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Siemens Energy's Charlotte plant lands \$1B Saudi contract

Charlotte Business Journal by John Downey, Senior Staff Writer

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Siemens Energy in Charlotte will ship the majority of \$1 billion worth of turbines and generators to Saudi Arabia for construction of a 4,000-megawatt combined-cycle power plant in a deal announced Wednesday.

The U.S. Export-Import Bank is providing \$638 million in financing for the deal, says [Fred Hochberg](#) of the bank. [Randy Zwirn](#), chief executive of Siemens' U.S. energy operations, says the company will deliver 12 natural gas turbines, six steam turbines and 18 generators as well as ancillary equipment and services from the United States and elsewhere.

"Shipments from our new natural gas turbine facility in Charlotte will start in late 2012 and continue through March of 2013," Zwirn said during a conference call about the deal. The Saudi plant is expected to start operating in 2014.

Ten of the natural gas turbines and all of the generators will be produced at the Charlotte facility. The remaining gas and the steam turbines will be produced elsewhere in Siemens' international network.

Zwirn said Siemens Energy, a subsidiary of Germany-based **Siemens AG**, beat out **General Electric** and companies from Japan and South Korea in bidding for the project. Hochberg said three companies that have manufacturing operations in the U.S. were involved. He said the bank was prepared to provide financing for any of them.

"As far as I am concerned, Siemens is an American company," Hochberg said. "It manufactures in the United States and it hires U.S. workers."

Siemens dedicated its 450,000-square foot gas turbine plant in Charlotte two months ago. The

company has hired about 700 of the 1,100 workers it expects to add in Charlotte for the plant, Zwiern says.

Siemens already employs more than 800 workers at a plant that makes steam turbines and generators on the same Charlotte campus.

The Saudi project is to be built in Qurayyah on the eastern coast of the Kingdom of Saudi Arabia.

The buyer, and the borrower for the financing, is Hajr for Electricity Production Co. in Riyadh, Saudi Arabia. The project will sell capacity and energy under a 20-year power-purchase agreement with Saudi Electricity Co.

John Downey covers the energy industry for the Charlotte Business Journal. [Click here to read more recent postings on Power City.](#)

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