

Triconti: Pushing PH frontiers for offshore wind developments

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by Myrna M. Velasco

With the Department of Energy's (DOE) moratorium on coal-fired power projects, there's no doubt that the Philippine energy sector will be in for dramatic shifts and existential twists – not just in technology deployments but in the overall goal of greening the power mix.

The emerging story of the country's energy transformation is not just about bid for cleaner energy future, but it's also about the Philippines' grand strategy of resilience – especially so as it is an economy smacked with endless provocation of natural disasters; and that's on top of the forbidding economic impact of the Covid-19 pandemic.

On the technology sphere of transition, renewable energy (RE) will lead the way. Yet in the core of it all, the country's offshore wind potential is a frontier yet to get the right push and attention for the warranted investment-dollars to flow.

Pioneering offshore wind: a risk worth taking

RE project developments in the country, if truth be told, is still generally “a game of



the big boys” – as corporate giants still dominate the roll of project sponsors. Photo shows (from left) Paul Mores, Geologist, Triconti-ECC, Jan Duazo, Project Manager, Triconti ECC, Theo C. Sunico, Director – Triconti ECC, and Stefan Simon, Managing Director, Stream Invest Holdings [Triconti's JV Partner]. But in offshore wind, newcomer Triconti Windkraft Group (Triconti), a Filipino-Swiss-German joint venture, is trailblazing targeted installations – as the traditional ‘industry captains’ are still not setting their sights into it. On reflection, that somehow came as a ‘compelling revelation’ to project proponent Triconti.

“To be perfectly candid, it was a surprise for us to find out that we’re ‘trailblazing’ offshore wind development in the country,” Theo C. Sunico, vice president for operations of Triconti, has noted.

“This was in 2019, and to find out from the DOE that none of the large RE developers was even looking into offshore wind, it initially caused us to double-check our initial data and no end of asking ourselves if we were missing something,” he recounted.

Nevertheless, Sunico qualified “that initial doubt was a good thing because it forced us to re-evaluate our data and when the results still validate our initial assumptions, it made us even more convinced that this was a risk worth taking.”

He stressed “as the first offshore wind developer in the country, we realized that Triconti Windkraft has, by default, taken on the responsibility to educate people on the advantages of the technology,” with him emphasizing that “it is challenging, but a responsibility that we are willing and eager to take on.”

The Triconti Windkraft Group is targeting to bring into commercial stream 1,200 megawatts of offshore wind capacity — that it will be developing and harnessing from two key sites in the country – Guimaras Strait in the Visayas; and Aparri Bay in Cagayan Valley in Northern Luzon.

One goalpost the company had leaned on was a World Bank study, which laid down the scale for 178,000 megawatts potential of the Philippines for offshore wind capacity.

Development challenges

Triconti Windkraft is aware of the gigantic challenges heading its way on advancing its targeted projects, but the company clings on to optimism that making ‘big bets’ on new technologies will be well worth it especially if the industry will eventually be steered into these kinds of RE installations – simply because the pathway has already been whittled by a first mover. Offshore wind is a territory the company is still navigating judiciously – and it is pursuing these ventures while also advancing its onshore wind projects.

“On the challenges of development, the cost and scale are very, very different for onshore and offshore,” Sunico explained, emphasizing that “for onshore, development costs average between US\$1.0-US\$2.0 million; for offshore, these will be around US\$30-US\$50 million,” he said.

On the technical realm of development, he said the company has already been able “to build an in-house team that is fully capable of developing an onshore wind farm from site identification all the way to the ready-to-build status.”

Conversely for offshore wind, Sunico acknowledged that “this is something new and we will have to partner with a more experienced international offshore developer to ensure our current pipeline projects are developed correctly.”

The Triconti executive added the company is now focusing on near-shore projects, or those that are within 15-kilometer prospects from the coast for the offshore wind installations.

“Due to the travel restrictions because of the Covid-19 quarantine conditions, we’ve had to adjust our timelines, but we believe that we can commission our first offshore wind project by 2025,” Sunico said.

