criteria listed earlier in this submission.
- 4.7 We note the statement (refer page 43) that 'no meaningful import data for utility scale wind towers is available from the Australian Bureau of Statistics because the tariff classification applicable to the goods is too broad'. This fact makes it very difficult for accurate import volumes to be known by the Anti-Dumping Commission in the absence of cooperation from all importers and will limit the reliability of the dumping and injury analysis.
- 4.8 Significantly, the high dumping margins described for China and Korea in Section B-6 of the Application (refer pages 47 - 48) appear to be based upon single wind farm projects commissioned in 2012. We fail to understand how this may possibly be deemed a reliable preliminary assessment of dumping margins. This demonstrates the unreliability of the Australian producer's claims. Further, there is also a dearth of information in Section B-4 of the Application as to how the complainants have calculated normal values for exports from Korea. We are simply informed that the complainants have used the deductive export price method and that domestic selling prices are not readily available from published sources and/or industry publications.

5 Negative Economic Effects Should Dumping Duties be Imposed

In the event that dumping duties were to be imposed, the wind turbine suppliers such as REpower would have no alternative but to pass on such duties to its customers, being the wind farm developers. It is unlikely that wind turbine suppliers, which presently import, would simply switch to Australian made wind towers because of the fundamental issues of quality, reliability, timeliness of supply and the need to provide a complete 'turnkey' solution to customers through an integrated and streamlined supply chain. Thus, the cost of wind farm construction in Australia will materially increase and this will affect the viability of wind farm projects as investors and developers consider alternatives that are more profitable. The higher the construction costs, the higher the returns are required to be throughout the lifespan of a wind farm project in order to make it viable.⁴ Given that the industry is in its infancy, it

⁴ Returns for wind farms are generally fixed by a Power Purchasing Agreement (PPA), also known as an 'off-take agreement'. The PPA price is a contract that the owner of the wind farm would have with a utility such as AGL or Origin Energy to purchase the electricity. These agreements are for a set period and are essentially the income that a wind farm owner will derive from the wind farm. For a project to be viable, the company (and the banks which finance most wind farms) will often do an Internal Rate of Return (IRR) calculation. The return on the wind farm will generally need to meet a minimum return (hurdle rate) in order for the project to be viable. Given that the PPA market is very competitive and prices are generally low and fixed for a period, any increases to the capital cost of the wind farm will reduce the IRR. If the IRR falls below the hurdle rate then often a wind farm will not be built.

would place a difficult burden on the industry in the future. If there is a significant reduction in wind farm projects then it will adversely affect all suppliers including the members of the Australian industry that have brought the complaint.

6 Inappropriateness of provisional measures

REpower contends that it would be inappropriate for the Commissioner to impose provisional measures during the course of this investigation. The goods under consideration are technical, high-value made-to-order products that are procured as part of a global wind turbine supply chain that applies stringent product standards and bases its procurement decisions on a range of considerations, and not simply price. The sophistication of the markets and products means that the Anti-Dumping Commission must thoroughly investigate the allegations raised by the Australian industry. There is no prima facie case for the imposition of provisional measures.

7 Conclusion

In light of the matters raised in this submission, there is no basis in fact or at law for the imposition of dumping duties on wind towers exported from Korea or China. The alleged dumping cannot be said to have caused the alleged material injury to the Australian industry. Other intervening factors must be taken into account and result in there being no significant causal relationship between the presence of imports and the viability of Australian production of wind towers.

Should you have any queries or require further elaboration on or information concerning the above, do not hesitate to contact the writer.

