



ENERGY EFFICIENCY DESIGN INDEX (EEDI)

What will it do to our ships?

The Nautical Institute

London

5 December 2011



INTERTANKO POSITION

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- 1. INTERTANKO welcomes the adoption of energy efficiency measures (EEDI/SEEMP) on ships**
- 2. INTERTANKO believes that:**
 - a) In the implementation of the EEDI requirements, there should be a “level playing field” and that the EEDI requirements should apply equally to all applicable ships on the same effective date**
 - b) Compliance with EEDI should focus on improved hull design, propulsion efficiency and energy optimisation, rather than predominantly on reduced speed designs**
 - c) Any measures taken to comply with EEDI shall not jeopardise nor have an adverse effect on the safety of the ship**



What does all this mean?

- **looking forward to higher ship efficiency**
- **“waivers” not recommended**
- **for tankers, speed should not be the compliance criterion**
- **simple approach: same amount of cargo to be transported at same speed but with less power**
- **general - optimistic expectations to more efficient designs with no compromise on safety**

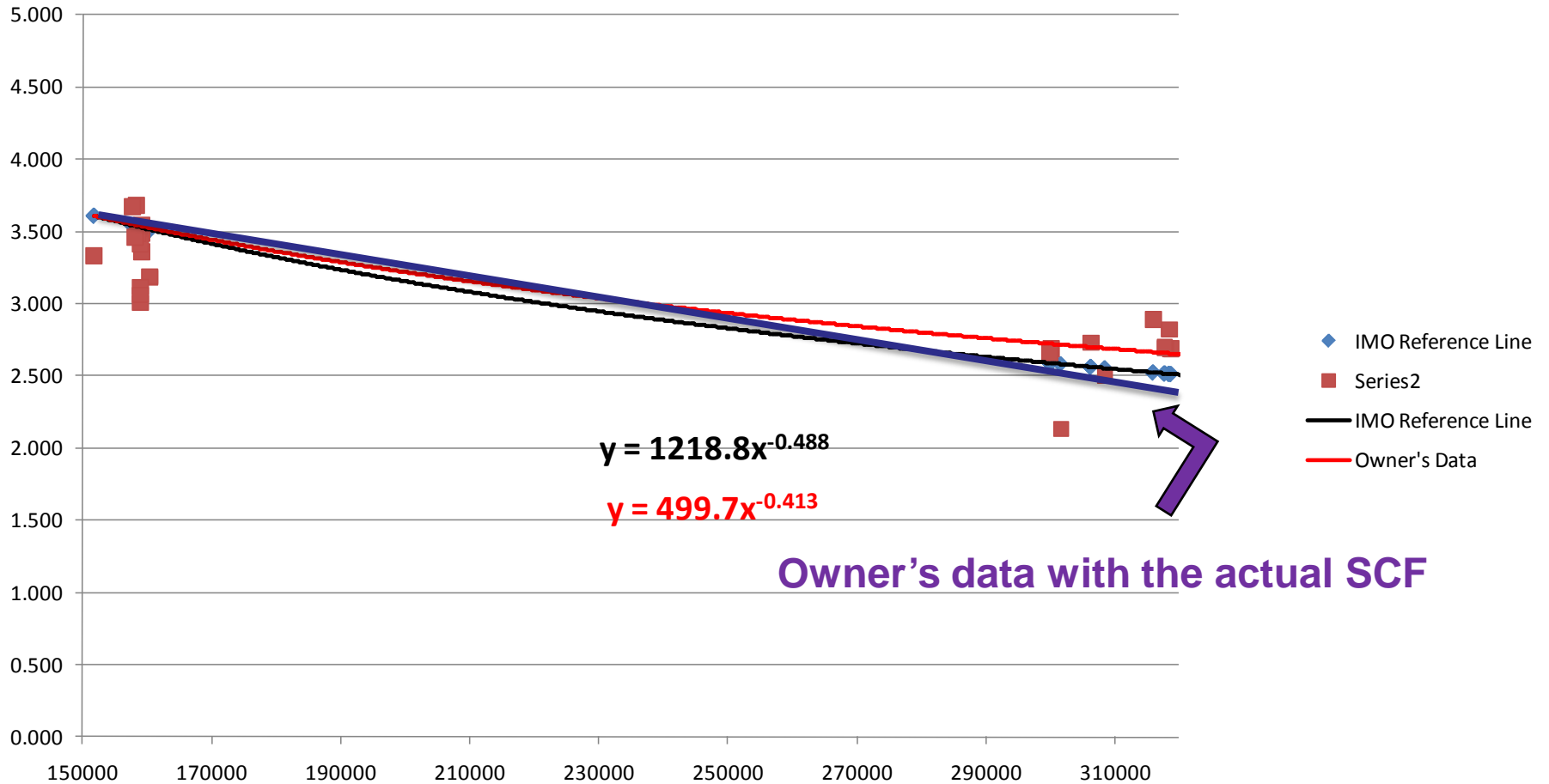


Concerns(?)

- **Verification – need for veracity & transparency**
- **Complications due to “one for all” EEDI Reference Line**
