

# ARGO NAVIS ENERGY BULLETIN

Weekly roundup on the future of energy  
and shipping from Argo Navis Engineers



## SHIPPING DECARBONIZATION

Converting hydrogen to ammonia will be "the dominant transport technology" in order to ship the fuel to Germany, according to a [report](#) commissioned by the World Energy Council, which found that shipping hydrogen to Germany will be unfeasible for years to come due to the high costs and major technical hurdles. (Source: *Clean Energy Wire*)

Container lines may need to [hike](#) freight rates by up to \$450/TEU in deepsea trade to cover additional expenses arising from decarbonizing their maritime operations with low-carbon fuels, according to a study by consultancy UMAS published Dec. 7. (Source: *Hellenic Shipping News*)

Bunker platform ENGINE has [compiled](#) a report in partnership with Freight Investor Services in which prices are compared for conventional bunker fuels, LNG and biofuel blends, and then adjusted for calorific contents and potential European Union emission trading scheme (EU ETS) costs into next year. (Source: *Spash 24/7*)

# LEGISLATION AND INITIATIVES

Whilst countries struggled to negotiate a new agreement, the maritime industry came together to find our own way forward, to drive partnerships and create security for investment. (Source: *Lloyd's Register*)

60 maritime organisations and government partners have agreed on a course to deliver on the International Maritime Organization (IMO)'s net zero targets by or around 2050 at Shaping the Future of Shipping, an event hosted by the International Chamber of Shipping and the government of the UAE on the sidelines of COP28 in Dubai. (Source: *Splash 24/7*)

In a bid to secure a competitive landscape for the availability of renewable fuels to power maritime vessels, energy providers need to have regulatory frameworks established within the next two years. (Source: *Offshore Energy*)

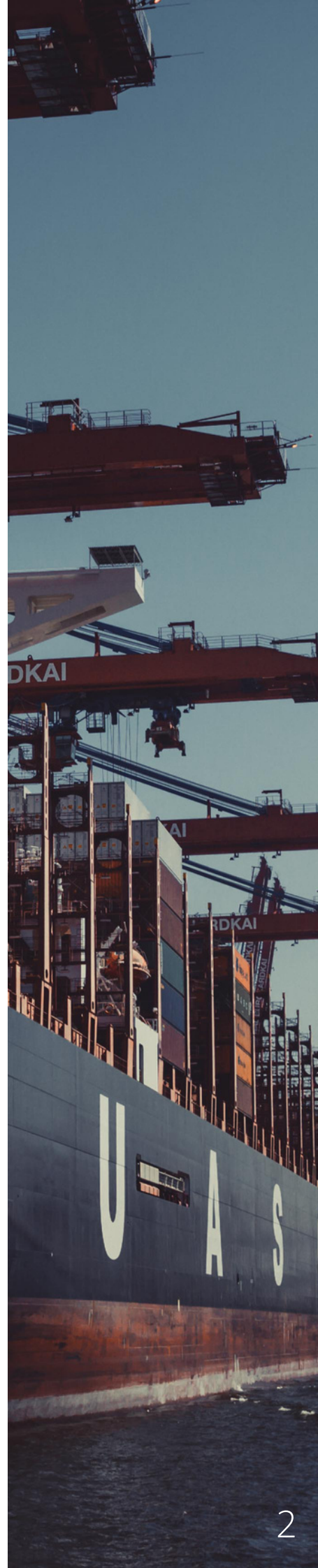
BIMCO's documentary committee adopted a new emission trading scheme allowances clause for BIMCO's ship management agreement, SHIPMAN, and three ETS clauses for voyage charter parties. (Source: *Splash 247*)

In the fifth article of our six-part series reviewing the impact of the new EU rules set to apply from 1 January 2024, we look at the regulatory interaction between the EU measures and the parallel IMO measures including their legal status, scope of application and geographical reach. (Source: *Clyde & Co.*)

A collaboration between Singapore, Norway and the International Maritime Organization (IMO), NextGEN Connect-Green Voyage2050 Project, identified a key role for regional hubs to help connect large demand clusters and remote locations, with regional fuel supply sources, in order to enable a more inclusive and effective transition to a low-carbon maritime future. (Source: *Hellenic Shipping News*)

Greek Shipping and Island Policy Minister Christos Stylianides said it is a matter of high priority to align EU legislation on Emissions Trading System (ETS) in shipping with international standards adopted by the IMO but that this must be done fairly. (Source: *Seatrade Maritime*)

With the maritime industry now within weeks of its formal admission into the EU Emissions Trading System (EU ETS), a new report from ENGINE and Freight Investor Services (FIS) has cautioned that trading EU Allowances (EUAs) will require nuanced strategies 'that consider market dynamics and varied trading routes', while 'the shift from conventional fuels to LNG and biofuel blends presents more complexity and fuel price calculations'. (Source: *Bunkerspot*)



# ENERGY AND THE ENVIRONMENT

The carbon intensity of electricity production across Europe's largest economies has dropped by nearly a quarter over the past five years, thanks to steep cuts in fossil fuel use for power generation and rapid expansions in renewable electricity output. (Source: Reuters)

[Carbon Dioxide Removal] approaches with short carbon storage time scales, or at high risk of natural and/or anthropogenic disturbance (like in fire-prone regions), should not be used to balance fossil-fuel CO<sub>2</sub> emissions. (Source: PBS)

The cost of producing unsubsidised green hydrogen rose by 30-65% in the 12 months up to June 2023, reaching \$4.50-6.50/kg, according to a new report from the Hydrogen Council and management consultancy McKinsey. This compares to figures of \$2.50-4.50/kg in the middle of last year. (Source: Hydrogen Insight)

In a significant moment for global climate action, countries at the COP28 UN climate summit have agreed to transition away from fossil fuels, but fail to commit to a full phase out. (Source: WWF)



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