Yours faithfully
GROSS & BECROFT

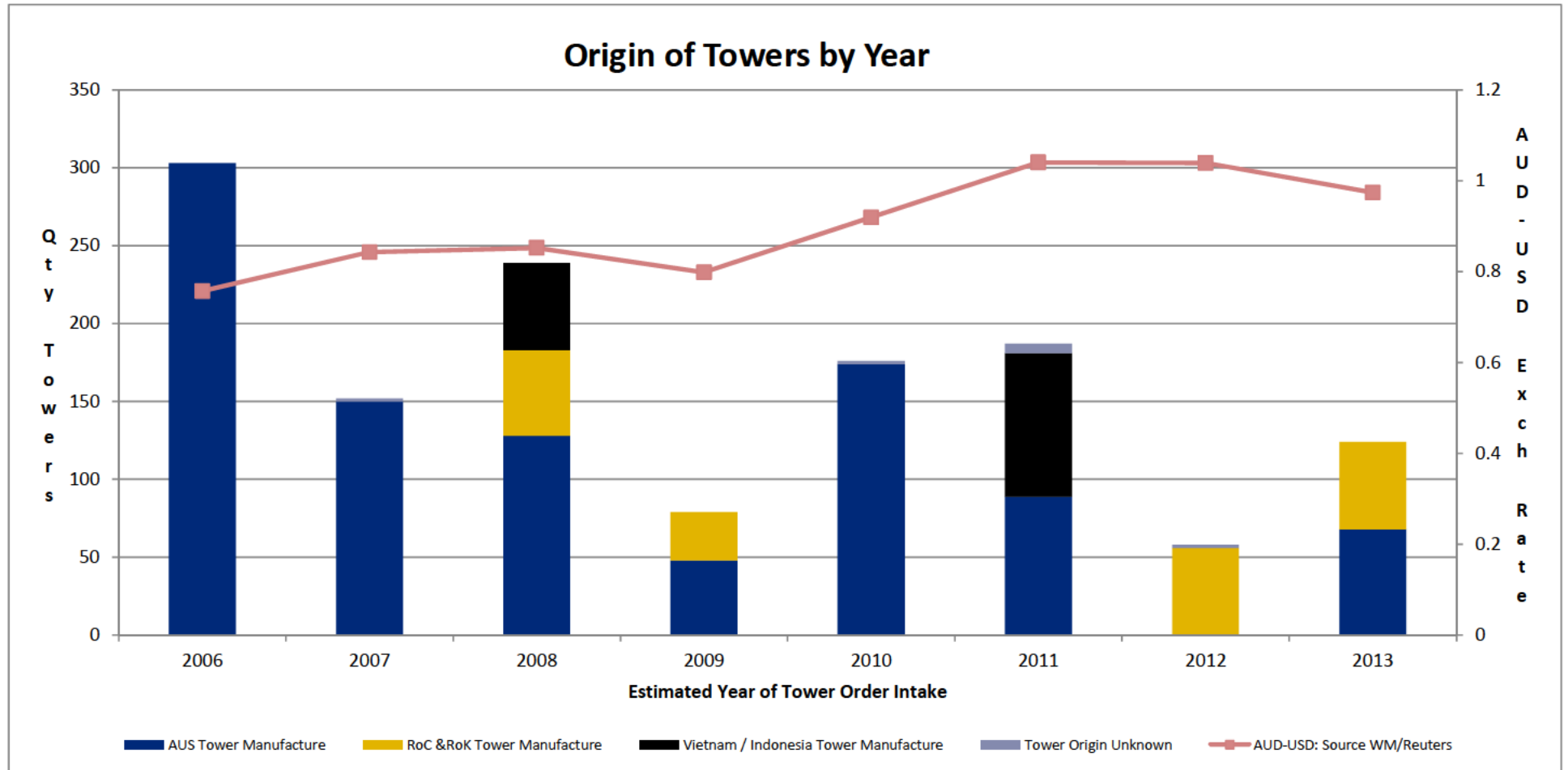


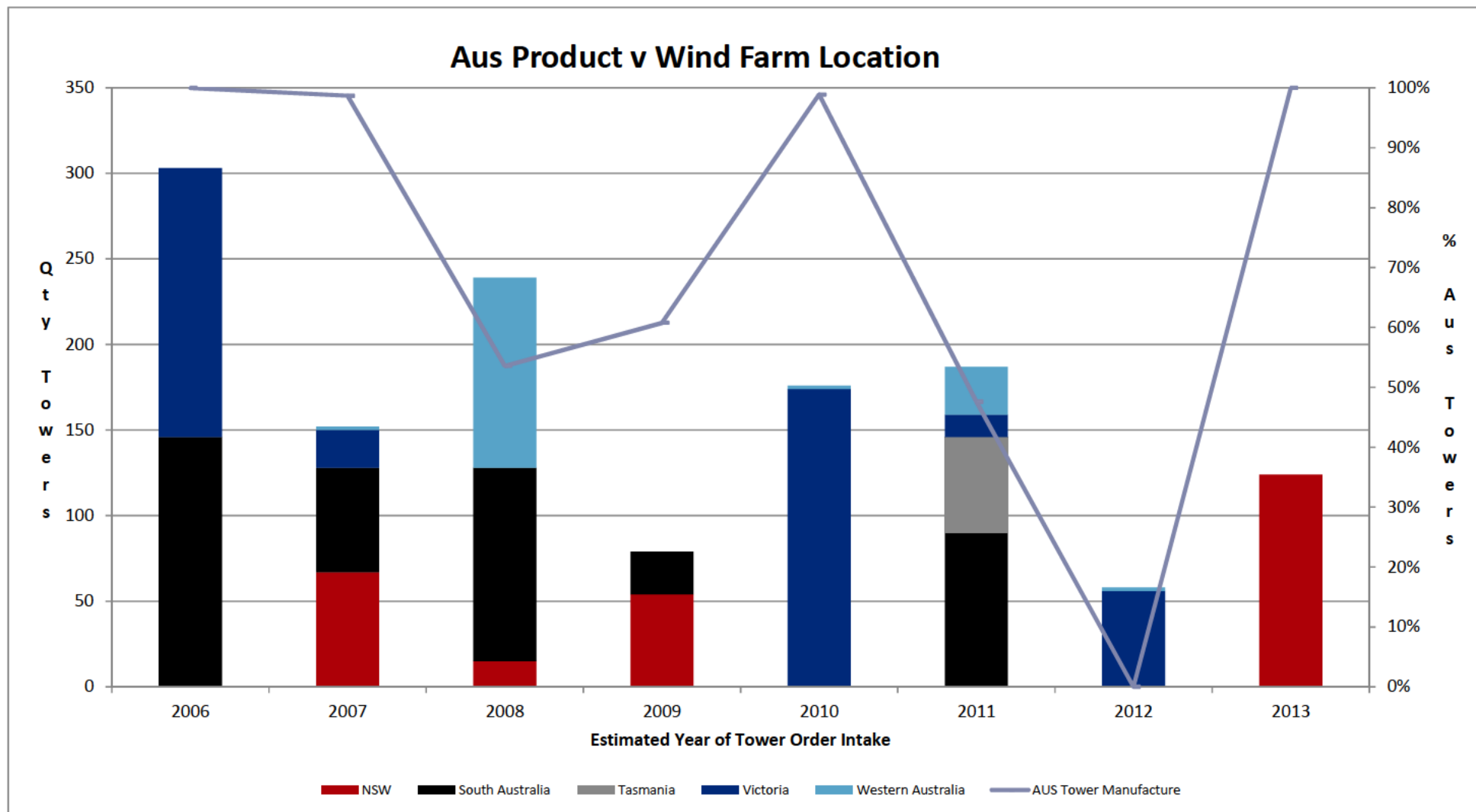
Dr. Ross Becroft
Principal

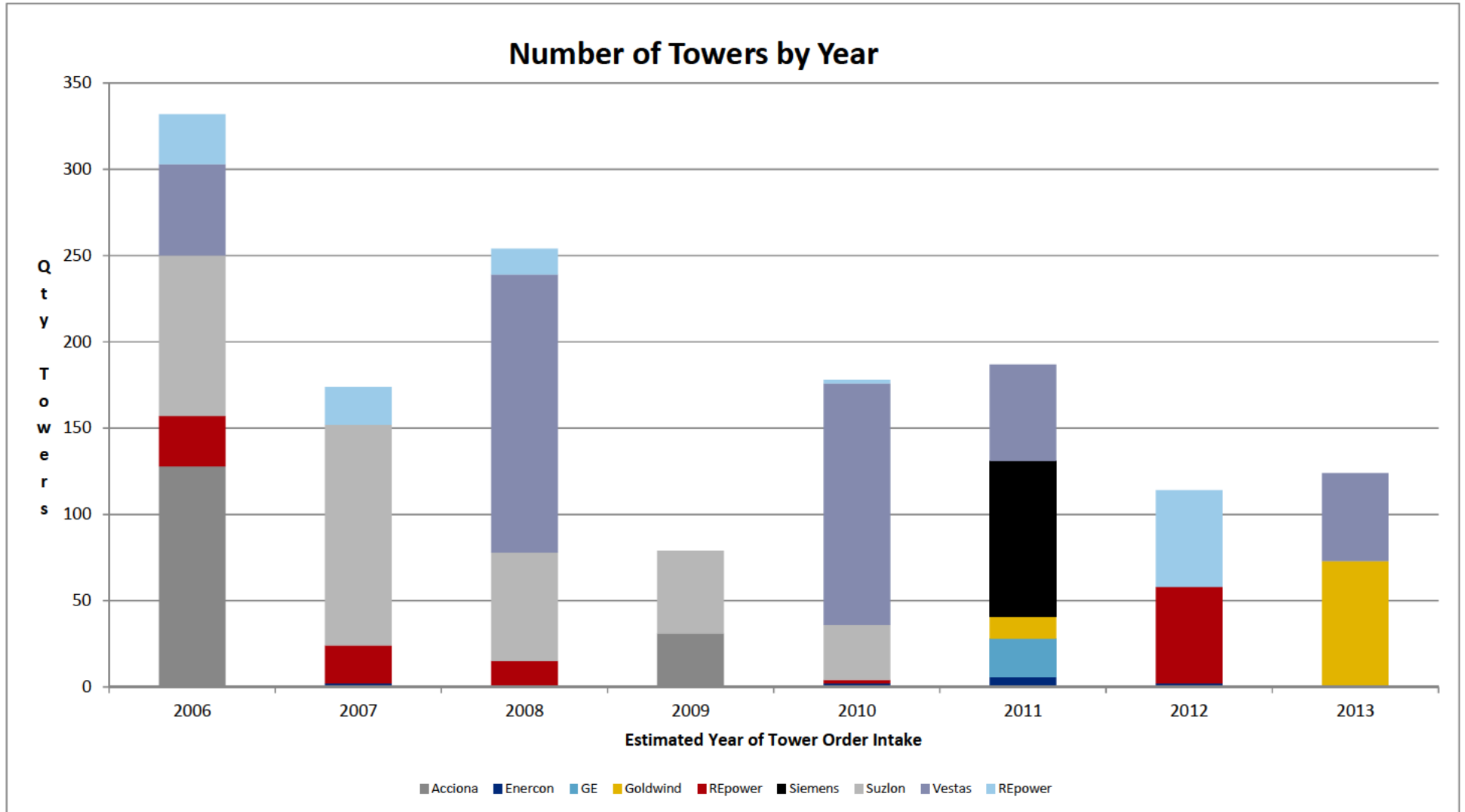
Attachments

Attachment Number	Attachment Title
Confidential Attachment 'REP-1'	Supplier System Evaluation & Component Qualification
Confidential Attachment 'REP-2'	Summary of Wind Tower Supplier Audit Outcome
Confidential Attachment 'REP-3'	Statement of Compliance for Design Evaluation and Type Certificate Model MM92
Attachment 'REP-4'	Origin of Towers by Year
Attachment 'REP-5'	Aus Product v Wind Farm Location
Attachment 'REP-6'	Number of Towers by Year
Attachment 'REP-7'	Summary of Tower Purchases 2006 – June 2013

