

**TRIPARTITE FORUM 2019**

**Tokyo, JAPAN**

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**ENERGY EFFICIENCY DESIGN INDEX**

**SEA EUROPE STATEMENT**

SEA Europe/CESA is in favour of an EEDI phase 4 which is ambitious enough to require the use of innovative technologies and mature alternative fuels (e.g. LNG). The current EEDI needs to be profoundly revised in order to incorporate new alternative fuels which could only be addressed in a complex life cycle analysis potentially overstressing the EEDI capabilities.

In other words, need to take into consideration (i) how to correctly integrate innovative technologies as they become available into the EEDI framework - EEDI calculation should not prevent and penalize innovative propulsion solutions, and also (ii) how to correctly address the Carbon factor for alternative fuels, and especially for carbon-based fuel produced from biomass or captured carbon.

At this stage, it is unclear how the current work in IMO on Possible introduction of EEDI phase 4 is going to appropriately address alternative fuel introduction in EEDI from and Life Cycle Assessment (LCA) in combination with pure EEDI energy efficiency issues. Using conventional technology to achieve phase 4 reduction level should not be an issue. However, using the same technologies with new alternative fuels (e.g. synthetic fuels) can be an issue when calculating the EEDI which make EEDI potentially not the right measure for climate-neutral fuels.

As under current market structure, there is limited incentive to replace existing ships with new ships. Need to focus on improving energy efficiency of existing ships which are currently not sufficiently energy efficient. In this respect, a goal-based approach allowing any option to achieve energy efficiency improvement should be the fundamental basis for regulatory measures. In this respect the EEXI proposal could be a good basis for discussion.

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