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Historic deal on emissions from new ships will save \$5bn a year

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The International Maritime Organisation (IMO) has agreed to force energy efficiency design standards on new ships from 2013, but has made no move on carbon trading, or on taxing the heavily-polluting bunker fuels used by most ships, and the agreement has no CO2 emissions reduction targets.

Globally, the IMO claims that shipping accounts for around 3.3% of global carbon emissions, but in 2007 a BP estimate put the figure at more like 600 - 800 million tonnes a year - 5% of global greenhouse gases, and twice that from aviation. Neither are covered by the Kyoto Protocol.

The IMO says that without the deal shipping emissions would grow by 150 - 250% by 2050.

Under the deal, brokered after years of debate last Friday, each new vessel over 400 gross tonnes ordered from 1 January 2013, would require a survey of fuel efficiency and have an International Energy Efficiency Certificate issued.

Ships built between 2015 and 2019 will need to improve their efficiency by 10%, rising to 20% between 2020 and 2024 and 30% for those delivered after 2024.

Forty-eight countries voted in favour of adopting a mandatory Energy-Efficiency Design Index (EEDI) for new ships and a Ship Energy Efficiency Management Plan (SEEMP) for all ships, at a meeting of the IMO's marine environment protection committee in London on Friday. Five voted against and 12 abstained.

The measures are now enshrined in Annex VI of the MARPOL Convention covering air

pollution from ships and are binding on all 180 member states of IMO.

The EEDI will first apply to the largest and most energy-intensive ships – by setting baseline EEDI reference lines tankers, gas tankers, bulk carriers, containerships, general cargo vessels, refrigerated cargo carriers and combination carriers.

Other versions of the EEDI will be developed to cover remaining ship types which carry cargo.

Ships can be made more efficient by reducing engine size, as long as safety isn't compromised, by improving the hull, propeller and propulsion system, using waste heat recovery, air lubrication and wind power – sails, kites and flettner rotors.

Developing countries opt-out

In a dispute between developed and developing countries mirroring that over emissions cuts in UN climate talks, a group of developing countries led by China, Brazil, Saudi Arabia and South Africa secured a waiver meaning that they won't have to implement the standards until 2017 or even 2019.

They want developed countries to provide capacity building to enable developing countries to comply with any new standard.

This makes it likely that more ships will be built in their yards until 2019 to get round the rules. European shipbuilders, for example, could build and register a ship in a developing country without having to comply with the new regulation for some time.

Observers say that all this means that the measure is eventually expected to slow rather than reduce the growth of maritime CO2 pollution.

“Adopting the EEDI is the right step but the long delay weakens its short to medium term impact significantly. If the IMO does not deliver action quickly now on existing ships, it will be up to the EU to take the lead at a regional level,” said Bill Hemmings, director of Brussels-based non-governmental organisation Transport & Environment.

EU may pursue further action

The IMO only acted under a threat that if it failed to, then the European Parliament would have asked the Commission to institute its own legislation.

But many issues remain unresolved. Brussels still wants to see a bunker fuel levy, emissions trading, or both applied to shipping.

Connie Hedegaard, the European climate commissioner, welcomed the IMO decision as “a very positive and important first step for a truly global, binding measure to reduce CO2 emissions”.

Her spokesman said she is still “looking at the options,” for further action, adding, “bringing shipping into the ETS is only one of them”.

Tackling emissions from existing ships

The deal was welcomed by Peter Boyd, COO of Carbon War Room (CWR), an NGO that seeks to reduce global greenhouse gas emissions through market means, who called it “a historic move” but said “there’s a bigger environmental and economic opportunity out there that’s too good to miss”.

Eight months ago CWR launched shippingefficiency.org, which made energy efficiency ratings for the 60,000-strong ocean-going fleet freely available for the first time, using methodology developed by the IMO itself.

CWR argues that \$70 billion of fuel savings are possible from more efficient vessels. The EEDI should result in fuel savings of \$5 billion annually by 2020 (and CO2 reductions of over 20 million tons). And if the new standards were applied to all existing ships too, it would save the industry more than 220m tons of CO2 and \$50 billion a year.

Under the new Ship Energy Efficiency Management Plan (SEEMP), new and existing ships will have to keep on board a ship-specific energy use management plan during operation, which sets out best practices for the fuel efficient operation of ships, but it's up to operators whether they use the Ship Energy Efficiency Operational Indicator (EEOI), which will let them measure the fuel efficiency of a ship in grams of CO2 per tonne mile.

Therefore Carbon War Room will this week deliver a letter to IMO delegates calling for use of the EEOI to be made mandatory. It will be signed by 50 organizations, including owner-operators of 60 million tons-worth of vessels.

Signatories include Denmark’s Maersk Line (containers) and TORM, Canada’s Teekay, America’s Heidmar (tankers) and Wallenius Wilhelmsen Logistics (ro-ro) of Norway/Sweden. German consumer electronics company Schneider Electric has also signed, along with the Port of Los Angeles and the NGO Forum for the Future.

www.eaem.co.uk
www.shippingefficiency.org