

Port Selection for Decommissioning: **Demystifying the Metrics**

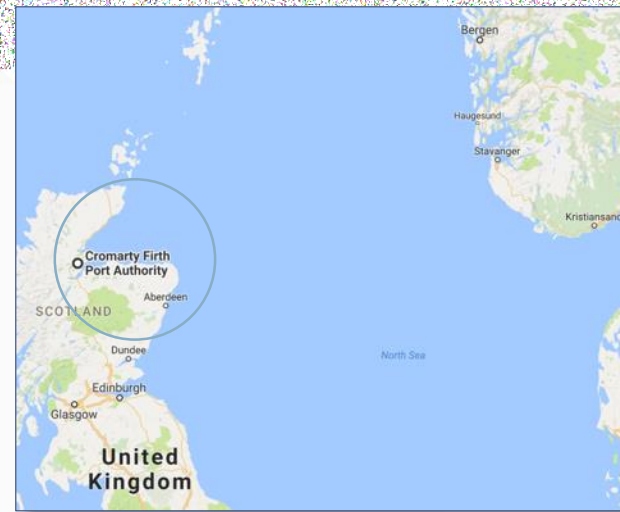
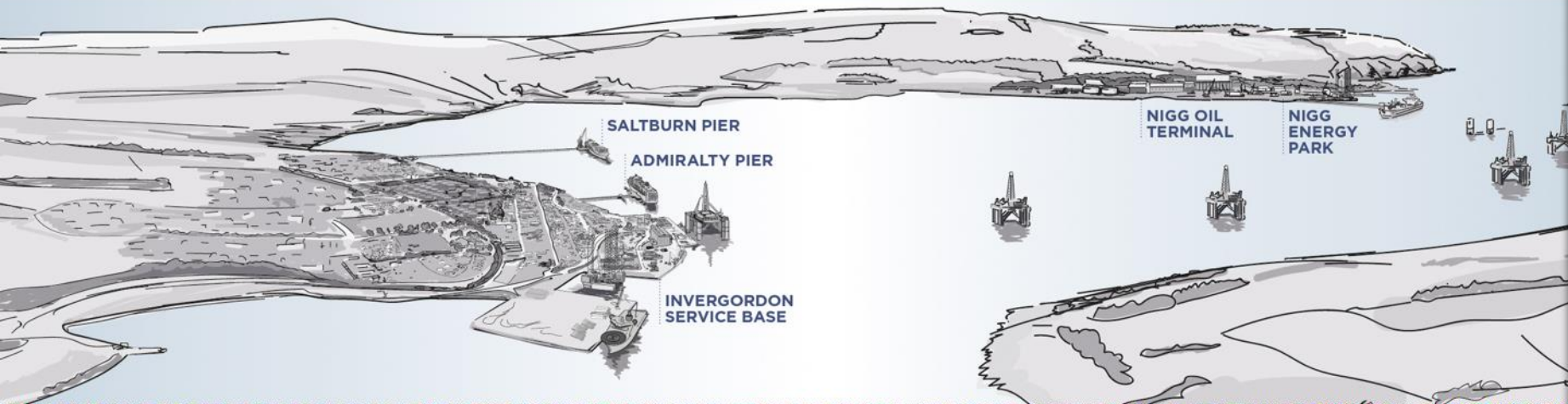
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Overview

- Port of Cromarty Firth: Who We Are
- Where Ports Fit in the Decommissioning Programme
- Drivers for Port Selection and Metrics
- Are These Metrics the Right Ones?
- Recommendations



Port of Cromarty Firth (PoCF)