- **Review clause should consider impact on same “ship type” but engaged in specific trades (e.g. chemical tankers; gas tankers; regular oil tankers; shuttle tankers; double engine/propeller oil tankers)**
- **“design speed” – market expectations for 25 years?**
- **Misuse of EEDI to measure operational performance**
- **Incompatibility of other regulations (e.g. ballast water; NOx Tier II & III; scrubbers) with aimed reduction of CO₂ emissions**
- **EEDI reduction rates for large tankers**



Comparison between Owner's Data and EEDI ref line and IMO Ref Line for VLCCs and Suez Maxs





Benefits

- **Lower CO₂ emissions**
- **Lower OPEX**
- **Impulse for R&D at high tech level**
- **Cleaner fuels become a necessity**
- **In 10 to 15 years, engine room will look differently**
- **Ship's environmental performance increases, better credentials for a modal shift from land to ships**
- **Direct measurable emissions reductions from ships**



EEDI: What will it do to our ships?

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- Why do we need EEDI?
efficiency = progress; time to move on shipping is most environmental friendly mode of transportation; no progress, it would be left behind
- Will it work and how?
yes; better designs
- What effects will seafarers see on their ships?
progress = better & high tech systems to operate
- Will it affect manoeuvrability?
only if it fails, but it cannot fail
- Or leave ships exposed in heavy weather?
industry guidelines assessing such risk scenarios

