



AYOP PRESENTS

Three gentlemen and a lady

A conversation about decommissioning and the North Sea Canal region

'All the ingredients for success are to hand.'

The gentlemen

Lex de Groot – Managing director

Neptune Energy – The largest oil & gas producer in the Dutch part of the North Sea

Marcel van Leeuwen - CEO

VLZS (Van Leeuwen Zwanenburg Sloopwerken) – Pioneer in a total-care approach to demolition. Member of AYOP

Jurgen Treffers - CFO

KOOLE Contractors - International industrial and maritime service-and solution provider, specialised in industrial demolition, remediation, wreck removal and maritime construction. Member of AYOP

The lady

Sylvia Boer - Director of Amsterdam IJmuiden Offshore Ports (AYOP) – the network association for offshore energy

The decommissioning of oil and gas infrastructure elements is an issue of global importance that has a particular resonance in locations such as the North Sea Canal region due to its long history of offshore industry. With the energy transition signalling the end of the economic lifespan for many installations, the Netherlands is facing a major operation to reuse or disassemble some 160 existing oil & gas platforms on the North Sea.

Part of this infrastructure could be used to actually accelerate the energy transition by utilising platforms and wells for hydrogen production and CO₂ storage. But there's more... The new wind farms currently being built on the North Sea will also have a limited economic lifespan and require dismantling and (partial) recycling in due course.

Despite the complexities involved in decommissioning, there are clearly many opportunities for the North Sea Canal region. Sylvia Boer discusses this potential with three experts who each share their views based upon their line of business. The conversation also turns to the conditions which need to be met to carry out decommissioning in an efficient and, above all, future-proof manner.

Gentlemen, what does decommissioning in the North Sea Canal region mean to you?

Lex de Groot

'I have a clear vision on this based upon our work last year with Neptune Energy decommissioning three of our platforms. Amsterdam – IJmuiden and the North Sea Canal region has an important role to play in these activities.'



Jurgen Treffers

'Decommissioning offers an extension of activities for the port of Amsterdam which has everything in place for the circular economy and waste processing. By working together, we can offer a total package of solutions throughout the entire process and chain, from inventory to reuse, from the oil majors to steel processors. Indeed, I'm talking here about a sustainable closed circle within an area of just 21 kilometres. Amsterdam is very much on track to becoming a superb port for decommissioning.'

Agreed, Marcel?

Marcel van Leeuwen 'Absolutely. All the companies you could need, from purification to asbestos removal and demolition, are available. A wide variety, too, so you can work in a very flexible way together. This is a clear benefit.'

Following on from that, do you see concrete opportunities for companies in the region?

Marcel van Leeuwen

'Certainly, companies in the western port area are extremely competitive. We have everything in one place and everyone is certified. Together we can approach and realise the work in a far much more efficient way.'

Lex de Groot

'This is in line with how we see things too. As an operator, we prefer to meet with a single contractor. There are plenty of opportunities ahead if the different companies can establish a vision of what is really essential and become attractive as one party. Especially in view of the location and the local possibilities.'

Jurgen Treffers

'Exactly. And let's not forget that the market wants to have a choice. Once Amsterdam is up and running, it will be a major competitor for Rotterdam. This will benefit the market – which is certainly large enough. This is why we decided to invest in Decom Amsterdam, a state-of-the-art decommissioning dock with sixteen hectares of land and seven hectares of deep water in the western port area. This has been operational since May 2020.'

Moving on to another subject: the process. How does decommissioning actually work? And is there room for improvement?

Jurgen Treffers

'How the physical trajectory will progress is often hard to predict. It depends on the circumstances. How much waste is involved? How can the maritime object be brought to shore? Issues like that. But we are contractors, so we accept these risks. We make an estimate based on the information provided and then set the price.'

Marcel van Leeuwen

'It's the same for us. You accept the entire project and make a risk calculation. You can say no if the risks seem to great, in case of asbestos or Chromium-6, for instance, or you take on the project anyway in open partnership with the client. That's also an option.'



How do you see this as a client, Lex?

Lex de Groot

'I think there's a lot to be gained from coming together sooner and being more transparent when it comes to plans and developments. We are taking steps in this regard as an industry, too. The Nexstep platform is a good example as it coordinates, facilitates and accelerates the decommissioning and reuse of the oil & gas infrastructure. For us as a company and in the framework of efficiency and cost savings, we prefer to decommission as many platforms at the same time as possible. Even if that means working with other operators.'

We will soon be joining Nexstep at the table again. Perhaps AYOP can set up a good partnership concept with them.

Lex de Groot

'That sounds like a good idea. Decommissioning 'the whole country' is quite the operation. All in all, it will cost between five and seven billion euros so there's plenty of work to be done.'

Sounds great, lots of work on the horizon. Would something need to change in the Netherlands or Europe to make decommissioning successful?

Lex de Groot

'In general, I think clearer regulations with predictable outcomes and timelines could result in significant improvements. The NOx issue, for example, is having a major impact for us at sea.'

Marcel van Leeuwen

'The entire export and sales matter, and the transport of vessels to cheaper countries to have them decommissioned there – those are the issues that should be tackled.'

Jurgen Treffers

'I think it's being handled better than it used to be, but I agree wholeheartedly. In the past years, we've seen vessels being sailing onto beaches in developing countries to be dismantled. This should be better supervised by the European Union. Our aim is to recycle around 98%. I'm pretty sure that's not happening there.'

From the beach to the port. Which preconditions should the region meet to play a meaningful role in decommissioning?

Jurgen Treffers

'I think the region already meets all the preconditions and then some. All the companies you need are located within a range of five kilometres and fully certified, the locks are being widened from 58 to 70 metres, the logistics and hinterland are in good shape, and everything can be removed via seaways, which means a reduction of road transport and, therefore, CO₂ and nitrogen emissions.'



Marcel van Leeuwen

'Exactly. And then there's efficiency; if something needs to be part dismantled and part adapted, it is only a matter of crossing the water and our neighbour, Damen, can do this at its shipyard. Everything is ready: BK Ingenieurs for assessing the amount of asbestos, Chromium-6 and other hazardous materials; Boskalis for preparing, removing and transporting topsides to the demolition yard; Reym for the cleaning, transport and processing of waste materials for all oil & gas operators on the North Sea; SAB Detachering for supplying engineers to all technical stages of the product lifecycle; and Tata Steel which can recycle dismantled steel. Then there's Amsterdam, which is transforming into a circular port. And that's just to name a few!'

How can AYOP play a significant role in this process?

Marcel van Leeuwen

'By making sure that we act together collectively as a unified organisation.'

Jurgen Treffers

'The combined strength of individual members each having their own expertise is something that AYOP should clearly use as a trump card. And you should promote Amsterdam as a port that can provide everything people might require. Especially with regard to decommissioning.'

Lex de Groot

'Show us, as operators, that we can find the complete service package in Amsterdam. And that we can hand over activities to reliable parties. I think this would be the perfect task for AYOP!'

This was the second in a series of conversations exploring the latest developments in our sector. If there's a subject you would like to see discussed contact Sylvia Boer via sylvia@ayop.com