REP 4







REP - 7

Summary of Tower Purchases 2006 - June 2013														
as at 21 Oct 2013														
Serial	Name	State	Year of completion	Number WTGs	Manufacturer	Estimated Year of Tower Contract Award	AUS Tower Manufacture	AU Embed Manufacture	RoC & RoK Tower Manufacture	RoC & RoK Embed Manufacture	Vietnam / Indonesia Tower Manufacture	Vietnam / Indonesia Embed Manufacture	Tower Origin Unknown	Notes
1	Cape Bridgewater	Victoria	2008	29	REpower	2006	29	29	0	0	0	0	0	KPE
2	Hallet #1	South Australia	2008	45	Suzlon	2006	45	45	0	0	0	0	0	RPG
3	Kalbarri	Western Australia	2008	2	Enercon	2007	0	0	0	0	0	0	2	
4	Lake Bonney Stage 2	South Australia	2008	53	Vestas	2006	53	53	0	0	0	0	0	KPE / Haywards
5	Snowtown	South Australia	2008	48	Suzlon	2006	48	48	0	0	0	0	0	RPG
6	Capital	NSW	2009	67	Suzlon	2007	67	67	0	0	0	0	0	KPE (20)/RPG (47)
7	Clements Gap	South Australia	2009	27	Suzlon	2007	27	27	0	0	0	0	0	RPG
8	Cullerin Range	NSW	2009	15	REpower	2008	15	15	0	0	0	0	0	KPE
9	Hallett Hill (Hallett)	South Australia	2009	34	Suzlon	2007	34	34	0	0	0	0	0	RPG
10	Lake Bonney Stage 3	South Australia	2009	13	Vestas	2008	13	13	0	0	0	0	0	RPG
11	Cape Nelson South	Victoria	2009	22	Repower	2007	22	22	0	0	0	0	0	KPE
12	Waubra	Victoria	2009	128	Acciona	2006	128	128	0	0	0	0	0	Haywards (64) / KPE
13	Waterloo	South Australia	2010	37	Vestas	2008	37	37	0	0	0	0	0	RPG

Summary of Tower Purchases 2006 - June 2013														
14	The Bluff (Hallett)	South Australia	2011	25	Suzlon	2009	25	25	0	0	0	0	0	RPG
15	Collgar	Western Australia	2011	111	Vestas	2008	0	0	55	55	56	56	0	China / Vietnam - Split Estimate only
16	Gunning	NSW	2011	31	Acciona	2009	0	0	31	31	0	0	0	Source - Wind Turbine Manufacture's submission to ADC
17	Hepburn	Victoria	2011	2	REpower	2010	2	2	0	0	0	0	0	KPE
18	Mount Barker	Western Australia	2011	2	Enercon	2010	0	0	0	0	0	0	2	
19	North Brown Hill (Hallett)	South Australia	2011	63	Suzlon	2008	63	63	0	0	0	0	0	KPE (20) / RPG (43)
20	Woodlawn	NSW	2011	23	Suzlon	2009	23	23	0	0	0	0	0	RPG
21	Grasmere	Western Australia	2012	6	Enercon	2011	0	0	0	0	0	0	6	
22	Mortons Lane	Victoria	2012	13	Goldwind	2011	13	13	0	0	0	0	0	KPE
23	Oaklands Hill	Victoria	2012	32	Suzlon	2010	32	32	0	0	0	0	0	KPE
24	Denmark	Western Australia	2013	2	Enercon	2012	0	0	0	0	0	0	2	
25	Macarthur	Victoria	2013	140	Vestas	2010	140	140	0	0	0	0	0	KPE (80) / RPG (60)
26	Musselroe	Tasmania	2013	56	Vestas	2011	56	56	0	0	0	0	0	Haywards
27	Mumbida	Western Australia	2013	22	GE	2011	0	0	0	0	22	22	0	Korindo
28	Snowtown II	South Australia	under construction	90	Siemens	2011	20	20	0	0	70	70	0	E&A Contractors (20) / China (60)
29	Mt Mercer	Victoria	under construction	56	REpower	2012	0	20	56	36	0	0	0	Embeds - KPE (10 x Embeds), WIN&P 54 Towers - Win&P 64 Towers

Summary of Tower Purchases 2006 - June 2013														
30	Taralga	NSW	under construction	51	Vestas	2013	51	51	0	0	0	0	0	KPE
31	Gullen Range	NSW	under construction	73	Goldwind	2013	17	17	56	56	0	0	0	KPE (17) / TSP China (56)

