



PES: Why are temporary living quarter rental companies critical to the offshore wind supply chain?

Brad Hirst: At various stages of an offshore wind project's life cycle there will be varying workforce needs: i.e. during the engineering and construction phase, throughout the life of the wind farm to operation, maintenance and upgrade of key components and infrastructure. Our niche in the market is to provide temporary offshore accommodation - in the form of what we call temporary living quarters (TLQ) - that are custom designed and engineered to specific project requirements. We use standard design modules that can be linked together and stacked to create multi-tiered living quarter complexes, which are installed on vessels, jack-ups and platforms - wherever there is space for the temporary accommodation.

Offshore accommodation rentals are ideal for short term needs. In an industry that is continuously seeking to reduce costs to be more competitive with traditional sources of power generation, having the opportunity to rent temporary living quarters reduces the total project cost by helping developers avoid a CAPEX investment for which there might be a low return. Rental equipment fulfils the need for short term work.

In any industry, utilisation rates for assets are a strong indicator of operating efficiency. Offshore wind projects, just like offshore oil and gas, will have a mix of both permanent and temporary living quarters to support the variability in offshore worker

accommodation requirements. For permanent living quarters a Project Manager doesn't want to overbuild in capacity and conversely they don't want to under build either. You select an optimal workforce accommodation capacity and supplement your living quarter needs with a rental product for the required period.

PES: What type of offshore work necessitates temporary accommodation and for what duration?

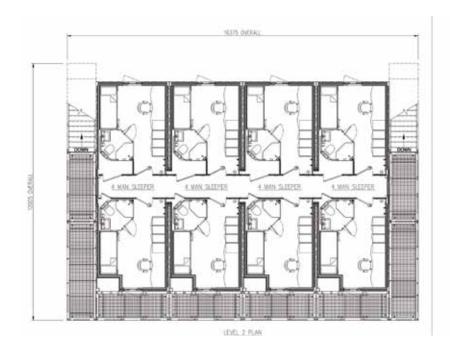
BH: The most notable opportunities for offshore wind rental accommodation lie in the hook-up and commissioning phase of the HVDC converter platforms, as these tend to be large, technologically advanced structures located further offshore than their smaller, less complicated, near-shore AC platform counterparts. Once the platforms are commissioned, they are handed over to the client, i.e. electrical transmission and utilities companies and there may then be further TLQ requirements as part of ongoing operations, albeit on a smaller scale than the initial hook-up. There will of course always be repair and maintenance requirements for these platforms, as well as the subsea cabling and turbines. Some of the original European wind-farms are now at this phase.

As an industry, Offshore Wind is still in its infancy and operators are continuously learning and adapting based on project experience. Since they compete against other sources of power generation and rely heavily upon government subsidies, there is an ever-increasing demand to be more innovative, increase efficiency, add value



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and save costs at every stage of the project. It's a very dynamic and rapidly evolving industry.

Our assessment is that some of the opportunities we've been involved with in the past will become less as living quarter requirements and become better known during the project life-cycle, these platforms will be designed and manufactured accordingly to incorporate sufficient living quarters. As with all industries, efficiency is gained through greater experience and subsequent innovation and Offshore Wind will be no different. We'll continue to focus on the

evolving needs of the industry especially as the wind turbines age creating new opportunities in service and maintenance.

PES: In your accommodation module product design what drives your guidance for product attributes?

BH: As we design offshore accommodation modules, we have to consider numerous factors to ensure that our equipment meets a broad range of regulatory compliance and certifying authority requirements. With worker safety and comfort at the forefront, some of the primary drivers include UK HSE (Health and Safety Executive)

guidelines, DNV 2.7-1 certification, SOLAS/ IMO regulations and most recently, the ABS Guide for Portable Accommodation Modules. This enables us to supply equipment for a multitude of applications and configurations from standalone bedroom modules to large, multi-level accommodation complexes complete with welfare facilities and auxiliary services. Other variables taken into account when designing TLQ modules include the type of host installation e.g. vessel or platform, which industries they will be used in and also the environmental conditions that they will operate in around the world. Adaptability is crucial.

PES: Describe HB Rentals ability to technically execute on a TLQ complex installation.

