

How might COP 26 influence shipping? – North

By admin On November 15, 2021 In Insurance Marine News, Keep, Political Risk, Credit & Finance

As COP 26, held in Glasgow, Scotland over the past two weeks came to a close, with many of the attendees for the whole period having forgotten what green vegetables taste like and never again wanting to see Coronation Chicken on a menu choice, North of England Club has highlighted which of the discussed issues are likely to have an impact on shipping.

Green Shipping Corridors

The signatories of the Clydebank Declaration have promised to support the establishment of zero emission maritime routes between two (or more) ports referred to as green shipping corridors.

Nick Brown, CEO of British classification society Lloyd's Register, told *Splash* that these new green corridors would be essential to support "first mover viability".

"Significant zero emissions progress is happening under national and regional/plurilateral initiatives. We need multiple levers and not necessarily IMO and that seems to be happening," said Dr Tristan Smith, associate professor at UCL Energy Institute.

This voluntary creation of corridors on specific shipping routes between major port hubs are intended to:

- achieve the availability of zero emission fuels and suitable bunkering infrastructure
- to generate cross value chain collaboration to enable zero-emission shipping from the demand and supply side, as well as sharing of information
- enable the unlocking of business opportunities and socioeconomic benefits for communities across the globe
- satisfy and enable customer demand in line with required objectives
- facilitate Policies and regulations in accordance with national action plans

<https://www.gov.uk/government/publications/cop-26-clydebank-declaration-for-green-shipping-corridors/cop-26-clydebank-declaration-for-green-shipping-corridors#signatories>

Phasing out of coal

More than 77 signatories pledged to phase out coal by 2050. North observed that this would have a major impact on ship owners, operators and charterers who work in this trade.

The Global Methane Pledge

Stronger regulation of methane emissions should create more certainty for the shipping industry regarding LNG's positive emission benefits. Life cycle analysis on a well to wake basis is what's needed to accurately compare all alternative fuels.

Work is ongoing with engine makers and bunker suppliers to lower methane slip. bioLNG and synthetic LNG will also push development towards lower carbon fuels.

Marine biofouling and the influence it will have on Greenhouse gas emissions gained attention. We expect shipowners to increase focus on this after the 1st January 2023 to preserve and improve their Carbon Intensity rating (CII).

The Nuclear Alternative

Nuclear power has been recognised with potential to increase its integration with other low carbon energy sources in a bid to decarbonise globally. North will soon be publishing an article on the use of Molten salt reactor nuclear technology on merchant vessels.

UN technology brief at https://unece.org/sites/default/files/2021-08/Nuclear%20power%20brief_EN_0.pdf

Roadmap for Green Hydrogen

New roadmaps for green hydrogen support policymakers in making the net zero transition. Presently hydrogen produced by fossil fuel is cheaper than hydrogen produced by renewable energy sources, but North expects this to pivot during the next decade. It is estimated that green hydrogen may be as low as \$1.5/ Kg before 2050 as global electrolyser capacity increases making it more attractive in shipping to decarbonise.

International Renewable Energy Agency (IRENA)
at <https://www.irena.org/newsroom/pressreleases/2021/Nov/IRENA-and-World-Economic-Forum-Launch-Green-Hydrogen-Toolbox-at-COP26>

Deployment of Zero Emission Vessels by 2030

The Getting to Zero Coalition aims to accelerate Maritime shipping's decarbonization with the development and deployment of commercially viable deep sea zero emission vessels by 2030.

<https://www.globalmaritimeforum.org/getting-to-zero-coalition>

Meanwhile, one delegate said that for shipping the past fortnight had been “intense”, according to Sam Chambers at *Splash*. The industry will now head south to London for the 77th gathering of the Marine Environment Protection Committee (MEPC 77), to be held at the headquarters of the International Maritime Organization.

Alisdair Pettigrew, founder of UK-based BLUE Communications, recalled how in 2009 at COP 15 the buzz was all around the unveiling of the Viking Grace, an offshore vessel powered by LNG. In Glasgow, industry executives attending events were nearly unanimous in demanding a swift carbon levy and net zero by 2050.

Low ambition outcomes from MEPC 75 and 76 were, according to Dr Smith, the result of ambitious countries being in the minority. However, at MEPC 76 only about five countries were the difference between minority and majority.

“You don’t need many of these 50 signatories to turn up to get fundamentally different outcomes in mid-term measures and strategy revision debates,” Smith said.

Lasse Kristoffersen, CEO of Norwegian owner Torvald Klaveness, who participated in the International Chamber of Shipping’s Glasgow climate conference last weekend, told *Splash* that there was no longer anyone questioning whether shipping needed to get to zero by 2050. The only question was, how?

“Business and private sector is moving faster than policies and regulations. Hence, IMO regulations will not trigger the kick-off of the transformation but be critically necessary for a global scaling of it,” Kristoffersen said.

The world will not decarbonize jointly and at the same speed, Kristoffersen said. He noted how short sea has already started, and he said that deep sea would happen “piece by piece”, such as via green corridors or insets.

Kristoffersen criticized the lack of knowledge and competence on the path to zero and zero emission fuels. “A big challenge is that many players are saying there will be so many solutions, it will be impossible to make any choices. This is not correct and if you do chemistry and physics for dummies, you will learn that it all starts with green hydrogen from green electrons,” he said.

Peter Nuttall, scientific and technical advisor for the Micronesian Centre for Sustainable Transport at the University of the South Pacific in Fiji, said that “despite all the hype and fanfare, COP 26 has not delivered on the paradigm shift we so desperately need”. He said that negotiators had failed to make progress on the core issues of financing, on carbon markets and on ambition. “Terminology like equity, leave none behind, loss and damage are now widely accepted, but the mechanisms to address them are not,” Nuttall said.