

Offshore Wind and Dispute Boards

Introduction

Giorgiana Tecuci

Dispute Resolution Board Foundation. *Moving projects forward* since 1996.



Offshore Wind and Dispute Boards

Cost Benefit Analysis

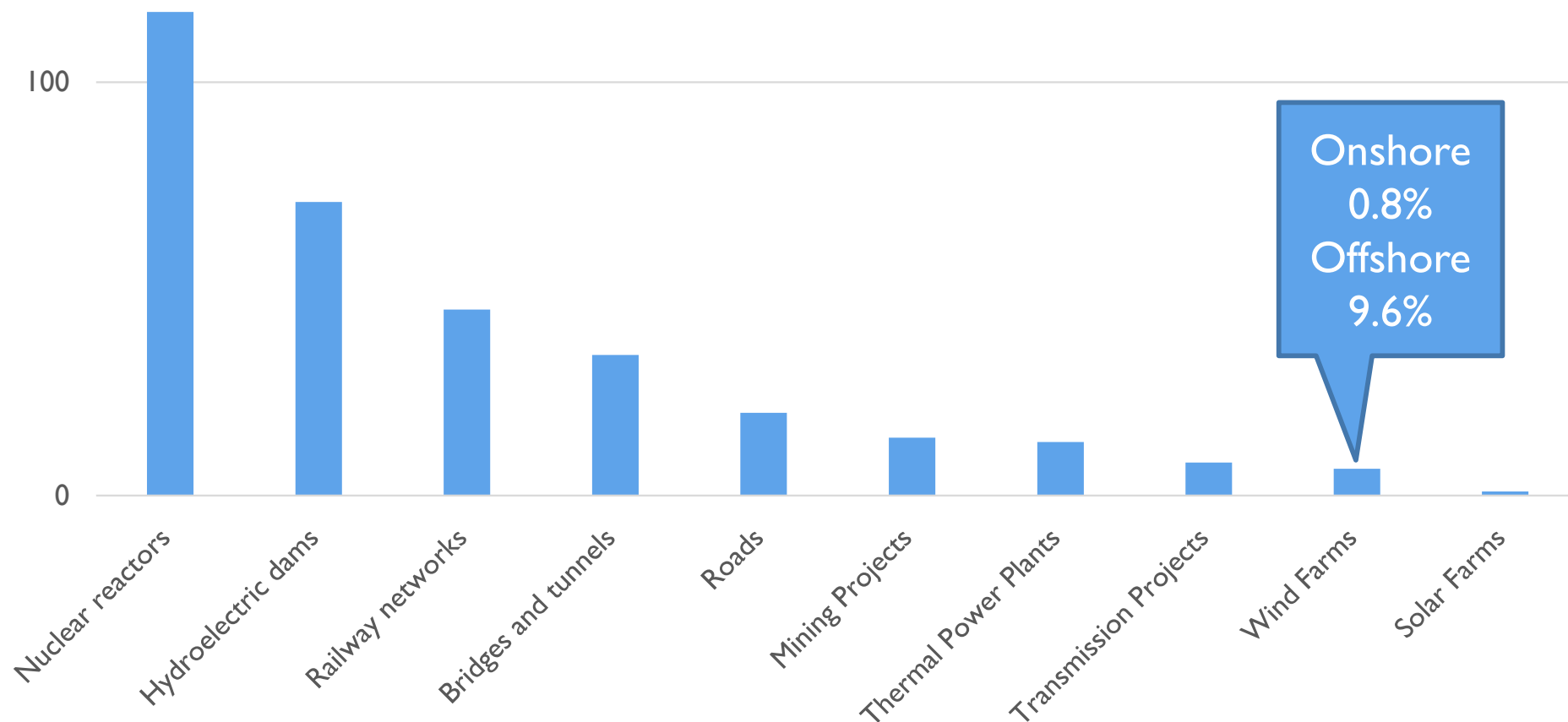
Nic Rigby

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Better than the Rest!

