

Co-Operative Revolution or Revolutionary Co-Operation?

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Over the last 10 years Offshore Wind has progressed from 'marginal demonstration projects' to a significant element of Political Plans.

An industry has been developed to construct these Offshore Windfarms

Will this industry be able to Deliver these Plans?

Where is the Money?



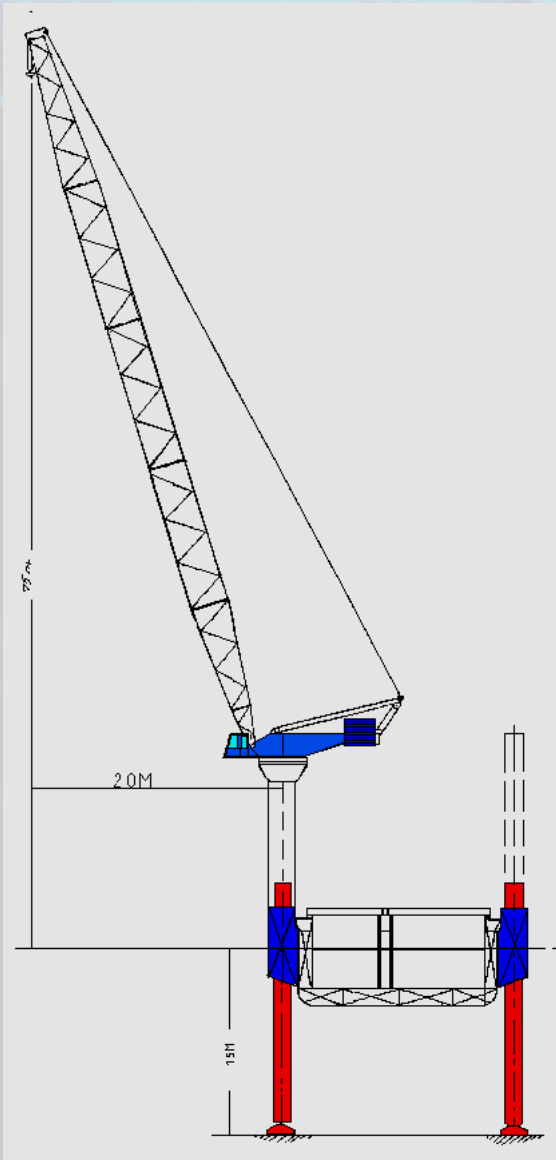
Before an Offshore Winfarm is commissioned an investment decision is required:-

Horns Rev £200M

North Hoyle £72M

But before these could be built Construction Facilities investment decisions were also required

Where is the Money?



For Horns Rev

Two stabilised crane ships were converted from container vessels (A2Sea)

and

A Jack-Up was built (Jumping Jack – Mammoet van Oord)

Where is the Money?



For North Hoyle

A Jack-Up was built
(Resolution – Mayflower)

and



A Jack-Up was converted
(Excalibur - Seacore)

Where is the Money?

In addition:-

Hammer suppliers (IHC & Menck) built new anvils and adapters for the large diameter piles

Pile fabricators built production and painting facilities for the large diameter steel piles

These are all significant investments – many of the same order as a windfarm investment



Where is the Money?



What are the differences between these investment decisions?

Windfarm – planned return over 15-20 years with PPA & ROCs on one project

– which is occurring

Construction Facilities – planned return over 10-15 years on many projects

– which has not occurred



Where is the Money?

What framework has the slow 'will it, wont it' OWF development created?



A general uncertainty as to what 'tomorrows requirements' will be – who needs 5MW?

A general 'wait and see' position by the plant owners (and their bankers) before more investment

Where is the Money?



Some Construction Facilities
Investment has Continued

For the Beatrice Project
Where two 5MW REPower
Turbines were installed

A Special Lifting & Positioning
Device (BOWTIS) was
Designed & Supplied by The
Engineering Business

Commissioned & Paid for by
the Talisman Consortium

Are we asking the right Questions?



For Site Investigations clients are still asking what is the minimum initial cost

Clients then utilise the very minimum specification equipment – with programme and cost overruns



We should be asking what is the most effective equipment and scope of works



Are we asking the right Questions?



For Met Masts clients are still asking what is the minimum initial cost - to their programme

Clients are then surprised at the cost



We should be asking what other activities – SI, pile tests etc. -can be combined with the met mast installation - to a programme to suit equipment availability

Are we asking the right Questions?

For Monopile Installation clients ask 'will we need a drill?'

Clients are then surprised when the drill they get has difficulties

We should be asking 'do we have confidence in the analysis that we can carry out?' – when the answer is 'No' we need more information



Are we asking the right Questions?

For Tidal Stream Project installations Clients ask 'what is the minimum cost?'

Clients are then surprised that use of existing equipment requires programmes to suit minimum exposure 'tidal windows'

We should be asking 'what plant & techniques do we need to develop for this task?'



Are we asking the right Questions?



For OWF construction clients ask 'how can we improve Health & Safety standards?'

Clients are then surprised that this is difficult



We should be asking 'how do we achieve a stable workforce?'

- that can then be suitably trained

Where are We?



For an early OWF at Bockstigen in Sweden a consortium achieved a successful demonstration project by co-operation to achieve a common goal

Subsequent 'us & them' frameworks have produced – late delivery, bankruptcy, and a general 'bad smell' in the industry

Where are We?



The change from EPC to 'Multi Contract' has produced some improvements

But the refusal to recognise the actual abilities and capabilities that have been established in the supply chain – and then match the 'packages' to these has obstructed any real improvements.

What do we need to do?

We need to **co-operate** on the basis of **mutually respectful professionals**

but:-

This is a terrifying concept for a developer who regards contractors as blood thirsty rip-off merchants, who will hold them to ransom

It is equally difficult for contractors who regard management contractors as greedy and selfish

Also terrifying for a designer who fears that his 'great idea' will be stolen, without due payment

What options have we got?

This is all very frustrating and going nowhere

We can have a **Co-Operative Revolution**

Or we can organise ourselves to create
Revolutionary Co-Operation

We can then deliver the Political Plans

Without either we will not have an Industry

Together we can do it!

