

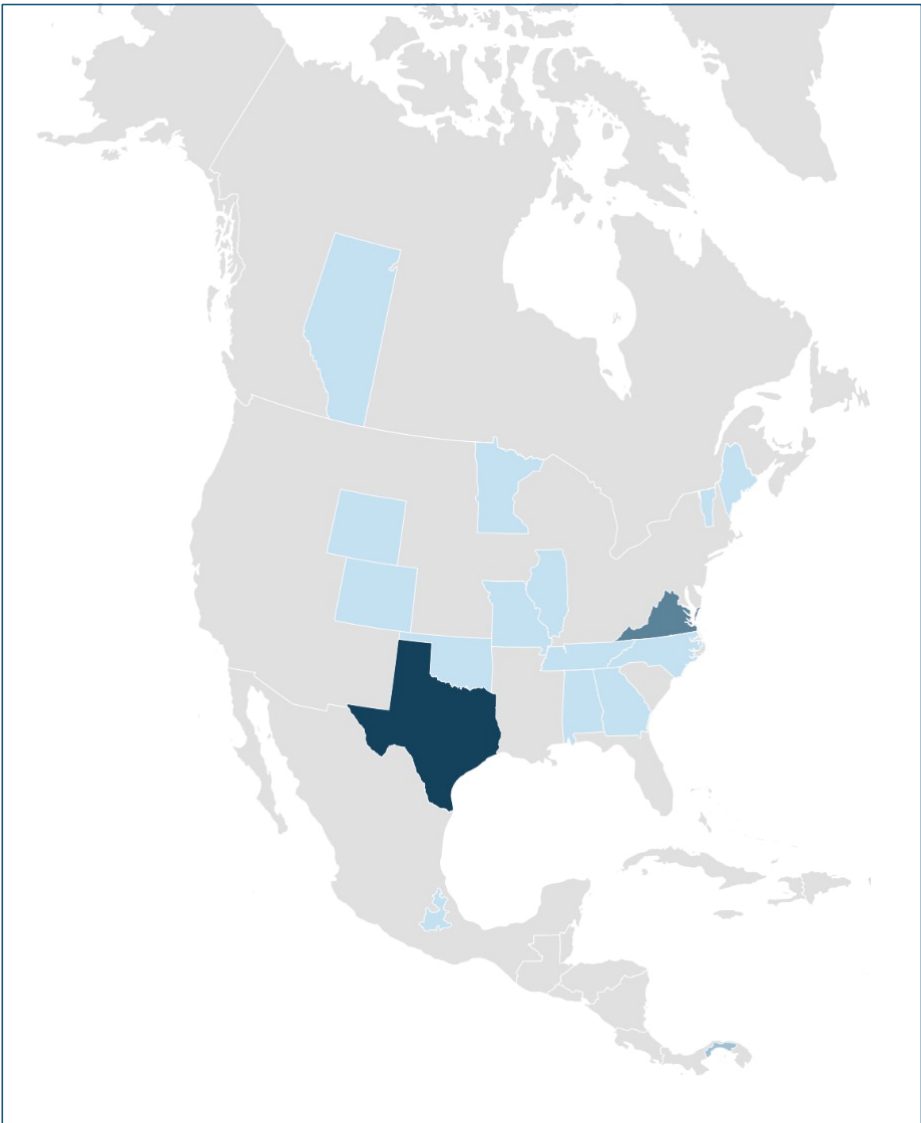
The STATCOM Synopsis - Encapsulating 5 years of the Market

Since the roll out of FACTS technologies in the transmission and industrial sectors, the North American market has been one of the major demand center. Due to continuously evolving stringent rules and regulations, grid operators have not only been focusing on deploying FACTS but also seeking the latest technologies, like Static Synchronous Compensator (STATCOM), to ensure network stability. Other factors driving the North American FACTS market include the decommissioning of coal fired power plants, increasing share of renewables in generation mix and increasing electricity demand.

