

What are we up to in Offshore Wind at the University of Bergen?

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Very nice to meet you all!



Ignacio Herrera Anchustegui

Associate Professor - Faculty of Law Member of the Bergen Center for Competition Law and Economics and the Bergen Offshore Wind Centre

- Leader of Research group for Energy and Environmental Law:
 - https://www.uib.no/en/ rg/resource
- Main competence area
 - EU/EEA Economic Law
 - Energy, Competition, Procurement







The object of having a research group working on questions relating to Natural Resource Law, Environmental Law and Development Law is to create a forum for identification, analysis and discussion, as well as for dissemination of knowledge on the development of law during a period of time where society's interest in the environment and natural resources is continuously growing.

The research group is lead by Associate Professor <u>Ignacio Herrera</u> Anchustegui.





A little background

Member of the Bergen Offshore Wind Centre



Who are we?
 Offshore wind projects
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Our mission:

To be a resource centre contributing research and education at a high international level. We address aspects related to resources, environment and technical solutions, as well as legal, economic and social aspects of offshore wind energy. We provide professional support and advice to industry, authorities and the society at large, as well as mobilizing and making UiB's multi-discipline competence more visible.





A little background



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RESEARCH PROJECT

Governing Offshore Wind: Legal Challenges, Market Opportunities and Policy Perspectives (GOV-WIND)

Governing Offshore Wind er et prosjekt som ledes av forsker Ignacio Herrera Anchustegui ved Det juridiske fakultet. Prosjektet er et 6-årlig internasjonalt prosjekt som tar for seg de rettslige utfordringene ved reguleringer av havvind-produksjon.

Humankind consumes more energy than ever and will continue to do so to support the growing use of technology, the digitalisation of almost all facets of citizens' lives and to satisfy basic societal needs. Offshore wind power could and should play a leading role in providing consumers with clean, affordable and renewable energy in the near future due to its characteristics, and thus, can be a key player in limiting climate change. While the technology is already here, the regulation and policy to foster and deal with the consequences of its exploitation are still nascent creating the need for further legal research.

OM PROSJEKTET

- · The project is led by Ignacio Herrera Anchustegui
- · Project start: 2020
- Project ending: 2026
- · Project funding from the The University of Bergen





Three clusters

Cluster 1: Regulating renewable energy in the Clean Energy Package – Particularities of offshore wind?

Cluster 2: Licensing Offshore Wind Farms

Cluster 3: Introducing
Offshore Wind Power in
Energy Markets





Should we talk more about decommissioning?



Some basics

- We put a lot of 'stuff' offshore
 - To exploit natural resources
- We will put more
- When their lives come to an end
 - We need to do something with this 'stuff'





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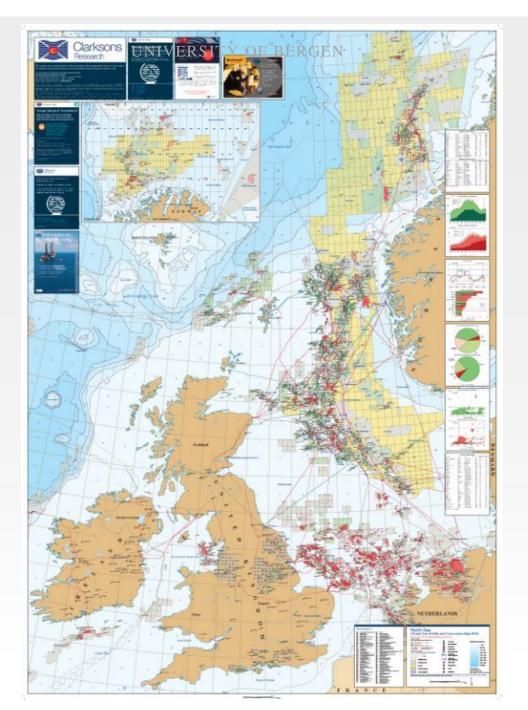




How much stuff and where?

- About 12,000 offshore energy installations worldwide
 - For oil and gas
- An additional 5,047 offshore wind turbines
 - In Europe alone
 - Thousand mode turbines and blades being built everywhere now











Have you heard of decommissioning before?



Decommissioning obligations

- Public International Law that governs the sea (UNCLOS) requires countries to remove structures
 - They may cause harm
 - To environment
 - To other sea uses/users
 - But there are exceptions
 - Some can remain in place
 - Too big/too expensive to remove
- Discussion centres around about the obligation to remove and how much it costs





Decommissioning obligations

- National laws also create removal obligations
- Rules typically deal with the following:
 - Who has to remove
 - Who has to pay for the removal
 - When the removal will happen
 - What happens when there is an accident
 - During and after





Some decommissioning basics



Key Regulatory Features

- Who has to decommission
 - Typically the owner/operator
 - Even tracing back to previous owners/operators
 - Creating liabilities
 - Can be for eternity
 - But also sometimes the state
 - When there is a transfer of ownership
 - Or they forgot to clarify who does it



"I don't know who did it, but I can direct you to some siblings of interest."





Key Regulatory Features

- Liabilities and default risks
 - Key issue to be tackled by regulation
 - More and more small companies exploiting mature wells
 - Unlikely for wind?
 - Risk of default
 - Creation of shared liabilities
 - Request of insurance
 - Or creating a decommissioning fund





Key Regulatory Features

- Tax advantages
 - Decommissioning takes place when there is no further income from structure
 - North Sea jurisdictions allow decommissioning costs to be deducted
 - Justifications for this
 - But seen as a subsidy to energy companies
 - Anything for offshorewind?





Where is the sustainability in this?



Sustainable decomissioning?

- Most rules say little on the sustainability of decommissioning
 - If anything
 - «Tell me what you will do with the materials»







This can be done better and greener

- Materials of an oil and gas rig can be reutilized (recycled, repurposed, reused)
- Companies can reduce costs by through circular uses
 - And they may recycle up to 85% of the weight
 - Cement (landfill) or steel (melting it again)
 - Recycling is not enough
- Governments & law can create incentives to do better





Guiding Business and Government to Decommissioning Change

- Change is good
 - When guided by knowledge and towards acheiving societal goals
- Research on how to increase circularity and sustainability in decommissioning







Challenges ahead & research ambitions

Challenges ahead for circularity

- No requirements for sustainable use of materials after decommissioning in PIL
 - This is a forgotten topic
 - Regional conventions do not focus on this
 - Focus on what needs to be removed/can stay/environment
- At national level picture is not better
 - Not a priority at all
 - In the North Sea included in the legislation, but timidly
 - Usually as «tell me about in the decommissioning plan»
 - UK seems to be at the forefront (but not by much)



Challenges ahead for circularity

- What role has law played in creating a sustainable decommissiong practice?
 - We need data about this
 - Empirical law studies
- What role ought the law play in the future?
 - Do we need only hard law?
 - What of soft law initiatives?
- International or national efforts?
 - Is national enough?





€○ Energiomstilling Vest

Understanding decommissioning of offshore infrastructures: A legal and economic appetizer



Want to know more? Read our report here:

https://papers.ssrn.com/sol 3/papers.cfm?abstract_id=3 882821

Thank you and stay in touch!

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