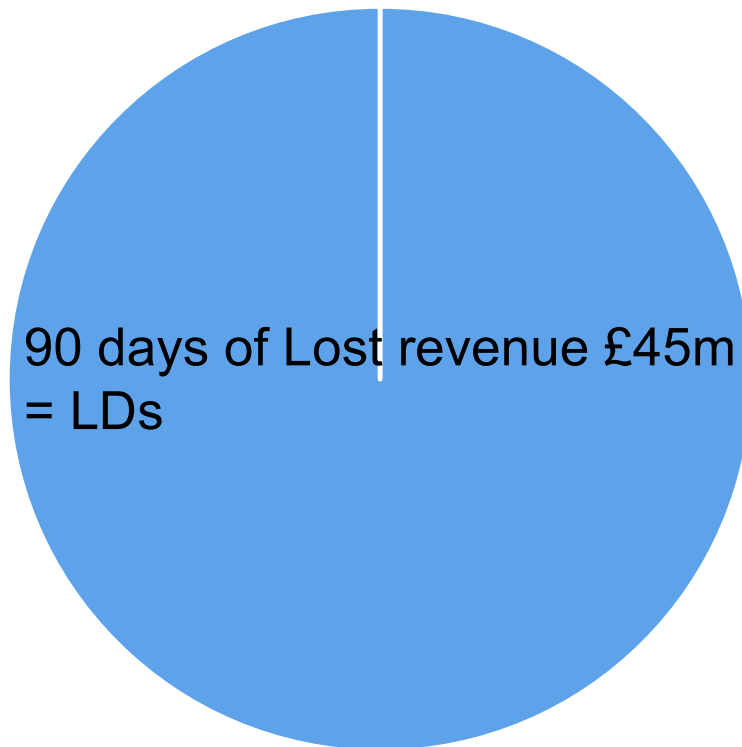
Mean Cost Escalation (%)