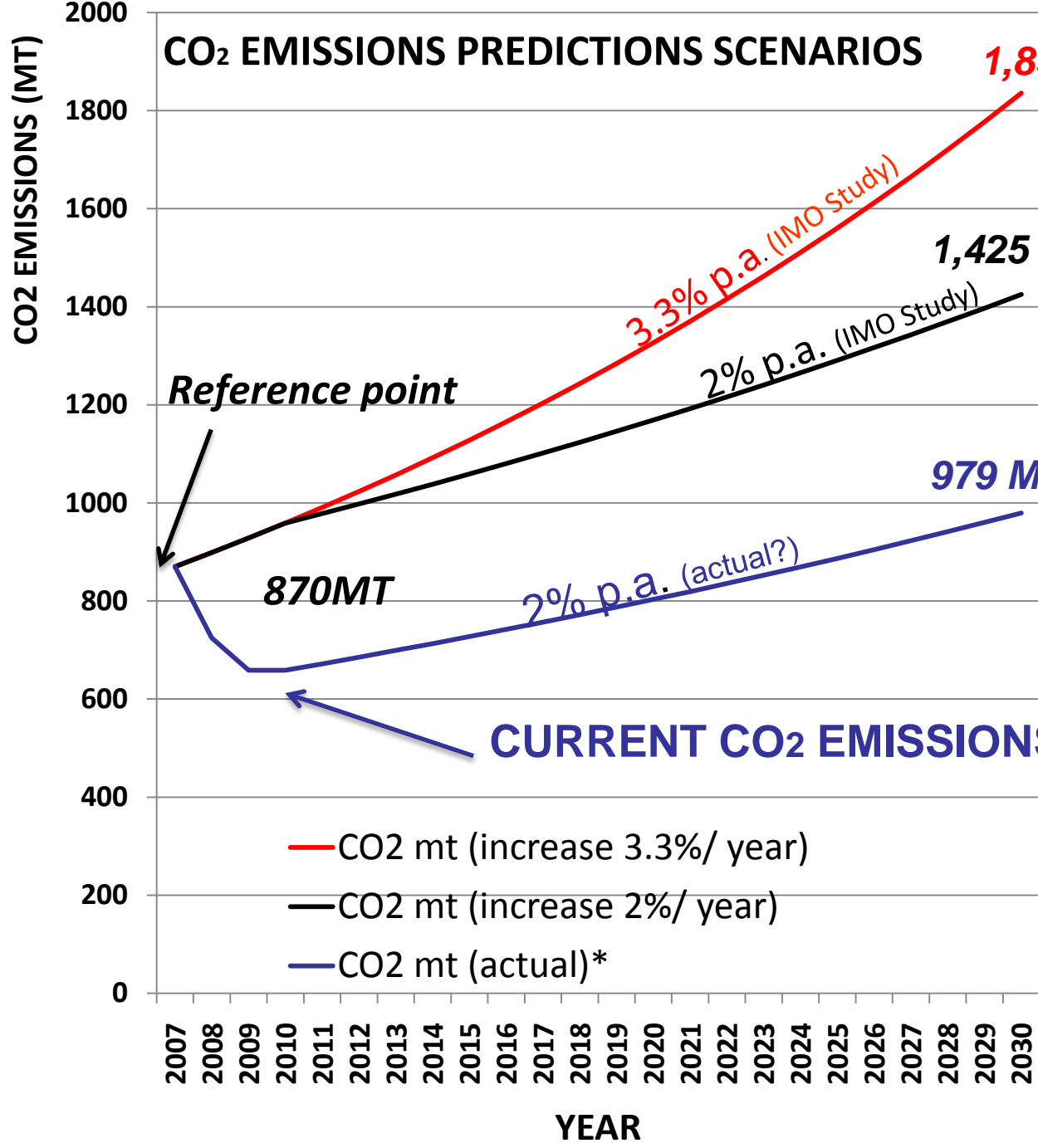


MBMs: INTERTANKO Position

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- Not justified at this time. The industry is already incentivised by high fuel prices
- If an MBM should be required, then this should:
 - be implemented through an international regime
 - be simple to enforce and to monitor
 - drive the right behaviour
 - provide sufficient transparency to maintain the current level playing field
 - not be an unnecessary financial and operational burden on the industry
- Of the current proposals, the GHG FUND seems to be by far the simplest and most transparent from a ship owner's point of view. INTERTANKO is not in favour of a trading scheme to reduce GHG emissions.

CO₂ EMISSIONS PREDICTIONS SCENARIOS



Trade
+ 111%??
+ 64%?
+25%

CURRENT CO₂ EMISSIONS LEVEL(?)

- CO₂ mt (increase 3.3%/ year)
- CO₂ mt (increase 2%/ year)
- CO₂ mt (actual)*



MBM NOT JUSTIFIED

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- **Shipping is a service provider - activity led by socio-economical Governments policies**
- **Ships arrive at ports to service the society**
- **Shipping cannot be discussed in isolation**
- **Better logistics - charterers have to be involved**
- **Ships CAN provide CO₂ emissions reductions (i.e. EEDI/SEEMP) but CANNOT control the demand for transportation at sea**
- **Shipping – the only transportation industry with mandated limit for CO₂ emissions!!**



FACTS & REALITIES

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**This Toyota Prius emits
89 g CO₂/km (118 g CO₂/t-nm)**



**This VLCC emits
2.5 g CO₂ / t-nm**

47 times less than Prius!!!!

Shipping should not be additionally targeted as long as it provides 2 to 150 times lesser amount of CO₂ emissions in grams/tonne-mile than any other means of transportation



...thank you

dragos.rauta@intertanko.com