

Minutes

Statnett Meeting with major contractors Site visit at Western Corridor, Ertsmyra and Sandvand

Date : March 28, 2017

Participants:

Guests

Steffen Waal	ABB Norge
Anne Marit Panengstuen	Siemens AS
Alen Premužak	Dalekovod NUF
Stig Ingvar Evje	Implenia Norge AS
Stefano Iorio	Rebaioli SPA
Trond Viding Tvedt	Risa AS
Anne-Lise Aukner	Nexans Norway AS
Arild Borgersen	Nettpartner AS
John Carroll	Valard Norway AS
Pietro Botti	CI 2000
Håkan Kirstein	Eltel

Statnett

Auke Lont	CEO
Elisabeth Vike Vardheim	EVP Construction
Håkon Borgen	EVP Technology and development
Per Christian Øyan	SVP HSE
Thor-Erik Lindberg	SVP Procurement (minutes)
Marianne Veggeberg	Communications Advisor
Miroslav Radojic	Project Manager
Morten Snarud	Project Manager
Morten Vestvik	Construction Manager

Dalekovod

Eugen Hruska	Project Manager
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1) Welcome by Auke Lont, CEO

Auke welcomed all to Ertsmyra and made reference to the last meeting of 16.09.16. in Oslo, the decision to arrange the next contractors meeting on a site and present its ongoing HSE work, and to present and discuss of the results of Statnett's K4 program, including the newly established Life Saving Rules.

2) Introduction to the Western Corridor project by EVP Elisabeth Vike Vardheim

Elisabeth presented the overall role of the Western Corridor, a key component in a broad infrastructure perspective;

- securing reliable operations of grid and sub-sea connections
- enabling the phasing in of new power production from the south and west
- facilitating high capacity utilization of sub-sea connections to Germany and UK

The commissioning of the NordLink connection will be autumn 2019. The Western Corridor first two packages are already commissioned, the third will be so this autumn, and the project will be completed in 2021. The HSE challenges mainly pertain to climate, geography, and demanding work operations. A clear 0-philosophy is installed with respect to accidents, injuries, damage and environmental impact.

3) *The Western Corridor substation by Morten Snaprud, Project Manager Statnett*
Morten presented the Western Corridor substations, which total 7 control buildings, 60 switchyards, 12 autotransformers, two power transformer and two reactors. The contract structure holds eight ground contracts (all civil work is now completed), and one top EPC for the whole package. The HSE work is conducted in eRoom, where also lessons learnt from other projects are made available. The Western Corridor substation HSE statistics as per March 2017 include 120 safety inspections, 141 safe job analysis, 880 reports of unwanted happenings and 0 accidents with work leave (incl. ground works). Ertsmyra is located on a not so deep marsh, and it is special to find such a good site of this size with surrounding small hills that naturally reduce noise.

4) *The NordLink converter station by Magne Vestvik, Construction Manager*
EVP Håkon Borgen introduced Magne and stated that the Marine works on the NordLink project will start this summer. Magne presented the Interconnector project at Ertsmyra and gave a picture of NordLink – HVDC cable between Norway and Germany, a 50/50 partnership with TenneT/KfW, with its 514 km subsea cable, 55 km land cable in Germany and 54 km overhead line in Norway. The buildings for the converter station are now under construction at Ertsmyra. HSE status is 180.000 hours worked with one serious injury. The local impact from logistics is also a major issue when removing 600.000 m³ rock and material, and bringing in the concrete and steel. With 14 different nationalities represented on site, language and different backgrounds become a challenge increasing the risk for misunderstandings. Close cooperation to ensure the highest HSE standards is therefore a first priority – in order to build the right culture on site – all need to understand their role, and who is responsible for what.

5) *Welcome and introduction by Miroslav Radojicic, Project Manager Statnett*
Miroslav welcomed all to Sandvand, the basecamp for package 1. The incident history is zero incidents before 15.04.16., the day of the fatal accident that occurred under construction of the new 420 kV transmission line. There have been no incidents after this date. There is a clear HSE strategy, a professional and balanced relationship between client and contractor, and focus is on continuous improvement - for example development of a new course to train supervisors. The activity level on site is on the rise, increasing from three to five helicopters in operation in the near future. Miroslav showed a film from the new helicopter, where the door and part of the floor had been replaced with glass, increasing safety with better visibility and maneuverability.

6) *Eugen Hruska, Project Manager with Dalekovod*
Eugen presented their Think Safety Board, with 137.179,00 hours since the last LTI. The company has established a workers program called PAN (assess, analyze, execute), involving all, and making it into a HSE program - by them - for them, with statements like "difficult events trigger growth – growing together", and "going beyond minimum requirements". There is a clear focus on tools and equipment, systems and procedures and on people and behavior.