2017.01.19 Sovacool-et-al-Overruns-100516 windfarm

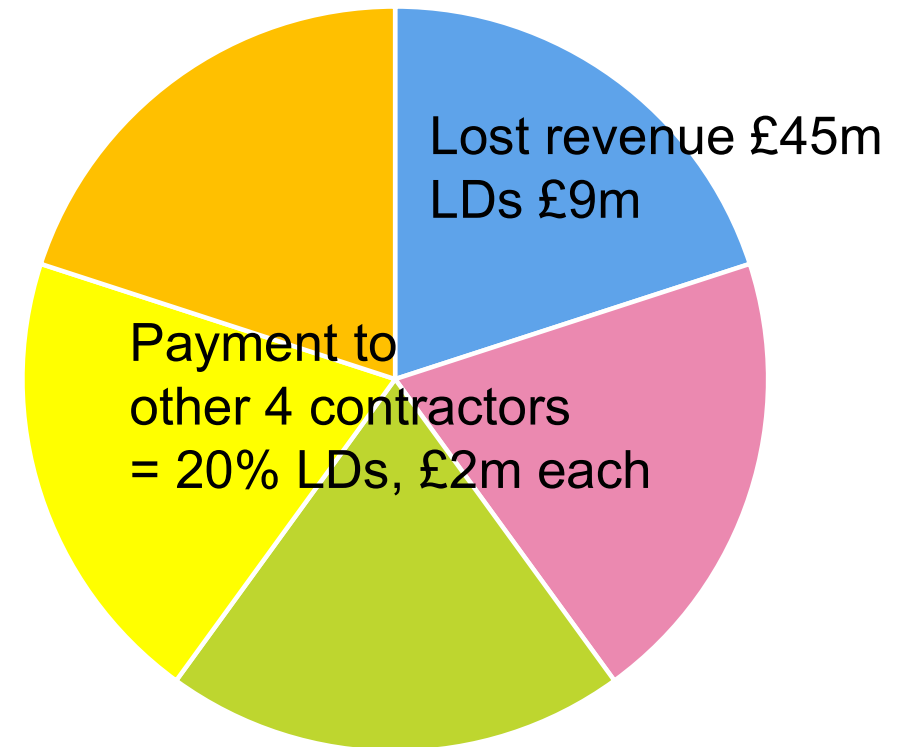
High Cost of Delays

Single EPC



- £45m
£45m
£0
Nil

Multiple contract

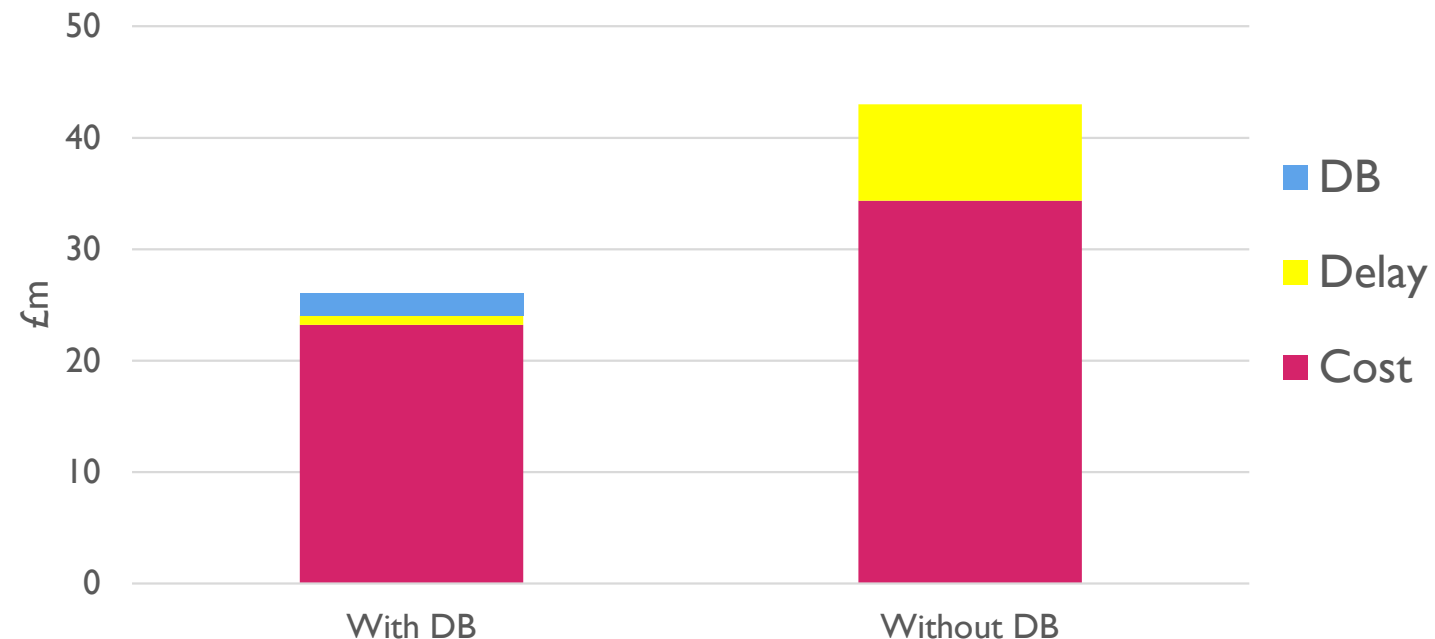


Lost Income
Cost Reduction/LDs
Payments to other contractors
Impact

- £45m
£9m
- £7m
- £43m

Cost £1.5m – Benefit £17m

Florida Dept of Transport	With Dispute Boards	Without Dispute Boards
% with delay	1.8%	19.2%
% with cost overrun	12.1%	17.9%



Thank You...

If you have any questions, you know what to do!

Offshore Wind and Dispute Boards

A DB Perspective

Leo Grutters

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A DB Perspective

DB role is:

- ➔ to assist the Parties in bringing a project to the desired contractual/commercial outcome by:
 - ➔ Minimising (read: avoiding) costly disputes,
 - ➔ Or, if unavoidable, provide a cost and time-effective resolution (at least unless and until reversed through either amicable settlement or a subsequent arbitral award).

