Vestas Says Pueblo Factory Part Of Recovery Plan

The Associated Press

DENVER (AP) — Vestas Wind Systems is putting some of its factories up for sale, but officials said Wednesday their converted tower factory in Pueblo is still part of their recovery plan.

Vestas spokesman Andrew Longeteig said the Pueblo tower factory is still ramping up to meet market demand and hiring more than 100 people by the end of March. He said the plan is to share production capacity, including a recent contract to manufacture towers for a third party at the Pueblo facility.

"As a result of the low activity level expected in 2013, Vestas adjusted its manufacturing footprint accordingly. We have done this in two ways: sharing production capacity, such as the recent contract to manufacture towers for a third party at our factory in Pueblo, and selling factories, such as selling our tower factory in Denmark last year to long-standing business partner Titan Wind Energy," the statement noted.

Under the new contracts, Vestas is not supplying blades or nacelles housing generators, which are other key components of a wind turbine.

Longeteig said there are a number of other manufacturing facilities up for sale, but they aren't going to be identified until negotiations are completed.

The company announced on Feb. 21 it was cutting about 10 percent of its 1,100 manufacturing workforce in Colorado. It blamed the battle in Congress over a tax credit for wind generators. Congress last month granted a last-minute one-year extension of the $12 billion credit. But Vestas said that came too late for many of its customers, who stopped ordering the turbines Vestas builds at plants in Windsor and Brighton.

The company said it hopes the wind market will stabilize during the rest of the year with the credit in place.

When the cuts were announced, U.S. Sen. Michael Bennet, D-Colo., said in a statement that "Congress needs to stop manufacturing these unnecessary crises and give these industries some predictability."

The tax break, called a producer tax credit, helps offset the cost of electricity production during a wind farm's first 10 years. Colorado lawmakers say it helped drive economic growth in Colorado's wind industry.

Source URL (retrieved on *07/31/2014 - 4:25am*):

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