

MATERIALIZING LEADERSHIP: FROM OIL AND GAS TO RENEWABLE ENERGIES

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“Transitioning O&G experience to marine renewable energy is
in fact straightforward”



CAN YOU INTRODUCE US TO SBM OFFSHORE?

Séverine Baudic. Our footprint is centred around the company’s vision that **the oceans will provide the world with safe, sustainable, and affordable energy for generations to come. We share our experience to make it happen.** Historically, the company has been a pioneer in floating production systems since 1959, with growing expertise in ultra-deep water and leading with our core products Floating production storage offloading vessels (FPSOs) and complex turret mooring systems deployed in harsh environments. So we are accustomed to the marine environment – experience, which is key for the floating offshore wind industry.

We use our strong know-how when innovating and entering new markets. Today, we have a business strategy geared towards evolving the company profile in the energy transition thanks to a wider portfolio of solutions that can help us to shift our revenues toward a different energy mix between oil, gas, and renewables.

WHAT DEVELOPMENT HAVE YOU SEEN THROUGH THE YEARS AND NOW IN TERMS OF ENERGY TRANSITIONING?

I joined the company back in 2001 as a hydrodynamics engineer and my professional path has evolved into a managerial role reporting to the COO. Part of my scope the past two years is related to the development of our renewable product line, which touches on my initial experience with

SBM. The core technical competencies of the company such as hydrodynamics, floating unit structural analysis helped us to kick-start our ambition into greener markets. We started this journey in earnest about 13 years ago and we now have our own design for an offshore wind floater and are also developing a wave energy convertor.

Those markets are beginning to make their mark for us, to really materialize but are not yet mature.

Technology innovation is in the DNA of the company and it is a strategic decision to position ourselves where we can add most value, hence why we are preparing for **the long-term where floating offshore wind will develop** and it is gaining momentum. There is a stronger awareness among our stakeholders that we need to lower our CO² emissions and **much more ambition among players of the energy industry to lower the carbon footprint and protect the environment.**

Our floating system solution for offshore wind turbines was selected for the EDF Renewables Provence Grand Large project. Subject to achieving committed financing, it will result in a contract to include engineering, procurement, construction and installation services for three floating systems to be installed offshore France.

DID THE COVID CRISIS IMPACT THE MARKET AND PUSH THEM TOWARDS RENEWABLE ENERGIES?

There is more of an urgency now **to find new solutions to wean the world off the dependency on oil.** This year has shown how demand can drop significantly, affecting investment in O&G projects. The public drive of many companies towards the energy transition is more obvious: they are more ambitious in their vision, setting a clear strategy, goals and plan to reach a net zero economy by 2050.

The crisis is a catalyst; I think it drives more actions and stronger ambitions.

The obvious change is the interaction with traditional O&G customers who are nowadays accelerating their footprint and investment into renewable energies. We are interacting much more with them than two years ago. Initially, the key players were more electricity providers. Therefore, there is a definite shift in the spectrum of clients present on the floating offshore wind market today.

WHAT SKILLS CAN O&G BRING TO RENEWABLE ENERGY AND WHAT CHALLENGES ARE THEY FACING?

From SBM Offshore's perspective, the skills that we can bring are divided into four main areas:

- **Technical knowledge:** strong understanding of the marine environment, which is key for designing and maintaining an offshore structure in a harsh environment for 20-30 years.
- **Project execution management:** taking ownership of very large projects across the product lifecycle from engineering, procurement, construction, even installation.

- **Operation and maintenance experience** – we are one of the few companies with the expertise to maintain assets over their lifetime and that is key to optimizing production uptime.
- **Strong business model:** our strong financing capabilities could make the difference to get a project's green light, for example when developing a wind farm.

Key is to gain a better understanding of the “Power industry”: its specificities and challenges, to understand the drivers for our customers. It is more of a change than a challenge, by being a power company rather than an O&G company.

There are more similarities than differences. **Transitioning O&G experience to marine renewable energy is in fact straightforward.**

Today, when developing the floating offshore wind market, there is a lot of experience, lessons learnt and knowledge that we can take from fixed offshore wind projects. We can learn from the **production in series required to build 50 identical units for a wind farm**, and that capability can be transferred to O&G. It is not something O&G is used to doing – traditionally every project has been unique due to the field characteristics. A strong approach to **standardisation and industrialisation aspects** can help to bring costs down, bringing benefits to the floating offshore wind market but also the traditional O&G market.

People tend to start working in renewable energy out of passion and conviction. There is a certain culture and commitment towards the energy transition. What we all need to keep in mind is that **it will provide future generations** with sustainable and affordable energy.

WHAT WILL BE SBM's VISION IN 5-10 YEARS?

As of last year, we set an ambition: to have 25% of our revenue generated by gas and renewable energy by 2030. In parallel, we launched an emissionZERO™ program to make traditional O&G activities cleaner and to offer our clients low carbon solutions in new projects or retrofits. Those two complementary ambitions have an impact on our existing and new products.

The program also integrates our commitment to the United Nations' Sustainable Development Goals (SDGs); we have embraced seven SDGs to focus on, with performance targets to be met.

DO YOU THINK THAT O&G COMPANIES THAT DO NOT SHIFT TO RENEWABLE WILL DIE?

Oil still has a future but one that will change, with a different place in the energy mix. The demand for oil is expected to peak by 2040 and in parallel global energy demand is expected to increase by 25% by 2040, when the population is predicted to grow to 8.5 billion people. There are about 50 different projects in the pipeline for the next 10 years, among them Brazil as one of the large producers.

Our emissionZERO™ program is there to develop sustainable solutions across all parts of our business. That includes combining an existing oil facility powered by offshore wind floater to

reduce CO² emissions linked to the power generation of the platform. These “off grid solutions” could have a role to play in the decarbonisation of oil platforms, as already demonstrated in Norway for example.

ARE YOU TAKING PART IN ANY SOCIAL RESPONSIBILITY ACTIONS?

Another commonality between renewable and O&G is that **there is a local content element**: this could include employing and training local workforce to larger sustainable initiatives being developed in the country. For example, in Guyana, as the O&G industry is new for the country, we are investing in the training of local talent and also helping to develop the local supply chain.

In addition, with the major construction projects that we undertake, SBM Offshore has a role to play and is a member of ‘Building Responsibly’, a group of leading engineering and construction companies working together to raise the bar in promoting the rights and welfare of workers across the industry.