A DB Perspective

DB Qualities and Requirements:

- Social and Communicative Skills,
- Knowledge & Understanding of the Project's Technical Demands,
- Ability to Encourage Mutual Trust and Harmonious Relationships

A DB Process is a Team Effort

A DB Perspective

DB Tools:

- ➔ Own Experience and Knowledge,
- ➔ BUT always within the boundaries of:
 - ➔ Documents Forming the Contractual Agreements Between the Parties, and
 - ➔ The Law

A DB Perspective

DB Challenges in Offshore Projects

- ➔ Currently no industry specific contractual mechanisms providing for an effective DB process,
- ➔ The Industry introduces new/additional stakeholders and/or influencers not catered for in standard forms of contract like e.g., FIDIC,
- ➔ Standard forms of Contract are not drafted specifically for heavily equipment loaded (e.g., vessels, cranes, special purpose equipment) projects,
- ➔ In addition to the Law underpinning the Contract there may be Maritime Law to deal with,

A DB Perspective

DB Challenges in Offshore Projects

- ➔ Often extreme impact of unforeseen or unpredictable issues (e.g., UXOs or the Weather) that may negatively affect the risk balance,
- ➔ Standard contractual terminology is often insufficient for the specific offshore industry (e.g., “Site”).

Thank You...

If you have any questions, you know what to do!



Offshore Wind and Dispute Boards

DRBF/WFO online event

Tobias Voigt

February 10th, 2022



WORLD FORUM
OFFSHORE WIND

OFFSHORE DISPUTE RESOLUTION COMMITTEE

A high-angle, top-down view of a yellow offshore oil rig platform. The platform features a complex network of yellow pipes and large, funnel-shaped structures. A yellow metal walkway with a grid pattern runs along the edge of the platform. The rig is situated in the middle of a deep blue ocean with visible whitecaps. A thick yellow rope or cable extends from the platform towards the right side of the frame. A blue diagonal overlay covers the lower-left portion of the image, containing the title text.

Part 1: WFO ODRC

WFO OBJECTIVES

The WFO has the task of actively promoting the alternative Dispute Resolution within the worldwide expansion of wind energy at sea (offshore wind energy)

Continuously promoting the ADR mechanism within the offshore wind community and among the worldwide offshore industry stakeholders

Continuously observing the market worldwide

Offering a package of industry specific Alternative Dispute Resolution tools adapted to the imperatives and requirements of the offshore wind market

Advising on worldwide industry-relevant acts, ordinances, guidelines, as well as other regulations

Our WFO Membership



WHY?

We are lacking qualified institutional support for alternative dispute resolution in offshore wind

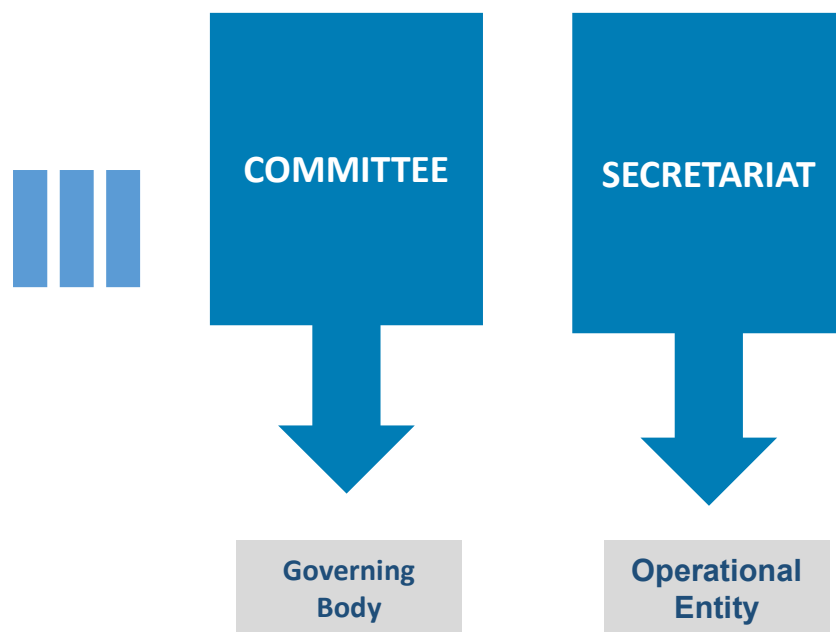
Procedural know-how in alternative dispute resolution combined with offshore wind know-how, that would help us



We would like to have arbitration or adjudication familiar with the needs of offshore wind

Conventional dispute institutions seem to struggle with offshore wind peculiarities

