

Written evidence submitted by the Port of Dover (FTF0026)

The Port of Dover is pleased to submit evidence to the Transport Committee's Fuelling the Future Inquiry in time for the deadline of Friday 21st January 2022.

About the Port of Dover

The Port of Dover is a port of strategic national importance and the United Kingdom's (UK) most important roll on-roll-off (ro-ro) freight port.

The very latest expert economic analysis (Oxera 2022) has shown that the Port of Dover handles:

- £144 billion of trade in goods
- 33% of the UK's trade in goods with the European Union (EU)
- 59% of ferry journeys between the UK and EU
- 31% of all HGVs transiting UK seaports
 - 2.4 million freight vehicles per annum
 - Up to 10,000 lorries each day, with half of them heading beyond London to support economic activity in the Midlands and North

Reason for submitting evidence

The Port of Dover's premier position is made possible due to Dover's geographic location as the closest UK port to mainland Europe and the capacity, service frequency, short crossing time and operational efficiency this delivers in connecting the UK with its largest and nearest trading partner. This will not change.

The Port's geographic advantage enables it to achieve 120 ferry movements in a day, with ferries berthing, discharging, reloading, and sailing again within 45 minutes.

This unrivalled operation represents a £3 billion saving for British businesses and consumers compared to alternative routes. Independent analysis also suggests that it would cost an extra £2.7 billion to divert just 10-20% of Dover's traffic in order to pay for additional ferries that would operate on longer and slower routes.

In terms of providing supply chain resilience, the high frequency of sailings enables Dover to clear queues 18 times faster than competitor ports.

All of the above points suggest that market demand will remain. Indeed, within the last 12 months, a new and additional ferry operator has commenced operations (Irish Ferries), whilst others have brought in new tonnage on the route (DFDS) or are planning the introduction of new hybrid ferries (P&O) as Dover has maintained its share of total traffic beyond Brexit and throughout Covid.

The Port of Dover is therefore confident in anticipating that the service and benefits it provides today will remain in demand going forward. The future will, therefore, require a decarbonised version of the Dover operation. This is the context for the Port's submission of evidence to the inquiry.

Evidence

The first point to make is that there are currently no clear answers and the task of decarbonisation is a complex one with multiple complementary parts. A joined-up and holistic approach must therefore be taken.

It will also be important for the Government to focus on where early support can make the biggest difference. For example, focusing on solutions for the routes and supply chains where there are the most intensive shipping movements and freight movements will mean that decarbonising these routes will have the biggest overall benefit the quickest. We note the significant 'Clydebank Declaration for Green Shipping Corridors' announcement at COP26 which called for at least six green corridors by 2025 in operation between the signatories to the declaration, which includes both Britain and France.

This important Declaration supports the establishment of "green shipping corridors – zero emission maritime routes between two (or more) routes" ¹ The Short Straits between Dover, Calais and Dunkirk represent an obvious and clear future candidate for a green shipping corridor.

With the scale and intensity of operation at Dover (over 17,000 ro-ro ferry arrivals per annum), making the Short Straits a green shipping corridor will have a huge impact compared to longer routes where a solitary vessel may pass through every now and again.

The Port is currently working with the University of Kent, University of Warwick, P&O Ferries and Schneider Electric thanks to Department for Transport Clean Maritime funding of the Dover Clean Ferry Power project. This is investigating how much net-zero energy can be stored and delivered in-harbour (e.g. batteries), to accelerate the adoption of hybrid or fully electric propulsion vessels in the Short Straits (Dover to Calais and Dunkirk) ferry fleet. Insights gained may then have the potential to extend to cruise and cargo operators.

However, this is merely one element and scaling take-up of electric and low carbon ferries will require coordinated investment by stakeholders in all parts of the value chain - e.g. ships, port infrastructure and the electrical grid.

The National Grid is not currently able to directly supply electricity to the port on the scale required for a decarbonised, fully-electric shipping fleet – the lights of Dover would literally go out.

Furthermore, Dover has a captive audience of 2.4 million freight vehicles for at least 90 minutes. The opportunity for green charging or green refuelling through Dover is huge and it can all happen before the vehicles drive onto the UK road network – so no lost time.

This itself highlights two issues; firstly, that the fundamental infrastructure to enable the port to accommodate necessary shore power for ships or vehicle charging does not yet exist and will take considerable time to deliver, and secondly, that the cost of providing such infrastructure will be colossal and way beyond what the Port could afford itself. This will need government intervention, but the benefit of doing so at Dover will be substantially more than other routes. Dover's sister ports in France (Calais and Dunkirk) are equally keen to decarbonise the route, which will provide a sustainable connection to/from the UK's largest trading partner (the EU).

In this regard, the Port notes that the Crown Estate has committed to optimising the green energy potential of the nation's seabed. It would make perfect sense to the Port for wind farms, or other required infrastructure, to be located where the demand is. We would welcome the opening of meaningful discussions on the potential for such opportunities to be located to support Short Straits demand.

It will be essential, in planning what will be massive long-term investments, that the Government provides early guidance – and that it is compatible with partner countries where critical trade and transport links exist between the two (e.g. UK-France). Port infrastructure is generally designed to last 20-30+ years and the planning must start now if we are to meet the decarbonisation timetable. Currently, no guidance exists – this is a significant omission given the UK is a leading signatory to the aforementioned Clydebank Declaration at COP26, which the UK chaired and hosted in November last year.

In the meantime, while we wait for an answer on whether it will be electric or hydrogen, or both, and what the infrastructure requirements will be, we also need to look at things like a maritime equivalent of Sustainable Aviation Fuel (SAF). SAF is already being used, but currently costs 4-5 times more than fossil kerosene, meaning it is commercially difficult for airlines to sign up to significant long-term supply contracts and therefore investors are hesitant to invest. The aviation sector is asking the Government to establish a price support mechanism, such as a Contract for Difference as was successfully used in the renewable power sector, to close the price gap with fossil kerosene to make it commercially viable for airlines. Using this Contract for Difference model, SAF producers would bid for funding to close the price gap with kerosene. The same could be applied to maritime and the Port of Dover would be supportive of such an approach.

In concluding, it is important to state how Dover has already reduced its carbon footprint by 85% since 2007 and is playing its part in the journey to net zero. Dover will be a vital link in the decarbonisation of the UK supply chain and, importantly, the carbon costs of using Dover will decline significantly while it will retain the benefits it offers businesses and consumers in terms of time, cost and resilience.

We need guidance and government support (including financial) as soon as possible to achieve this.

The Port of Dover remains at the disposal of the Commons Transport Committee should it require further information and would be keen to provide oral evidence should this be desired.

January 2022

Endnotes

¹ COP26 – Clydebank Declaration for Green Shipping Corridors, 10 November 2021