BH: HB Rentals has a defined process for supporting an offshore accommodation project. Since each project is a custom engineered solution, we adhere to a methodical approach in qualifying our clients' requirements which is very similar to a FEED (Front End Engineering Design) study. It is essential that we maintain rigorous QA through the entire process from requirements definition to engineering design, fabrication, shipping to site (usually a port) and installation.

Given the nature of short term rental projects - that they tend to support specific work of a short term duration, we are frequently contacted in the latter stages of the project's development and subsequently have less time to plan and respond. It's not uncommon to receive RFQs and project requests in which a





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custom TLQ complex needs to be designed, engineered, delivered and installed within weeks of initial contact. Due to these demands of the industry we set up our internal processes and operations such that we can quickly respond to the opportunity with internal engineering, design, regulatory, fabrication, logistics, installation and commissioning expertise. We maintain tight control over these resources to ensure our ability to respond to client needs based on their schedule – not ours.

PES: How is HB Rentals helping to drive down the cost for windfarm development and ongoing operations / maintenance support?

BH: The ability to rent offshore accommodation modules is an attractive alternative to investing in permanent living quarters, depending on the need. It's all about financing and return on investment - rental accommodation suppliers offer a financing alternative to purchase and avoiding CAPEX investment. We also offer flexibility in how to provision the temporary living quarters. They can be custom designed for installation on a vessel or a platform and in both cases require DNV 2.7-1 certification if performing an offshore lift e.g... to or from a supply vessel to platform and vice-versa. By being able to outfit a particular vessel with temporary accommodation they will be able to perform specialized short term work. It is all about creating flexibility and using current assets more effectively, or designing new assets to do the work more efficiently.

PES: How do you see the Offshore Wind market evolving – especially globally?

BH: While we expect to see continued development in the North Sea we believe that slowly but steadily we'll start seeing projects in other markets around the world. It's slow and gradual and the industry is competing against lower cost fossil fuels, but for the companies already invested in the European renewables market we expect to see global growth given the depth of expertise the industry leaders have developed in the North Sea and the capital investments they've already made - especially in special purpose vessels. Expertise and vessels can go to any market - and that's what we expect to see.

Case in point is with two of our higher profile projects – with Siemens and Jack-up Barge (J-UB) in the German North Sea. We supported Siemens with a 20 POB (personnel on board) accommodation complex with the BorWin Beta HVDC Converter Platform during the physical platform installation. Located North West of Borkum Island in the German Bight, the BorWin HVDC Converter Platform is a groundbreaking implementation of power engineering given the long distance involved from the Veja Mate and Global Tech 1 wind parks to the onshore grid connection.

Concurrent with the HVDC Converter Platform TLQ installation, HB had 96 POB installed on the JB117 jack-up barge operated by J-UB supporting the hook-up and commissioning phase of work. At this time HB had a total of 69 rental accommodation modules installed across multiple offshore wind farm projects in the North Sea. We have the design, engineering, regulatory expertise, fabrication, project

management, logistics, installation hook-up and commissioning, and service capabilities to support our projects wherever they might be used on offshore wind developments across the world.

The European offshore wind industry's cumulative experience to-date and its effectiveness in driving cost reduction places it ahead of potential global competitors. As renewable energy gains acceptance across other developed countries such as the US and in developing countries, like India and China, where there is an increase in wind energy capacity, the European industry has a strong head start and we hope that it will be able to take advantage of this opportunity.

For more information go to
www.hbrentals.com

Company Profile

HB Rentals Limited is a Superior Energy Services company, which specialises in the design, manufacture, sale and rental of DNV & ABS certified temporary offshore accommodation solutions, Zone I / Zone II hazardous area service modules and workshop and refrigeration containers.

HB Rentals is a global organisation, headquartered in Broussard, Louisiana, USA with key operating and service facilities located in strategic markets around the world.

The company has been based in Aberdeen for over 25 years, servicing oil & gas, offshore wind and maritime customers with a hire fleet in excess of 300+ DNV & ABS certified, A60 rated modules and providing customised solutions according to their specific requirements.

The UK & Middle East facilities are accredited to ISO 9001, ISO 14001 and OHSAS 18001 quality, environmental, and health & safety management systems respectively, and strive to maintain the highest industry standards and certification available in the market.