WFO ADR STRUCTURE



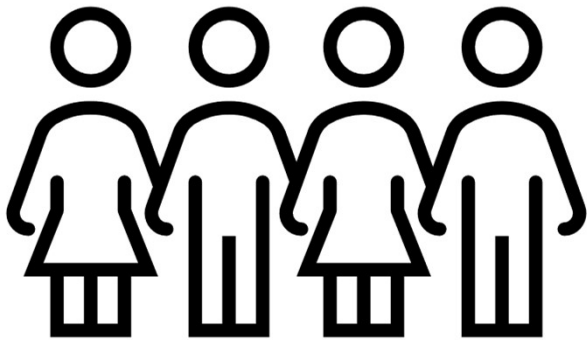
COMMITTEE

- ❖ Chairmen
- ❖ Sub-Committees

SECRETARIAT

- ❖ Secretary General
- ❖ Deputy Secretary General
- ❖ Managing Secretary

WFO Offshore
Dispute Resolution
Committee



Committee gathering
once every three
months

COMMITTEE (ODRC)

ODRC is an entity of WFO whose purpose is to promote and develop alternative dispute resolution in Offshore Wind field and to establish Alternative Dispute Resolution Rules adapted to it.

The Committee receives, organizes and manages the input for the dispute resolution rules and facilitates their development and contributes to the promotion of the general work of the WFO.

SCHEME



Expert Proceedings

Adjudication

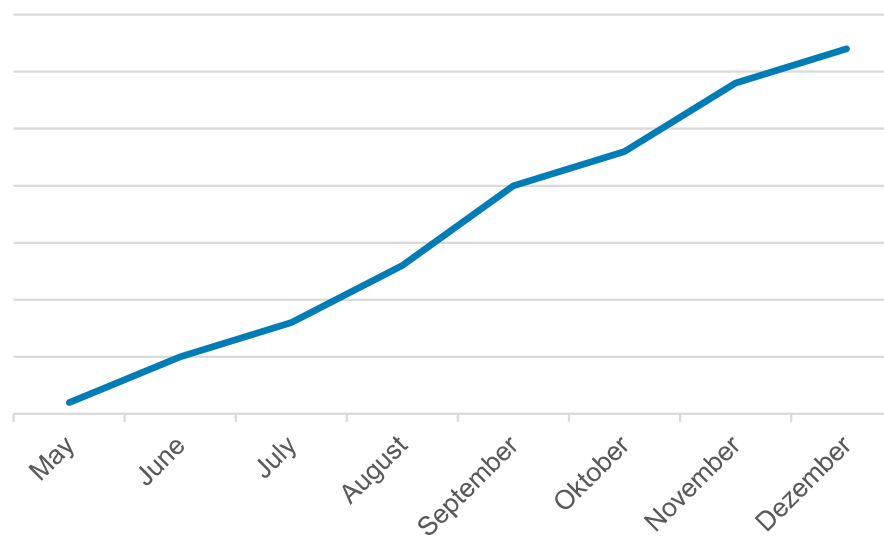
Mediation

An aerial photograph of a yellow offshore oil platform structure, likely a jack-up rig, positioned over a deep blue ocean. The platform features several large yellow funnel-like structures and a central yellow walkway with a metal grate. A thick yellow rope is visible extending from the platform towards the right. A blue diagonal overlay covers the lower-left portion of the image, containing the title text.

