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Decarbonising Shipping and Fuel



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The Government has set a target for the UK to be [net zero by 2050](#). The marine industry is making a big push to make this viable within its remit. The Government has introduced benchmarks by which carbon emissions are to be reduced at different intervals leading up to 2050. The benchmarks have so far been met relatively easily by the closure of coal-powered power plants and similar initiatives. However, this means industries are going to have to make bigger changes in the coming years in order for subsequent benchmarks to be met, including the marine industry.

For domestic shipping companies, the UK Emissions Trading System (“[ETS](#)”), a carbon reduction and trading scheme, will be introduced in 2026, which will encourage domestic vessel operators to embrace greener fuels and technology. This will equally impact UK ports and harbours because they will need to be able to provide support and services to the ships in the port and harbour that are running off greener fuels and technology. Ships trading internationally are already subject to strict controls on emissions and ports need to accommodate their needs.

Currently, there is no clear path in relation to the alternative fuels that will be adopted by the industry as a whole. [LNG](#) is already in relatively common usage, but it is considered a transitional fuel only since it only offers a partial reduction in greenhouse gas emissions. Other options being explored include ammonia, hydrogen, methanol, ethanol and solar or wind power, to name only a few. Each alternative fuel type has different pros and cons, such as price, safety and efficiency of production. There are also questions as to how green these fuels really are. For example, hydrogen may be classed as blue, green or a multitude of other colours, dependent on how it is manufactured, shipped and released upon receipt, but green hydrogen is really the only sustainable type, as the energy used to create it comes from renewable sources itself.

For every different type of fuel, a port or harbour will need to invest in the infrastructure required to release and store the alternative fuel. This is creating a conundrum for ports and harbours, not least in terms of space, capacity and investment. It is challenging for ports and harbours to plan the infrastructure to build and apply for the requisite permissions from the local authority or Marine Management Organisation ([MMO](#)). Without ports and harbours being able to invest in and provide the infrastructure for alternative fuels, the UK will not be able to accommodate ships operating on new, greener fuels, which will hinder the decarbonisation drive.

As we investigated in our earlier article on shore power, ports and harbours are struggling to evolve their powers

and infrastructures due to delays with the Marine Management Organisation and some local authorities. It is necessary to consider whether the industry should look towards a new way of managing ports and harbour legislation and powers. However, such change would need to be enacted by the Government. One way to do this would be for a general power to be granted to ports and harbours, permitting them to do anything that individuals generally do as long as it does not break any laws. It is possible that the creation of a general power would reduce the backlog at the MMO and allow them to focus on significant and important developments in the marine industry, allowing the UK's ports to fully embrace the green transition and for the UK to be at the forefront of the transition.

In order for decarbonisation to fully take off in the commercial marine industry, ports and harbours need further support from the industry as a whole and the Government. This support could come from shipping companies deciding on the alternative fuels they wish to use. This has started to happen as some shipping companies have decided on the alternative fuel they will invest in; for example, [Ocean Network Express](#) has ordered methanol dual-fuel vessels to be built, [Maersk](#) has ordered new build methanol ships, and [Hapag Lloyd](#) is currently operating LNG dual fuel ships. However, it is the writer's view that a uniform fuel should be decided rather than each shipping company choosing their own fuel, as ports and harbours will struggle to provide the infrastructure for every fuel partly due to funding issues, but also due to a lack of space in most ports and harbours.

The ports and harbours industry needs government support by way of funding and investment to allow for the development of infrastructure for alternative fuels, especially if a uniform alternative fuel is not going to be used. However, the industry also needs support in relation to the granting of planning permission and modernised powers. While delays in both of these areas exist, the modernisation of ports and harbours and the path to decarbonisation is likely to be delayed.

The maritime industry is a diverse and forward-thinking industry and will use everything within its power to overcome any challenges it confronts. As such, we are entering an exciting time for the ports and harbours industry and we look forward to being at the forefront of the changes and developments and assisting the industry with these developments.

Advice

For expert advice on decarbonising shipping, alternative fuels, or marine infrastructure, contact our [Marine team](#) at online.enquiries@LA-law.com or 0344 967 0793.