Greta Thunberg view won't help shipping's fuel transition

Sustainability arguments need to mature before the maritime sector selects which decarbonisation solutions it prefers rather than taking "knee-jerk" reactions.

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Mark O'Neil, CEO of Columbia GroupCredit: CSM

At a Glance

- Holistic environmental argument is not yet developed
- Shortage of supply of alternative fuels
- Need for long-term contracts for fuel

A lively debate developed at the Global Maritime Environmental Congress (gmec) at SMM as Mark O'Neil, CEO of Columbia Group, argued that the environmental arguments need to properly develop before we decide on the cure.

O'Neil said: "We are taking the western medicine approach, treating the symptom and not the causes of carbon pollution, looking at the painkiller and not the massage that gets rid of the pain. And my fear is that we are being asked to invest huge amounts on assets, which have a 20–25-year lifespan, where the holistic environmental argument is not yet developed."

On a recent trip to Shanghai, O'Neil said there were plenty of electric cars, but the energy for these cars was largely derived from fossil fuel power stations, while the fossil energy use for mining the lithium for these cars is huge. "So, no electric car has any hope of satisfying the holistic, long-term environmental argument."

He added: "I would caution the maritime sector before running down the alternate fuel line and the alternate technology line to just let the environmental argument catch up. The Greta Thunberg

argument, fantastic as it is, is more of a knee-jerk argument, it's more about the clamour, the let's do something about it, it's the microscopic view, and we very much need a telescopic view."

Dr Gunnar Steisch, CTO at MAN Energy Solutions, however, believes, "The technology to drive the transition is already widely available today, what is missing is sufficient quantities of fuels and the regulations to drive this [the production of green fuels]…what is lacking is the fuel and the incentives to invest in large scale green fuel production.

Meanwhile, Steve Esau, COO of SEA-LNG saw the major challenge in the decarbonisation process was that two different industries, maritime and energy, with different cultures needed to collaborate to achieve the transition.

"The shipping industry, which has historically bought its fuels on a spot basis, always looking for the best price, and there's the energy sector that needs to make new fuels, and that requires massive capital intensive investment in 20-year projects to supply these new fuels, and to underpin these new projects you need long-term contracts," explained Esau.

O'Neil pointed to a recent DNV paper in which maritime CEO Knut Ørbeck-Nilssen had written that alternative fuels and alternative technologies are not the answer to decarbonisation.

Ørbeck-Nilssen argued, that "We're not going to achieve carbon reduction goals by 2030 and 2040 solely by alternative fuels, because we won't have the production capability, we won't have the infrastructure capability, there won't be the yard capacity to convert vessels to those fuels and the world fleet cannot renew itself in that time."

Therefore, the answer to the immediate decarbonisation will be a blend and "the most likely solution is carbon stripping technology to existing fuels, biofuels and with other fuels too. We in our managed fleet are advising clients to optimise what they do, which is as important in the future fuels," said O'Neil.

He went to say that while vessel emissions are 2% of the global total, emissions from power stations are 45%, "sort out the power stations and you have a stable carbon environment, you can burn as much carbon as you like if you sort out the power stations."

Steisch, while agreeing with O'Neil on the need for multiple fuel solutions also argued: "The best fossil fuel molecule is the one that is not burned at all."

Technology that improves vessel efficiency will play a crucial role in the future, not just for emissions abatement reasons, but also for economic reasons as the new fuels will much more expensive, "so burning as little as possible is clearly an incentive".

For Steisch there are clearly much larger users of fossil fuels than the maritime industry, but that does not mean that shipping should wait and see what others do before moving to abate its emissions.

"Shipping burns 300 million tonnes of fuel every year, and that is clearly big enough to create its own scaling effect to get something moving," said Steisch, "Rather than waiting on even bigger players, which may go into a completely different direction which is fully electrified and not based on new fuels, shipping and aviation should go ahead and do what is possible and find the scaling power in its own scope."