He further narrated that “navigating through the Covid-19 travel restrictions can vary from province-to-province and, in some cases, from area to area. However, we view these challenges to be temporary, albeit, open-ended one, and we are currently working with local partners to ensure least amount of slippage on our work program.”

Permitting is a major concern because there are no specific ‘rulebook approaches’ that can be followed in dealing with various stakeholders, but he indicated that with the passage of the Energy Virtual One-Stop Shop (EVOSS) Act last year, “we’ve found that the government agencies are much more time-conscious when they process your permits than before, for which we are thankful.”

Beyond the physical challenges of technology installations, Sunico similarly cited the market risks that a project developer would have to contend with.

“We believe that the biggest challenge that remains for developers is the off-take market (capacity purchaser of generated electricity).” But what comes as a succor to RE investments are the underpinning policies in the RE sector that the government has been enforcing – including the Renewable Portfolio Standards (RPS) that requires distribution utilities to procure prescribed percentage of their supply portfolio from RE capacities, the Renewable Energy Market, and the Green Energy Option Program (GEOP) that extends ‘power of choice’ to consumers to plump for RE as their energy source.

With the market ‘sweet spots’ being opened up through RE-enshrined policies, Sunico noted that Triconti “looks at a combination of bilateral contracts, green energy rate auctions and GEOP/retail electricity markets for the off-take.”

And through all the complex terrain of project developments, Triconti is confident that offshore wind is a venture that can be won as a challenge for the Philippines.



NEWSLETTER
January 2021 Issue

MDB (Multilateral Development Banks) Ocean Partnership

A RECENTLY announced partnership between the multilateral development banks (MDBs), the Asian Development Bank (ADB) and the European Investment Bank (EIB) raises encouraging prospects of improving the protection of the Philippines' marine environment and the welfare of those whose livelihoods depend on the sea.

The ADB and EIB signed a memorandum of understanding on January 15 to create the Clean and Sustainable Ocean Partnership, which is intended to "support initiatives in Asia and the Pacific to help the Sustainable Development Goals (SDGs) and the climate goals of the Paris Agreement," according to a media release from ADB.

Bambang Susantono, the ADB vice president for knowledge management and sustainable development, commented: "Healthy oceans are critical to life across Asia and the Pacific, providing food security and climate resilience for hundreds of millions of people. This memorandum of understanding between [the] ADB and EIB will launch a framework for cooperation on clean and sustainable oceans, helping us to expand our pipeline of ocean projects in the region and widen their impacts."

For his part, EIB Vice President Christian Kettel Thomsen stressed, "Oceans play a vital role in the world economy and they are also the largest carbon sink on the planet, helping to regulate the global climate. But oceans are under enormous pressure, with implications for billions of people. The economic crisis caused by Covid-19 does not weaken our commitment to address global environmental and climate challenges."

As they involve diplomatic types of people (and many lawyers) in their creation, these kinds of broad initiatives and the statements used to describe them to the public tend to come across as lofty, but vague. However, if one reads between the lines, as it were, there is much about this new Clean and Sustainable Ocean Partnership that could benefit the Philippines in very specific ways.

The main purpose of the partnership is to coordinate activities between the ADB, which in 2019 launched a \$5-billion action plan for ocean restoration and protection, and EIB, which is a primary channel for environmental development and climate-change mitigation investment for the European Union. The EIB earlier committed to lending €2.5 billion for sustainable ocean projects between 2019 and 2023 and expects to mobilize an additional €5 billion in partner investments.

Combining the efforts of the two MDBs has two practical benefits. First, it will allow more projects and technical assistance programs to be carried out simultaneously, and second, it will allow for much larger and more complex initiatives to be carried out, thanks to the availability of greater financial and technical resources.

