

THE LAST WORD

RETROFIT REVOLUTION

With increasingly stringent environmental regulations, shipowners are being encouraged to look at innovative retrofit technologies that will enable them to stay ahead of the game, and give them a return on investment.

Speculation over emissions reduction measures ahead of MEPC62 reached fever pitch, but as we waited for a definitive response on regulation, the only certainty is that the shipping industry needs a clear target to work towards, based on solid data and simple solutions to get us there.

Despite the industry-wide emphasis on the importance of running lean operations, to date a significant area of resource has been effectively ignored.

The latent efficiency trapped in the shipping industry is reported to be 15% for retrofit technology and as high as 25% for new build vessels, according to DNV's cost curve featured in its 2009 Pathways to Low Carbon Shipping report.

Other sources estimate these figures to be even higher – the message is clear, there is money to be had for ship owners and operators at a time when the industry needs it more than ever.

The ongoing debate surrounding potential incoming regulation, including the Energy Efficiency Design Index (EEDI), Emissions Trading Scheme (ETS) and a bunker fuels levy, is proving to be a catalyst for proactive shipowners that are increasingly choosing eco-efficiency



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technologies to stay ahead of the game.

Many now realise that aside from reducing carbon dioxide (CO₂) and other greenhouse gases (GHGs), becoming more efficient can significantly benefit the bottom line.

As shipowners look to remain competitive during these tough times, retrofit technology is coming to the fore as a solution to free up the resource currently trapped in the industry.

“RETROFIT TECHNOLOGIES CAN DELIVER COST SAVINGS AND EFFICIENCIES WITHIN A RELATIVELY SHORT TIME PERIOD”

There have historically been barriers to take up including a lack of proven performance, an apathetic mindset for change and lower fuel prices, but these are increasingly eroding in the face of the opportunities that innovative technologies present, especially those that can also be retrofitted with quick pay back periods and return on investment.

With a young global fleet, retrofit technologies can deliver cost savings and efficiencies within a relatively short time period.

Although indexing measures such as the EEDI currently only apply to newbuilds, they are serving to highlight the lack of legislation for existing vessels and the opportunity to speed greater take-up of retrofit solutions that are accessible right now.

This is great for business in both the short and long term, given current bunker fuel prices and further sulphur regulation – the cost savings and emissions reduction that can be achieved as a result of reduced fuel consumption is a benefit that the industry can start accessing straight away, ahead of new legislation.

The cost savings that air lubrication technology the Air Cavity System can deliver, for example within a payback time of 18 months to three years, will make a significant positive difference to the bottom line for all.

Underpinning all of these integral developments however, is the need to set realistic, transparent goals.

This will only be possible with solid CO₂ data founded in accuracy.

Data improvement is the next logical step for the shipping industry to be able to make true, measurable progress. ■