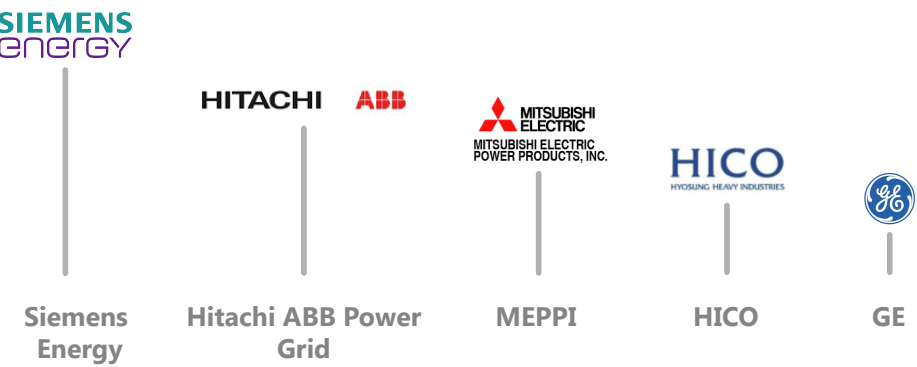
Within NAM, the highest number of FACTS installations are seen in the U.S. followed by Canada. The new administration in the U.S., is making significant changes to renewable energy policies and has set a target to have renewables account for 100% of power generation by 2035. This will certainly instigate a rise in demand of STATCOMs in coming years across USA.

STATCOM Installations in North America (2016-2020)

- The map shows STATCOMs installed in the past five years in North America. It can be clearly seen that most installations are in the USA.
- In past years, many coal fired power stations have been shut down in the Eastern and Upper Midwest of USA and the Investor-Owned Utilities (IOUs) in these states have resorted to STATCOM to ensure grid stability.
- In Southern states, such as Texas, where multiple systems have been deployed in recent years, an increase of 100% in the load consumption was observed, raising concerns from a transmission reliability standpoint. Efforts have been made to not only develop new transmission lines but also to install multiple STATCOMs in the grid.
- Looking at the rest of North America, there have been couple of STATCOM additions in grid of Mexico and Canada. Panama has also shown interest in deployment of FACTS and have completed installation of their first STATCOM systems.

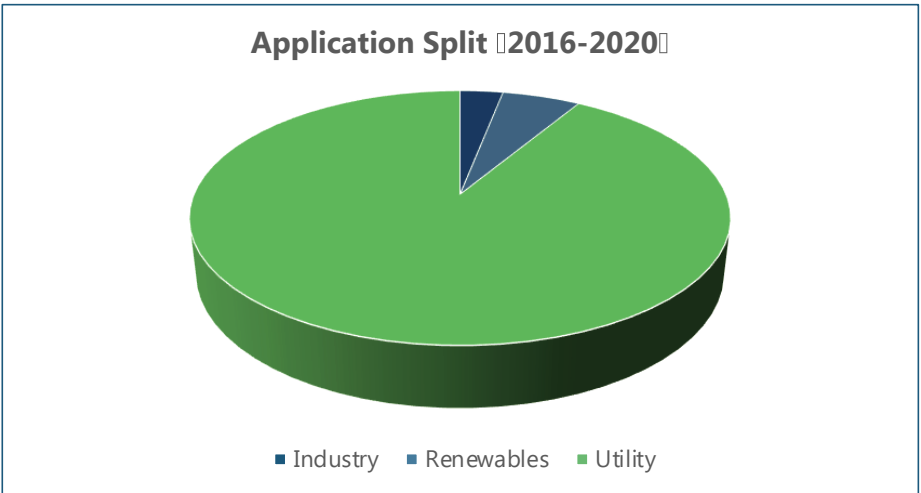


Suppliers Ranking



- North American STATCOM market is very competitive due to a strong footprint of key FACTS suppliers/ Original Equipment Manufacturers (OEMs).
- In terms of suppliers ranking, Siemens Energy tops the list. Siemens Energy has largest market share of utility scale STATCOM across the globe. The second on the list is Hitachi ABB Power Grids having supplied some large capacity projects in recent past.
- MEPPI is another key player of SVC and STATCOM in North America having USA as primary target market. HICO is a Korean player and a new entrant in NAM. Through their global experience in FACTS market and a new plant in USA, they have been able to bag a few orders in NAM.
- GE holds fifth position among STATCOM suppliers in NAM as its key focus is on series capacitors market of North America having claimed large market share.

Application Split



- USA, being major demand center of STATCOMs in North America, focuses a lot of utility scale FACTS. In the past, this market was served with Static VAR Compensator (SVC) but in recent past interest has been shifted towards STATCOM.
- The roll of out renewables in generation mix of North American grid is a relatively new trend unlike European countries. This is the reason, STATCOMs deployment in renewables is less as compared to utility sector. However, with new policy on renewables in place by US administration, the share of STATCOMs in renewables will certainly rise in coming years.
- Steel production plays a very crucial role in North American industrial sector. There are more than hundred steel plants operational in USA and the industry is expanding. This offers opportunities to FACTS suppliers for new additions and refurbishment projects. However, in USA, SVC has been a preferred choice by steel industry due to which share of industrial STATCOMs in industries is very less. Demand of STATCOMs is expected from steel sector in Mexico which will certainly change this split in future.