References

- | | | |
|---|--------------------|---|
| 1 | List of Wind Farms | http://ramblingsdc.net/Australia/WindPower.html |
| 2 | KPE Work | www.keppelprince.com |
| 3 | Haywards Work | http://www.haywards-steel.com/wind-farms |
| 4 | RPG Work | Repower and Suzlon Wind Farms - Repower company knowledge |
| 5 | RPG Work | Other Manufacturers - industry knowledge |
| 6 | E & A Contractors | http://www.whyllanewsonline.com.au/story/1702543/local-contractor-unites-with-international-partner/ |
| 7 | Other | Wind Tower Manufacture's Submission (as corrected by Siemens for Snowtown II) |
| 8 | Exchange Rate | WM/Reuters exchange rate on the last day of the month, averaged for the year |

Assumptions

- | | |
|---|--|
| 1 | Estimated contract year for towers - large wind farm > 80 WTGs = 3 years prior to completion |
| 2 | Estimated contract year for towers - medium wind farm 30-79 WTGs = 2 years prior to completion |
| 3 | Estimated contract year for towers - small wind farm < 29 towers = 1 year prior to completion |

Notes

- | | |
|---|---|
| 1 | Boco Rock Wind Farm, signed 27/6/13 with Downer/GE for 67 x WTGs has not been included in figures as unclear if tower contract has been let |
|---|---|

PERCENTAGE

Estimated Year of Tower Contract Award	AU Tower Manufacture	AU Embed Manufacture	RoC &RoK Tower Manufacture	RoC &RoK Embed Manufacture	Vietnam / Indonesia Tower Manufacture	Vietnam / Indonesia Embed Manufacture	Tower Origin Unknown
2006	100%	100%	0%	0%	0%	0%	0%
2007	99%	99%	0%	0%	0%	0%	1%
2008	54%	54%	23%	23%	23%	23%	0%
2009	61%	61%	39%	39%	0%	0%	0%
2010	99%	99%	0%	0%	0%	0%	1%
2011	48%	48%	0%	0%	49%	49%	3%
2012	0%	34%	97%	62%	0%	0%	3%
2013	55%	55%	45%	45%	0%	0%	0%

BY STATE - No. towers

State	AU Tower Manufacture	AU Embed Manufacture	RoC &RoK Tower Manufacture	RoC &RoK Embed Manufacture	Vietnam / Indonesia Tower Manufacture	Vietnam / Indonesia Embed Manufacture	Tower Origin Unknown	TOTAL - TOWER
SA	365	365	0	0	70	70	0	435
VIC	366	386	56	36	0	0	0	422
NSW	173	173	87	87	0	0	0	260
WA	0	0	55	55	78	78	12	145
TAS	56	56	0	0	0	0	0	56

BY STATE - % Towers AU Origin

State	AU Tower Manufacture	AU Embed Manufacture	RoC &RoK Tower Manufacture	RoC &RoK Embed Manufacture	Vietnam / Indonesia Tower Manufacture	Vietnam / Indonesia Embed Manufacture	Tower Origin Unknown
SA	84%	84%	0%	0%	16%	16%	0%
VIC	87%	91%	13%	9%	0%	0%	0%
NSW	67%	67%	33%	33%	0%	0%	0%
WA	0%	0%	38%	38%	54%	54%	8%
TAS	100%	100%	0%	0%	0%	0%	0%

BY YEAR - By State

Sum of Number WTGs

Column Labels

Row Labels	NSW	South Australia	Tasmania	Victoria	Western Australia	Grand Total
2006		146		157		303
2007	67	61		22	2	152
2008	15	113			111	239
2009	54	25				79
2010				174	2	176
2011		90	56	13	28	187
2012				56	2	58
2013	124					124
Grand Total	260	435	56	422	145	1318

AUS Tower Manufacture
100%
99%
54%
61%
99%
48%
0%
100%

BY YEAR - By Manufacturer

Sum of Number WTGs	Column Labels							
Row Labels	Acciona	Enercon	GE	Goldwind	REpower	Siemens	Suzlon	Vestas
2006	128				29		93	53
2007		2			22		128	
2008					15		63	161
2009	31						48	
2010		2			2		32	140
2011		6	22	13		90		56
2012		2			56			
2013				73				51
Grand Total	159	12	22	13	124	90	364	461