



SHOREPOWER: THE ELEPHANT IN THE CALL FOR EVIDENCE ROOM – THE GOVERNMENT FUNDING ROLE



A week ago the Government launched its Call for Evidence on shorepower – the electric charging on ships whilst they alongside a port. We welcomed the Call for Evidence as further step forward in achieving roll out of shore power options across the UK. And indeed it is. But... There's a notable and important hole in the document. It is silent on any Government funding to support the deployment. Previous reports on the subject have been clear that shore-power in the UK is not currently economically viable on a standalone basis.

Almost exactly a year ago today we published new independent research which highlighted that Government support for shore-power is essential to unlock a triple-win of cleaner air, lower climate pollution, and smart 21st century electricity grids in UK ports. Shore-power, the provision of electricity for ships while in dock so they don't need to use their diesel engines, is taking off in Europe, but is held back in the UK by high electricity taxes and a lack of Government support.

The research, undertaken by the Tyndall Centre for Climate Change Research at the University of Manchester, gathered evidence from across the maritime sector and beyond – ports, shipping companies, equipment suppliers and network operators.

The paper highlighted that governments in France, Germany, Norway, Denmark and Sweden are helping their ports deploy shore-power, with grants for investment and reductions in electricity taxes. But that is not the case in the UK and this latest call for evidence fails to acknowledge this point.

The examples of the role for Government quoted in the document to boost shore-power deployment do not comment on funding. It remains the view of industry that shore-power is generally not economically viable at present without meaningful support and further challenged by the high energy prices in the UK.

The Tyndall report revealed that there is widespread interest in shore-power for reducing the emissions from ships whilst they are in port. There is a strong consensus that electrification is a key part of the decarbonisation solution for maritime and that its use should grow. However, the research also laid bare the barriers to this potential being realised. Shore-power projects are difficult and expensive, with few if any going ahead worldwide without Government support. And ports are often constrained by lack of energy network capacity in their area– and complex regulation of the energy system.

The report argues that these barriers can be overcome, with a central role for Government through:

- An investment fund to support the development of shore-power projects by 2025;
- A consultation on reductions in electricity taxation for shore-power to allow it to compete fairly with marine diesel oil, as is the case in some competitor nations;
- A commitment to put in place a zero-emission regulatory standard for vessels in port; and
- A commitment to enabling wider port electrification and smart grids through changes to electricity network planning and regulation.

Shipping as an industry is also facing the challenge of decarbonisation, and that challenge doesn't just exist whilst in berth. The solutions that are needed that deliver a much lower carbon future for shipping, may well reduce, or remove emissions at berth. Depending on how the shipping story unfolds the demand for shore-side power is likely to remain challenging and the business case weak.

Towards the end of last year, the British Ports Association, UK Major Ports Group and the UK Chamber of Shipping produced a further paper looking at examples of approaches from around the world. The paper concluded that shore power is likely to have a role to play in maritime decarbonisation, but that the high costs and uncertain

demand making the solution unviable in the UK. The risk of stranded assets is also raised and continues to be a significant concern to industry, and viable business-cases, whilst work is underway to understand how shipping is likely to decarbonise.

So, the evidence already in public seems clear. Government funding has a crucial role to play. We don't need to reinvent the wheel. If we want to move quicker and wider with shorepower in the UK we can learn from elsewhere. Industry wants to move for implementation in the right situations, we need Government to play its role.

ALEX PEPPER

Senior Policy Lead - ESG, UK Major Ports Group