

# Press release

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## **OFFSHORE WIND COST REDUCTION UNLIKELY IN SHORT-TERM, BUT CRITICAL BEFORE 2020, SAYS INTERTEK METOC**

*Cost reductions to be found in standardisation, installation, and operations and maintenance according to international specialist marine consultancy*

London, 21<sup>st</sup> November 2011 – As offshore wind energy projects evolve and as developers, manufacturers and energy utilities continue to invest, a short-term reduction in costs is unrealistic if the sector is to realise its true potential. This is according to Intertek METOC, specialist marine consultancy that provides impartial advice to the finance, investment and development communities.

With European offshore wind energy markets moving into deeper water, further offshore, short-term project development costs will rise. Moreover, in the medium term, cost reductions should be sought in areas such as standardisation, installation, and operations and maintenance (O&M).

According to the consultancy, that has been working in the offshore energy markets since 1983, key to achieving these cost reductions is sharing and applying industry best practice, with other key offshore energy markets.

Industry wide initiatives are already underway to help achieve cost savings of between 30-50% over the next ten years and Intertek METOC fully endorses this approach. Particularly since it takes into account key cost reduction programmes previously implemented in offshore oil and gas.

Key areas that have been identified include standardisation of equipment and procedures, streamlining contracts with risk reward sharing, and innovative

partnering. This would particularly apply to cable installation, to date one of the main areas of cost over run and insurance claims.

“With growing global concerns over carbon emissions, security of energy supply, volatility in oil markets and dependence on fossil fuels, offshore clean energy power generation is key to the long term future of Europe,” said Frank Beiboer, Managing Director, Intertek METOC.

“The offshore wind industry is still learning, and any forced cost reductions may lead to an increased risk profile in the short term. Rather, by investing up front in different turbine technologies, installation methods and supporting infrastructure, operators and investors are more likely to achieve true long term cost reduction.”

The comments follow news that the business is itself continuing to invest in its growing offshore wind energy division.

Building on a twenty-eight year track record, Intertek METOC has increased its headcount by over 20% in 2011, having won a swathe of offshore renewable and power cable interconnector projects across northwest Europe. Highlights include feasibility studies for six of the UK Round 3 zones, projects for the first offshore wind round in France, and a power cable interconnector from Norway to the UK.

Headquartered in the UK and now a part of Intertek, a global 30,000-strong testing, inspection, certification, and advisory business, Intertek METOC reduces financial and operational exposure and risk for offshore energy initiatives.

Through the use of focused marine expertise and consultation procedures, the business decreases risk and combines extensive sector knowledge with a personalised



and proactive approach. Intertek METOC will be exhibiting at EWEA Offshore 2011, in Amsterdam, stand number 10421

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**About Intertek METOC:**

Intertek METOC is a leading international consultancy providing specialist technical services in the marine, coastal and river environments. Our expertise helps reduce risk for our clients through all stages of an offshore development, from concept, feasibility and design, through construction and operation, to decommissioning.

Key sectors we operate in are Oil & Gas, offshore Renewables and marine Cables, and Water, where we partner with operators, developers, utilities, lenders and government.

For further information, visit <http://www.metoc.co.uk>

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**About Intertek:**

Intertek is a leading provider of quality and safety solutions serving a wide range of industries around the world. From auditing and inspection, to testing, quality assurance and certification, Intertek people are dedicated to adding value to customers' products and processes, supporting their success in the global marketplace.

Intertek has the expertise, resources and global reach to support its customers through its network of more than 1,000 laboratories and offices and over 23,000 people in 110 countries around the world.

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