Bunkering Environment

Methanol and LNG fuel lobby groups square up



Sam Chambers 🔹 November 3, 2023 🔍 0 🧑 425 📕 2 minutes read



A war of words has broken out between the heads of two alternative fuel lobby groups, right here on the *Splash* site.

Earlier this week, Peter Keller, chairman of lobby group SEA-LNG, <u>wrote</u> <u>for *Splash*</u>, taking aim at the limitations of methanol, a fuel that has rapidly grown in popularity this year and is now second only to LNG in the alternative fuel stakes.

Keller noted that green methanol recently bunkered by an early mover is made from biomethane, using a valuable green fuel as a feedstock.

"This does not appear to be the most environmentally sustainable or economical way to produce an alternative fuel," Keller wrote, claiming it takes six to seven times more scarce green energy to turn biomethane into biomethanol compared with using the same biomethane to make bio-LNG which is already being used as a marine fuel.

"The industry needs to recognise that not all fuels are created equal. A more thoughtful, fact-based approach is needed where isolated bunkerings, political endorsements, and catchy sales type soundbites are not confused with future decarbonisation strategies that are practical, financially supportable and realistic," Keller concluded.

Firing back, Gregory Dolan, the CEO of the Methanol Institute, responded to the article, writing: "That sound you can hear is shipowners rolling their eyes." Dolan hit out at what he perceived as Keller's bid to sow confusion.

The energy transition is going to be a process of evolution, Dolan stressed.

"It won't happen all at once – you don't flip a switch and go from 400m tonnes of fuel oil to 400mt of any alt fuel overnight," Dolan pointed out, going on to explain: "Right now there is grey Methanol (and grey LNG). The next step is blue, then green fuels in volumes enough make a contribution to decarbonisation. And with Methanol, you can blend grey, blue and green to dial in the desired carbon intensity and willingness to pay."

With a message aimed directly at shipowners, Dolan wrote: "We want to help you clearly understand what methanol gives you in terms of emissions now, how that will change in future and how to engage with producers to secure the fuel you will need."

He concluded: "Better, we think to spend the limited time available on the pressing needs of decarbonisation than engage in a campaign that sows doubt and confusion at a time when the need is for clarity."

As of October 1, there were 978 confirmed LNG-fuelled ships on order or in operation and 216 methanol-fuelled ships on order or in operation, according to data from class society DNV.