HSE meeting

Auke then opened the next session as a more formal part of the meeting. He presented the Statnett's newly established HSE action plan, and said he looked forward to a good and fruitful discussion.

7) Status of Statnett HSE action plan (K4), EVP Håkon Borgen

The K4 program was launched by Auke right after the two fatal accidents last year, and one important component in building its substance was to convene some of Statnett's major contractors, and learn as much as possible from them. The K4-program, which translates into C4 with Control "a clear and visible client", Culture "strong safety culture", Contract

Increase emphasis on HSE in our contracts", Consolidate "adjustments to project portfolio". The program will influence all contractors in the second half of 2017. "The Clear Line" between client and contractors has become a critical point in order to create mutually clear and understood roles and responsibilities. HSE in engineering is another K4 initiative. Over 1400 persons (including approx. 100 representatives from our suppliers) have completed the training of the SAFETY program in Statnett. We will address the sheer volume of our contracts, make them lean and secure - that we avoid any clauses potentially interpreted as conflicting or unclear. YTD Statnett has 2 LTIs and 6 SIFs. Håkon made one final note: "There will always be a degree of commercial discussions on site – do not mix these with safety issues."

8) *The Statnett Life Saving Rules, SVP HSE Per C. Øyan*

The purpose of the Norwegian Construction Client is to protect employees from risk by paying regard to safety, health and working environment. More than 50% of the accidents at construction sites can be traced back to insufficient planning or project preparation. In this phase it is important to safeguard safety, health and working environment in connection with the choices made, work method and time. The rest-risk is to go into the SHA-plan. Concerning HSE in contracts, there are three initiatives; "Supplier qualification", "HSE and electrical safety", and "Contract Management", all aiming to structure/clarify, simplify and lift HSE to become more visual. We need to be clear and precise, being careful not to overload this information. Careful consideration must be paid to the time allowed to conduct the work – time pressure is a risk. A booklet presenting the 9 rules was handed out. A copy will be distributed to the participants when they are finalized.

9) *Summary and discussion, how can we together improve safety while respecting the contractual framework, CEO Auke Lont*

Auke at this point expressed a wish to thank all for the last meeting in Oslo, which proved very fruitful, resulting in valuable contributions to the K4-program, including a strong support for establishing the Life Saving Rules.

Here follows some highlights from the discussion:

- All agreed that these were good and easily understood.
- *Alen Premuzak*, Dalekovod, felt that something was missing, namely "what can I do for my colleague – the "we care" aspect, we care about the society, our investors, our colleagues – the team atmosphere.
- *Auke* replied that this actually quite recently had been a point of discussion following the presentation of the rules to the board of directors, and that it was decided to also include this aspect.
- *Steffen Waal*, ABB, stated that these rules were very refreshing, reminding him of ABBs own statement, "don't look the other way".
- *Anne-Lise Aukner*, Nexans, stated "it is allowed to interfere because you care" and that this needs to become a personal and group attitude, "we are obliged to care" this makes the culture. We must do it in the context of caring, which speaks to our emotions, not as police to correct when the rules are not followed.
- *John Carroll*, Valard, said we should make the Life Saving Rules part of the project injunction - reinforcing what when working for Statnett - this is the most important.

Other comments, questions:

- *Trond Viding Tvedt*, Risa, reported the latest 1 mill. hours without LTI. He commented that more time should be allowed between engineering and construction.
- *Anne-Lise Aukner*, Nexans, reported H1-value of 0,4, with 2000 days without accidents at their plant in Halden. "If you get down - you stay down", management really needs to take the ownership to HSE, and consistently reconfirm and visualize this ownership, in order to reach the desired level.

- *Anne Marit Panengstuen*, Siemens, asked why Statnett in some cases in its evaluation criteria only would allot 5% to HSE, if it were regarded as important.
- *Thor-Erik Lindberg*, SVP Procurement, said that HSE is emphasized in the qualification phase, that there typically is a 30% allotment to criteria other than price in the evaluation, and that the distribution between the capability to execute, quality and HSE, will vary depending of the project's characteristics.
- *Anne-Lise Aukner*, Nexans, said we need not follow in the tendency in the oil- and gas industry, were HSE has become very much an exercise to document all possible aspects, generating a lot of paperwork, and seriously driving cost.
- *John Carroll*, Valard, supported this statement stating that we must be cautious that HSE does not become a reactive thing. To the contractor time is money, the pressure is on, and there is the risk for cutting corners. Allow for flexibility in the planning in harsh weather zones to maximize work when the weather is good.

Auke thanked all for a good discussion and valuable contributions, and explained that the next meeting scheduled for Q1/2018 would be more in the context of the CEOs Supplier Day, and that the participants would be invited based on subjective selection criteria.