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Caterpillar partnership set to boost two local manufacturers

Premium content from Jacksonville Business Journal by Sarah Mueller, Reporter

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JACKSONVILLE — Two local companies are helping people in developing countries get the electricity they need in a deal that has already generated more than \$100 million in orders and created seven jobs in Jacksonville, company officials said.

"This partnership is made in heaven," said [Vaughn Beasley](#), senior vice president and director of power systems for Ring Power Corp.

Jacksonville area Ring Power and APR Energy plc recently signed a five-year agreement with worldwide heavy equipment manufacturer Caterpillar Inc. (NYSE: CAT). The companies are working together to provide large-scale, modularized power generators to emerging markets. The initial generator order from APR Energy was for 140 units, worth about \$103 million, Beasley said.

Caterpillar, based in Peoria, Ill., manufactures the 800-megawatt generators at facilities in Louisiana and North Carolina. Under the contract, APR Energy will buy the generators from Ring Power, which will also supply maintenance, parts and service for the equipment.

"It's a very important, very strategic deal," said [Laurence Anderson](#), president and chief operating officer for APR Energy. The company offers temporary solutions for situations including seasonal demand, locations with limited power access and disaster relief.

APR has government and industrial customers around the world, including Senegal, Ecuador and Peru. APR Energy has more than 100 employees in Jacksonville and about 600 in locations outside the U.S., Anderson said.

Ring Power, based in St. Augustine, is a full-line Caterpillar heavy equipment dealer in north and central Florida. Its power systems division supplies new and used power generation and propulsion products — including service, parts and rental.

[The Wall Street Journal](#) reported in June that APR had been acquired by British financier [Hugh Osmond](#)'s Horizon Acquisition Co. plc for \$885 million. APR was formerly owned by billionaire investor [George Soros](#) and former U.S. Secretary of State [Madeleine Albright](#). APR also announced in May that it had won a contract with Tokyo Electric Power Co. to supply 203 megawatts of electric generating capacity to Japan following the March earthquake and tsunami.

Lad [Daniels](#), former president of the First Coast Manufacturers Association, said this deal is a big one. With 2010 sales and revenues of \$42.6 billion, Caterpillar is one of the world's leading manufacturers of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives.

The company, which has a district office in Jacksonville, has done an incredible job of maintaining competitiveness in the global heavy equipment marketplace, [Daniels](#) said.

"Caterpillar is one of our real stellar performers in exports," he said. "It's a recognition of the strength of Ring Power that Caterpillar chose them."

[Daniels](#) said the deal is good for the companies and for the balance of trade. APR will benefit from an increased flow of temporary power plant opportunities.

"We see substantial development, which is expected to grow in the foreseeable future," Anderson said.

APR Energy also expects new potential business opportunities to come from its new relationship with Caterpillar, Anderson said. Ring Power will serve as a dedicated sales channel between Caterpillar and APR. It has hired six new people to work in its Northeast Florida office. Caterpillar has hired one new person in its district office to support the two local companies, Beasley said.

Caterpillar will benefit from an increased presence, on a global basis, in the International Power Projects market, a news release said. While APR Energy declined to discuss specifics, Anderson said they were projecting rapid growth.

Sarah covers logistics, transportation, trade, manufacturing, defense and technology