Part 2: ODRC Expert List

1. Expert Applications

Applications received

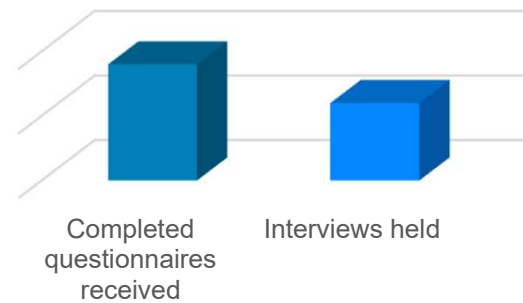


2. Skills and reach

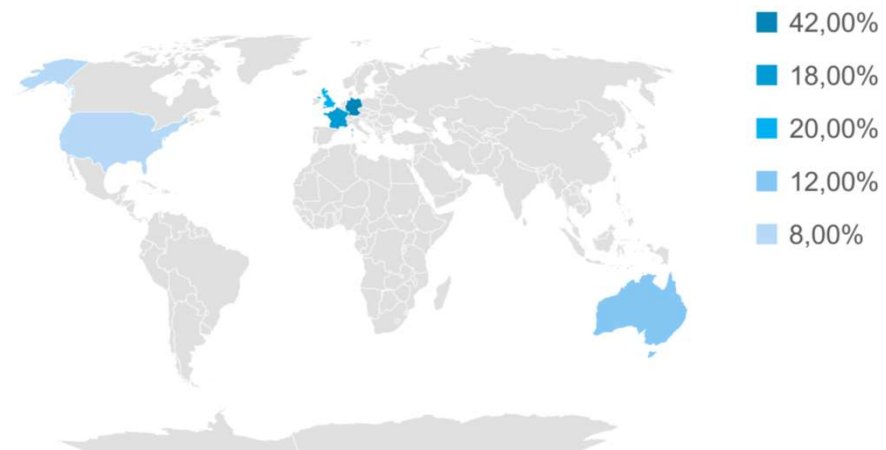
Skills covered already:

- Soil/Geotechnical
- Marine
- WTGs
- Foundations
- Sub-stations
- Cables
- Vessels
- Coating
- Loads
- Electrical/Mechanical Engineering
- Harbor Logistics
- SCADA
- Software
- Schedule analysis
- Commercial
- Legal

Status



Regional Distribution of Experts



Unterstützt von Bing

What is the mechanism to be admitted to the list?

Selection criteria:

1. Expertise
2. Professional skills (incl. social and communication)
3. Experience in ADR

Based on questionnaire data, 3 references and interview

Every selection criteria can score up to 5 points for best impression

The point average of all rankings is calculated

- A candidate requires for admittance to the list:
 - an average of 3 or more points in category 1. and 2. and
 - 2 or more points in category 3 and
 - 10 or more points in total

Regarding the experience in ADR we see it also as the task of the upcoming sub-committee for education and training to provide help in improvement. In the first place we are looking now for offshore related skills.

3. Expert evaluation procedure

Thank you very much!



www.wfo-global.org

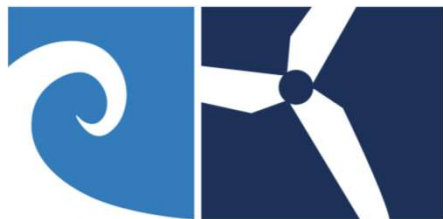


gunnar.herzig@wfo-global.org

tobias.voigt@cameadeslegal.com



+49 162 63 96 714



WORLD FORUM OFFSHORE WIND

OFFSHORE DISPUTE RESOLUTION COMMITTEE



Global Tech I Offshore Wind GmbH

Am Sandtorkai 62, Dock 4
D-20457 Hamburg

Telefon: +49 40 808075 - 0
Telefax: +49 40 808075 - 40

Dr. Ralf Hangebrauck
Head of Legal and Contract
Management

10 February 2022

DBs in the Sustainability Sector - Offshore Wind and Dispute Boards

– The inhouse counsel perspective –

DBs - The inhouse counsel perspective

1. Dispute Planning

- Standing DBs are beneficial despite the costs – at least for the main contracts
- The DB should be in place already at contract signing
- There is still a lack of duly qualified and experienced adjudicators
- DBs should have three members with interdisciplinary background (engineers, lawyers)

DBs - The inhouse counsel perspective

2. Experiences

- Disputes in offshore wind projects are quite complex due to the multi-contracting approach
- Disputes should be referred to a DB as early as possible
- Oral hearings are generally necessary in order to clarify questions
- Deadlines should be ambitious but should not lead to less persuasive decisions
- Acceptance of the DB decision by the parties is important

DBs - The inhouse counsel perspective

3. Summary

- The experiences with standing DBs are good and it's worth to invest both time and money
- You need to have a custom-fit and detailed dispute resolution mechanism in your contracts

Thank you!



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Offshore Wind and Dispute Boards

Project Director Perspective

Toby Edmonds

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