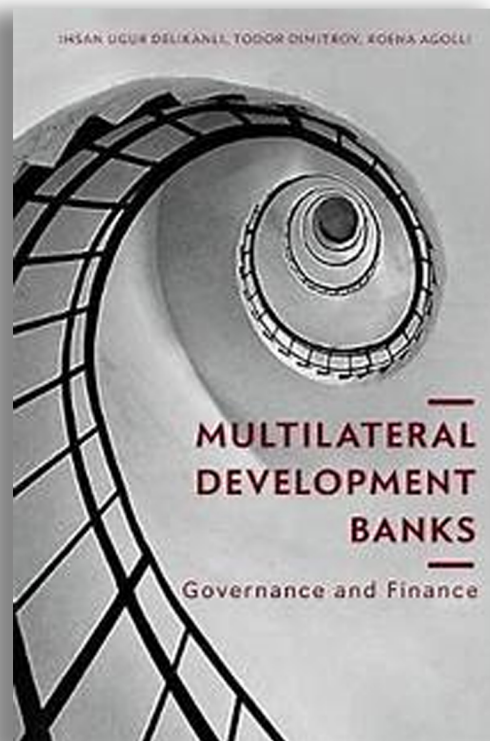
While the partnership is just getting off the ground, projects that are anticipated to be launched under the initiative include those that reduce marine plastic pollution, including integrated solid waste management projects, such as recycling; projects that apply "circular economy" principles, such as designing out plastic waste created by the production of common goods; and projects to improve wastewater management and sanitation, to help restore and protect rivers and waterways and reduce pollution impact in the oceans.

On the economic side, the partnership is also eyeing projects that support sustainable fisheries management and sustainable seafood supply chains, and "green" initiatives in the shipping industry, including ports and other maritime infrastructure. Sustainable management, protection, and restoration of marine and coastal ecosystems and resources; integrated coastal protection activities; and disaster risk preparedness also figure prominently on the partnership's "to do" list.

For the Philippines, which has always exhibited a great deal of ardor for protecting its marine environment but not always a great deal of skill or efficiency in doing so — dubious efforts such as Manila's "white sand" beach come to mind — the Clean and Sustainable Ocean Partnership can provide both financial assistance and more effective policy direction in many areas, not only in terms of environmental protection, but in food security, water security, disaster resilience, and poverty reduction in the fisheries and aquaculture sector; which despite its importance to the economy remains one of the country's poorest. The government would be irresponsibly remiss not to take full advantage of what the Clean and Sustainable Ocean Partnership has to offer.

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NEW MANAGEMENT SYSTEM STANDARD FOR THE OIL & GAS INDUSTRIES

By Barnaby Lewis on 11 June 2020

Designed to work hand-in-hand with ISO 9001, this all new MSS (Management System Standard) is a game changer for management of supply chain risks and opportunities in the petroleum, petrochemical and natural gas industries.

ISO 29001, Petroleum, petrochemical and natural gas industries – Sector-specific quality management systems – Requirements for product and service supply organizations, joins the ranks of management system standards (MSS) that are tailored to the needs of specific sectors. It replaces the previous technical specification, ISO/TS 29001, and goes far beyond just a change of name. The most significant revision is the way in which it's been aligned to ISO 9001

Mr. Ted Fletcher, Convenor of the working group that developed ISO



MANOLITO GONZALES
Quality Management Representative

Manolito Gonzales, DNR Offshore's former Recruitment & Training Manager and newly appointed QMR (Quality Management Representative) conducted an ISO 9001:2015 awareness seminar to all officers and staff last January 22, 2021 in preparation for the renewal of accreditation by July 2021.

DNR Offshore was first accredited in 2012 as ISO 9001-2008 by DNV (Det Norske Veritas) for and during the first Peralta* administration. Assigned as QMR that time was the former Marketing Manager, Ms. Joan Concepcion. The company then was still reeling from the very unfortunate incident that happened in the Gulf of Mexico involving its crew members.

ISO 9001 is a quality management system designed to help organizations comply with and satisfy customer/client requirements and other interested parties. ISO is a worldwide federation of national standard bodies. ISO was derived from the Greek word "ISOS" which means equal. Started in 1959, the ISO standard first acquired by DNR Offshore was the 2008 Revision which is the 3rd of its class. ISO evolved into the following development: ISO 9001:1987 (Procedures), ISO 9001:1994 (Preventive action), ISO 9001:2000 (Process, Approach & PDCA*), ISO 9001:2008 (Process, Approach & PDCA*), while the latest is ISO 9001:2015 (Risk & Opportunities). PDCA stands for Plan, Do, Check, and Act.

