

# Harnessing the power of strategic collaborations in offshore wind



The global economy has seen some of its most significant challenges in modern history in the last decade. One of the main drivers is the increasing focus of governments worldwide bolstering their energy supply, to reduce vulnerabilities to catastrophic global events, like the ones we have seen this century. Combined with the increasing drive to decarbonise the global energy infrastructure, the offshore wind industry has become an attractive investment opportunity.

The trend towards renewable energy is set to continue, with the International Energy Agency (IEA) forecasting that it will account for 90% of the global electricity capacity expansion between 2022 and 2027.

#### A growth industry

According to Mordor Intelligence, the UK offshore wind market is expected to see a CAGR above 13.5% between 2022 and 2027. This represents a vast and dynamic market, with investors more than just dipping their toes in the water, as they flock to the sector from traditional energy and finance sectors.

According to the Offshore Wind Industry Council (OWIC), the UK offshore wind market could expect £155 billion in investments from the private sector over the next eight years, with average annual investment totalling £17 billion.

This 60% increase from the projection from a year before (2021) reflects the expansion of the UK's pipeline of offshore wind projects. These are worth 86 GW across all stages of development. The bump is largely due to the major leasing round by The Crown Estate adding 8 GW and Crown Estate Scotland adding 25 GW.

This increase is not just seeing a rise in commercial opportunities, the sector's growth has seen a vast rise in the career opportunities available too. OWIC reported that the industry employed over 31,000, comprising 19,600 direct and 11,500 indirect jobs. However, by 2030, the sector would account for 97,000 jobs, including 61,000 direct positions.

#### International investment

A large proportion of investments in the UK offshore wind industry come from European countries, particularly those with a strong renewable energy market, like Germany, Denmark and The Netherlands.

For example, Danish wind turbine manufacturer, Ørsted, has invested in the

Hornsea One and Two wind farms off the coast of Yorkshire. Ørsted has a significant footprint in the UK offshore renewables sector and has become instrumental in driving its growth, alongside tier 1 companies such as Norwegian energy firm, Equinor, Swedish company Vattenfall, and French state-owned EDF.

However, the industry has received investments from APAC companies too, including MingYang Smart Energy, a Chinese wind turbine manufacturer. MingYang looks to invest in a blade manufacturing factory, a service centre, and potentially a turbine assembly plant in the UK.

Japan's largest oil and gas company Inpex Corporation has also become an investor in the UK offshore wind energy sector. It expanded its renewable energy portfolio by buying a 16.7% stake in the Moray East offshore wind development in Scotland from fellow Japanese firm Mitsubishi. Mitsubishi itself has a joint venture with Dutch Eneco with which it is expanding its power business in Europe.

As the industry sees significant investment and growth, why should offshore wind energy companies embrace collaboration?

#### Collaborate to accelerate

The offshore wind energy industry is complex and highly capital-intensive, requiring significant investment, technical expertise, and operational excellence. Collaboration helps companies pool their resources, expertise, and knowledge to help ensure successful project executions.

Collaboration also allows companies to share risks, cut costs, improve efficiency, and unlock innovations that move the industry forward.

There are several ways in which companies can pool their resources together. One of which is strategic partnerships, which can help companies achieve their goals by combining strengths. For instance, a study revealed that increasing partnerships





between international and local Korean companies helped to reduce the levelized cost of energy (LCoE) by up to 22%. It can also help to jumpstart the Korean offshore wind industry by allowing local manufacturers to establish a track record and increase competitiveness. International companies including Orsted, Total, and

Shell, have entered the Korean offshore wind industry, which can help the country achieve its Renewable Energy 3020 Implementation Plan.

Another example of strategic partnerships is London-based CSO Marine Group, an integrated commercial and strategic solutions provider for the offshore energy

and marine renewables sector. The Group comprises three companies; Colebrook Offshore (CBO), providing industry-leading brokerage services and market intelligence for the offshore energy sector; Offshore Operations (OOL), providing specialist offshore personnel and technical and operational support, including vessel inspections, pre-purchase due diligence, and manning solutions; and Rockabill Marine Design (RMD), providing data-driven naval architecture and structural and system designs with a focus on safety, efficiency, and sustainability.

Combined, CSO Marine Group delivers a full suite of technical, operational, personnel and commercial services for renewable energy projects, simplifying the process for their clients while also ensuring a consistent and high-quality level of service.

Tony Colebrook, Managing Director of CSO Marine Group, who has worked in the UK offshore renewables sector for over two decades, believes partnerships are essential in the industry. He explains, 'At CSO Marine Group, we understand the importance of collaboration in driving innovation and success in the offshore wind industry. We believe that by working together, companies can achieve more than they could individually by pooling their resources, expertise, and knowledge to deliver projects that meet the needs of clients and society.'





'Our approach is to work collaboratively within the Group and with partners in the industry, to drive innovation, reduce costs, and deliver projects that have a positive impact on the environment, industry and society.'

The world's first floating offshore wind farm, Hywind, resulted from a collaboration. Located off the Aberdeenshire coast, the 30 MW development involved Equinor and Masdar, Abu Dhabi's renewable energy company. Equinor provided the technology and expertise for the floating foundation, while Masdar provided financial support. The collaboration resulted in a successful project that takes advantage of the stronger and more consistent winds found in deep waters. It has also paved the way for future floating offshore developments globally.

Another method of collaboration is acquisition, which allows companies to expand their capabilities and enter new markets by acquiring stakes in existing projects. Acquisitions can be partial or complete.

Total Energies bought a 51% stake from SSE Renewables in the Seagreen 1 offshore wind farm project off the Scottish coast. This allowed the former to expand its offshore wind portfolio while leveraging the latter's expertise in developing, constructing, and operating wind farms.

Strategic investments and acquisitions can also help to bolster the growth of the industry, especially in burgeoning markets like the US. These include joint investments, like BP and Equinor investing in turning the storied South Brooklyn Marine Terminal (SBMT) complex in Brooklyn, New York, into a central hub for the US offshore wind industry. The collaboration allows BP to leverage its expertise in the oil and gas



industry to support the development of offshore wind projects.

Growth into the US offshore wind market has also been an opportunity afforded to CSO Marine Group's companies through inter-company collaboration. After establishing a strong client base and local network in the US, vessel brokerage firm, Colebrook Offshore, alongside sister company Offshore Operations, saw an increase in combined service solutions

requested by their US clients. In response, the Group has opened a US hub in New Bedford, Massachusetts, which enables CSO Marine Group's companies to service the growing offshore wind industry on the US East Coast, both collaboratively, and separately.

Tony explains, 'As a Group we can provide a complete support package to clients worldwide, by designing, building, chartering and manning vessels for the offshore wind industry.'

'This collaborative approach and extensive industry knowledge have been a winning combination for clients in the US, especially as we can bring learnings from more established markets we work in, such as the UK and Europe, to help support the local renewables supply chain.'

#### **Collaboration is the key to success**

With advancements in technology and assets, offshore wind provides more opportunities than ever for intra- and inter-company collaboration.

Collaborations are increasingly seen as essential in the offshore wind energy industry to drive the sector's growth and success.

By working together, companies can leverage their expertise, reduce costs, share risks, and drive innovation, to achieve more together than they could individually by pooling their resources, expertise, and knowledge to deliver projects which meet the needs of their clients and the wider industry.

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