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EBN – PLAYING A KEY ROLE IN THE DUTCH OFFSHORE SECTOR

EBN (Energie Beheer Nederland) has a direct and proactive presence in the Dutch oil & gas sector. The company's vision and ambitions for this dynamic market – ultimately defined by government policy – shape how the whole offshore oil & gas supply chain operates. Here EBN Programme Manager Kleine Velden (Small Fields) Thijs Starink talks about the various issues surrounding exploration, production and decommissioning. As well as highlighting the significance of continued domestic production, he also focuses on the ever-growing importance of cooperation.

When looking at the Dutch offshore market, there is one topic in particular that crops up time and time again – that of energy transition. While this complex subject revolves around international CO₂ emission reduction targets and the 2015 Paris Climate Agreement, the secondary issues of dwindling oil & gas reserves and the current low oil price also play a role. “We have embraced the energy transition and support it – in fact, we want to help accelerate it,” says Thijs.

Making the transition

In order to achieve this, he is keen to point out the importance of domestic production. “We could deliberately reduce Dutch gas production but that would only increase our import dependency. And the carbon footprint of imported gas, whether from Norway or Russia, is larger than the gas that we produce here.”

As well as being better for the environment, Thijs highlights two other benefits of using domestically produced gas. “The jobs that we fill with domestic production generate income which can help with the transition – investing in geothermal energy or wind energy, for example. And then, by prolonging offshore production, we keep

offshore infrastructure that could be used for CCS (carbon capture & storage) intact for longer, which is a policy goal of this government.”

This subject of offshore infrastructure is inherently related to offshore production and exploration. So much so that, according to EBN, there is an urgent need for exploration. “By 2030 we will have lost half our offshore infrastructure because gas streams will have become no longer economical and sustainable – pipelines and platforms will be decommissioned. And given that new finds are getting smaller and fewer, any new finds will probably be too small to justify installation of new infrastructure. Therefore, we think that exploration efforts should really focus on the next seven years – up to 2025.”

Sharing knowledge

The subject of decommissioning also takes an important place in EBN's vision of the future. “Considering the costs of decommissioning are currently estimated at about 7 billion euros, there is a lot at stake for the Dutch Government to get this done as effectively and as cost-efficiently as possible. And, of course, safely and acceptably environmentally.” Forming part of EBN's strategy to take on a steering role for Dutch decommissioning, the so-called Nexstep was established. This is a joint initiative of EBN and the Dutch oil & gas industry, represented by NOGEP.

“This combines the efforts of all the operators and EBN in order to develop best practices and share knowledge. Notably, what we are seeing is that there is less of a competitive element between operators with decommissioning activities. This will go a long way towards developing innovative solutions for the specific

challenges that they face – sharing knowledge and therefore reducing costs for future decommissioning projects.”

Combining infrastructure

As well as decommissioning, the Nexstep initiative also aims to stimulate re-use of oil & gas infrastructure in the Netherlands. “For future success, it is very important that we collaborate and cooperate much more vigorously than we did in the past,” states Thijs. “We really need to combine our efforts in order to keep the infrastructure rationalised and economically sustainable through cooperation. This means combining infrastructure where necessary.”

He uses an example of two gas fields, with two plants, owned by two different operators to illustrate the point. “Both of these fields are below 50 percent of their capacity. Therefore, it would be better to decommission one of the pipelines, and use the other for both plants.” This type of cooperation is easy if both parties can see the benefits, he says. Things become more complicated when the ‘win’ is not so clearly identifiable. “Then it's more difficult to make steps in the cooperation. But it needs to happen – companies need to cooperate, and this means giving up some control and becoming dependent on each other. Attitudes are starting to change, but it is a process that will take time and pressure.”

Seeing the benefit

Achieving these previously unseen levels of collaboration will require a trust, transparency and a structured process, as Thijs explains: “First of all, the parties need to look at the overall benefit and the level of investment needed to achieve it. Secondly, we need to optimise the value of the project – this means minimising costs and maximising the value. And thirdly, it is vital that each party has a commercially attractive business case in which they can participate, and that they share the project's value evenly given the risks and the investments involved. This is a three stage process, but people very quickly look at the third step without looking at the overall value of the project. Then they get side-tracked into negotiations.”

What is EBN?

EBN (Energie Beheer Nederland) is a 100% state-owned company that represents the Dutch Government in the extraction of oil & gas in the Netherlands. Since its founding 55 years ago, EBN has worked closely with oil & gas companies on behalf of the state. This working relationship is based on the situation where the oil & gas companies execute all exploration and extraction activities; supported by investment into the exploration, extraction and storage of gas and oil from EBN to the tune of 40 percent. Moving towards a more future-proof energy supply, EBN's tasks can also include supporting the Netherlands to achieve the transition to sustainable energy solutions such as geothermal energy, CO₂ storage, hydrogen and green gas.

“Our role in the Dutch offshore market for the past and future is to be an active partner for the operators and their production and exploration activities. We aim to be critical, yet positive – to stimulate best practices and cooperation,” notes Thijs. “A secondary role that we have is to advise the Ministry of Economic Affairs and Climate Policy – both invited and uninvited – on issues relating to the Dutch Government's mining policy.”

EBN & Damen

“EBN does not have a direct relationship with any contractors; we do not get involved with any tender evaluations, for example,” says Thijs. “So, in fact, we do not have a direct relationship with Damen. However, we are involved with several joint industry innovation stimulation projects – this is where we have contact with Damen. In these cases, we value Damen as a company driven by innovation and ambition – a continuous drive for improvement.

“We are also very much driven by OPEX reduction, and one of our attention points in recent years has been to lower crew change costs by changing the mix between helicopter and vessel transfers. This has been partly from a safety perspective, but also supported by the developments in walk-to-work systems. We think that there is room to improve in terms of safety and in terms of costs. Doing more with marine access – whether it's for crew changes or inspection, repair & maintenance – we think that is a good way forward.”