Amidst this pandemic, DNR Offshore is relentless in pursuing its target growth this year under the 2nd Peralta* administration and one of that is by maintaining the world's accepted quality management system thru ISO 9001:2015.

*Engr. Nilfil L. Peralta, President & CEO

29001, and Mr Jarno Dakhorst, the group Secretary, explain that the new standard builds on ISO 9001 through definition of supplementary requirements with supporting guidance to promote

standardization of quality requirements within the sector. They point out that some elements will be familiar to those who already used the technical specification, but several new elements were introduced when transforming it into an International Standard. They explained that the increased focus on business objectives and risk management in ISO 9001:2015 provided the drive to create the new International Standard..

Whereas the old technical specification provided sector-specific requirements and guidance that complemented the general requirements of ISO 9001, the new ISO 29001 also introduces a risk-based approach to the way organizations specify and implement quality management system requirements in the petroleum, petrochemical and natural gas industries. It further promotes standardization across the sector by providing a framework for aligning requirements with complementary MSS.

For those who wish to fully understand the differences between the two, further information is available on the technical committee's own Website: <https://committee.ISO.org/home/tc67>.

* ISO 29001 was prepared by technical committee ISO/TC 67, Materials, equipment and offshore structures for petroleum, petrochemical and natural gas industries, in collaboration with the European Committee for Standardization (CEN) technical committee CEN/TC 12, Materials, equipment and offshore structures for petroleum, petrochemical and natural gas industries.





By:
Michelle G. Valenciano
 Human Resource Manager

Over the years, DNR Offshore have been training and developing Filipino technical workforce for deployment abroad. Our Offshore workers goes rigid trainings to qualify for the job, a high risk job. For these reason that the management is constant in developing the most effective systems that meets the highest standard of recruitment and training of personnel. This year (still in pandemic), Top management will adapt a somewhat upgraded system for our present and future personnel called Human Capital Management.

What Is Human Capital Management?

Human Capital Management (HCM) transforms the traditional administrative functions of human resources (HR) departments—recruiting, training, payroll, compensation, and performance management—into opportunities to drive engagement, productivity, and business value. HCM considers the workforce as more than just a cost of doing business; it is a core business asset whose value can be maximized through strategic investment and management—just like any other asset. Done right, human capital management results in:

- Hiring the right talent
- Having all needed skill sets in the company’s workforce
- Managing employees effectively
- Increasing productivity

What Practices Are Included in Human Capital Management?

Human capital management covers a wide variety of administrative and strategic practices and processes including:

- Workforce planning
- Compensation planning
- Recruiting and hiring
- Onboarding
- Training
- Time and attendance
- Payroll
- Performance management
- Workflow management
- Reporting and analytics
- Compliance
- Employee service and self-service
- Benefits administration
- Retirement services

What Is the Difference Between Human Capital Management and Human Resource Management?

The terms are often used interchangeably, but they have different meanings. Human resource management (HRM) primarily focuses on core administrative HR functions such as maintaining employee records and administering benefits. Human capital management is a broader term that includes HRM functions as well as strategic functions such as analytics and performance management.

Human capital management works to maximize the value and ROI of the people in an organization. Human resource management works to create and manage the systems and processes that are needed to acquire, train, and retain the organization’s workforce.

Fit to Work

DNR Offshore’s Operations Department headed by Ferdie E. Sabater, Admin & Operations Manager, Jojo Sarabia, Crewing Manager II, and Roel Aballe, Crewing Operations Supervisor conducted a Technical Visit of ANGELUS MEDICAL CLINIC, Inc.. Ms. Marianne Enriquez, Manager welcomed the group and tour them to their facilities. This year, DNR Offshore is expected to handle more projects including but not limited to moving vessels and leisure cruise manning, hence the need of a fully equipped and modern medical establishment to conduct the required medical examination for its overseas workers. The company needed to be assured of a quality service in order to assure that every crew member is fit to work.



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ENERGY OFFSHORE

“TOWARDS A GENERATION FREE OF POLLUTION”