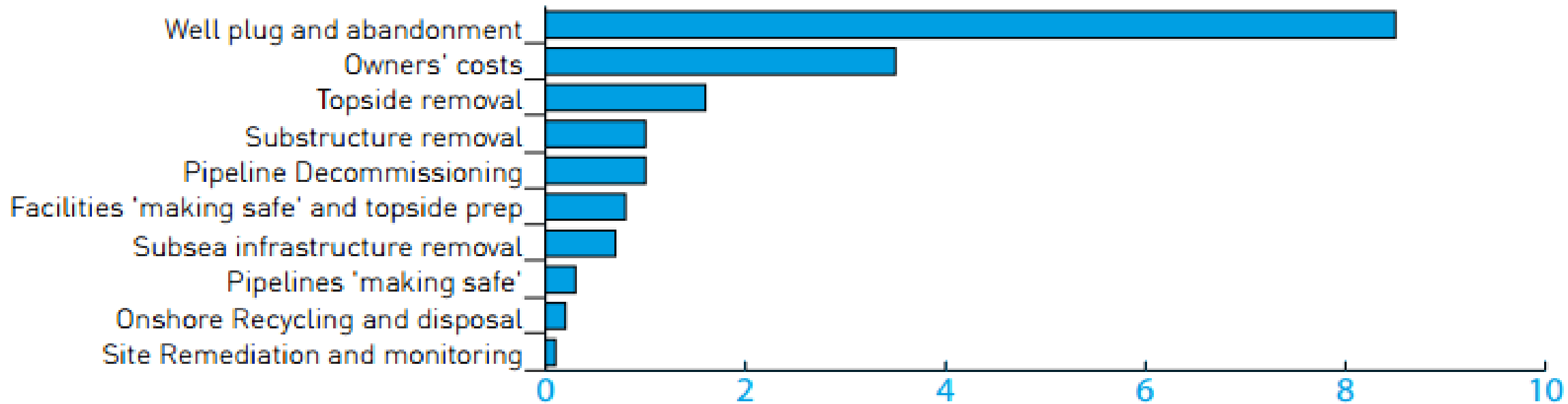
WE ARE:

- A Trust Port
- An independent statutory body with no shareholders
- Commercially driven
- Reinvesting profits for the benefit of stakeholders
- Responsible for the environmental safeguarding of 16 miles of water
- Contributing to Highland economic value generation of up to £275m/year across all the sites on the Firth

Port of Cromarty Firth: Our Unique Offering

- A Trust Port, strategically located to support Central and Northern North Sea
- Multi-user port facility, open for all contractors (no exclusive alliance)
- Guaranteed access for a quick vessel turn around:
 - Truly sheltered waters (365 days)
 - Large port with six berths (815m of quayside), capable of taking in vessels up to 300m
 - Deepwater berths (up to 14m)
 - No tidal constraints
 - Laydown areas totalling 95,000sqm
- Well established on site supply chain with proven track record in industry:
 - Decontamination
 - Demolition and recycling
 - Waste management
 - IRM
- All the necessary lifting capabilities
- Permits and licences: PPC (Part A) and RSA in place summer 2017





Oil and Gas Decommissioning Action Plan, Highland & Islands Enterprise and Scottish Enterprise. December 2016

Where Ports Fit into the **Decommissioning** Programme

- Estimated total decom expenditure UKCS 2016-2025 => £17.6b
- Onshore recycling & disposal => £211m (1.2%)
- 94% of projects in early planning stages and no firm dates
- Approach to decom very variable, no definitive trend(s) yet
- **Challenging situation for ports to invest and develop speculatively**

Selecting a Port – Current Approach

Key metrics

- Location (incl. transit time)
- Permits and licences
- Capabilities
 - Water depth
 - Quay length and load bearing
 - Laydown areas and load bearing (storage facilities on site/off site)
 - Supply chain
 - Lifting plants
 - Experience and track record
- ISO certification and HSEQ track record

Process

- Typically ports are at the end of the decom process. They represent a very small slice of the decom cost
- The port is consequently not part of the process for solution design

Does that give a good insight ?

- Metrics on their own are often too blunt as tools to gain real insights
- Danger of overlooking opportunities that are equally cost effective
- Some questions worth considering...

Selecting a Port – Questions Worth Asking

- **Solution design:** Early discussion with the port may contribute to cost reduction e.g. single lift vs. reverse engineering
- **Location:** Sheltered waters, easy access, multiple berths vs. cost of transit
- **Permits and licences:** Are they required? Some structures for re-use vs. recycle
- **Water depth:** Alternative use of barge? Cost may be nil vs. transit cost
- **Quays length:** Length vs. achievable capability with additional mooring systems
- **Storage space:** On site vs. off site
- **Load bearing:** Point loading or uniformly distributed loads?



Selecting a Port – Questions Worth Asking

- **Lifting plant:** Readily available vs. ability to bring in as needed
- **Supply chain:** perhaps key in evaluation?!
- **Experience and track record:** Track record in decom vs. O&G IRM experience

Blunt metrics do not tell the whole story.
It is worth gaining insights from ports.



Recommendations

- Revisit your assumptions for port selection
- Include ports at the solution design stage
- Nothing beats a site visit to develop an accurate “picture”

Talk to us!



**PORT OF
CROMARTY
FIRTH**

THANK YOU

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