

Gert Ploumen, Essent:

‘Our world has changed completely’

Interview: Hans Wichink, Managing Director Energy and Utilities, RGP

The European and certainly also the Dutch energy sector is on the move, is the conclusion of Gert Ploumen, Essent’s Procurement Manager. “Energy providers should be looking for collaboration, new forms of energy efficiency and choices based on business economics.”

In 2009, some of the Dutch power suppliers transferred into foreign hands with the acquisitions of Essent and Nuon by the German company RWE and the Swedish Vattenfall concern respectively. With these acquisitions and the 2004 liberalisation, a fresh wind blew through the Dutch energy sector. “Entrepreneurship and being alert on efficient procurement were driven to a higher level”, concludes Gert Ploumen. “You saw the company turning around slowly. We are convinced to our very core that we must operate differently, in particular more efficiently, in order to stay on our feet in the face of the heavy competition on the European energy market, and procurement is part of that effort”, says Ploumen. “I have been working with Essent for ten years and during that timeframe, our world has changed. Competition consists of other traditional power suppliers, but also includes providers of flexible energy such as wind and sun. The cost of generating power using coal or gas are so high that it is sometimes cheaper to buy than to produce.”

Progressive

This flexibility also pops up in buying, says Ploumen. “We have become progressive and flexible. For example in the structure of joint cross-plant procurement. We have come to view procurement in a different light. From five years ago, Ploumen has been responsible for procurement for all Essent power plants. He also sees entrepreneurship and renewed guts in that aspect. “We used to play it safe. We generally partnered with known parties, the Original Equipment Manufacturers, and became partially dependent on them. Five years ago, we showed some guts by breaking through that dependence cycle and getting other parties in. We are benefiting from that move now.”





“It is time to take some real steps”

In concert

It cost management time and a concerted effort of procurement and production to assist these parties. On the upside, it provided higher efficiency and a cost reduction. Ploumen: “You have to accrue knowledge and skills regarding the turbines and generators of a power plant, for example. We picked up that knowledge together with those parties. In exchange, we received great schedules and were able to consult before temporarily shutting down the plants. Decisions to choose a different maintenance partner can never be made by procurement in isolation, says Ploumen. “You have to work in multifunctional teams, in this case interconnecting commerce, technology and safety.” In such teams, you create a risk matrix and make the decisions in consultation. Also to involve the new parties.” The associated questions are essential considerations, according to Ploumen. “You can manage the risks away. You are in effect using the flexibility of the current energy market. Additionally, market discipline is a factor. Governments preach sustainability, but a surplus of solar and wind energy immediately poses a problem: who arranges for capacity backup? Wind and sun are not always available after all.”

Hand in hand

Central and decentralised power generation will go hand in hand, that is Essent’s conviction. Power plants will always be needed for times when sun and wind are not at hand. Ploumen: “Power generation is increasingly decentralised, just like in Germany. That is a fact. Our neighbour has days when so much power from wind and solar is generated that the overcapacity affects the Dutch market.” According to Ploumen, energy providers should be looking for collaboration, new forms of energy efficiency and choices based on business economics. That takes guts, is what Ploumen notices. “Millions of Euros are spent on maintenance. By bundling procurement of maintenance for all RWE plants, we have a better negotiation position and that reduces cost. That is where we are heading. We are much more focusing on what we can do to save costs. It is time to take some real steps.”

Impressive power plant

Ploumen operates from the office near the impressive Amer power plant and its equally impressive cooling tower. Geertruidenberg is the location of one of Essent’s major production sites. The plant consists of two units with a power capacity of 1,245 megawatts and a heat production capacity of 600 megawatts. In addition to coal, Essent uses clean biomass (for green power) and wood gas (for green business) as fuel.