



MPA
SINGAPORE

Industry Briefing:

Expression of Interest (EOI) for Financing and Insurance Solutions to Support the Adoption of Electric Harbour Craft in Singapore

8 November 2023

Working towards Achieving our National Climate Targets

1. Singapore has announced its national climate targets of:
 - a. achieving **net zero emissions by 2050** as part of our Long-Term Low-Emissions Development Strategy (LEDS); and
 - b. **reducing emissions to around 60 MtCO₂e in 2030** after peaking emissions earlier, as part of our revised 2030 Nationally Determined Contribution (NDC).
2. To support Singapore's 2050 national target, MPA has targeted for the harbour craft sector to achieve net-zero emissions by 2050.



Background

1. From 2030[^], all *new* harbour craft operating in our port waters must either be
 - a. **fully electric;**
 - b. **capable of using B100 biofuels;** or
 - c. **compatible with net-zero fuels such as hydrogen;**while all *existing* harbour craft are expected to transition to net zero emission types progressively.
2. Electrification is one of the major technological pathways to reduce the overall greenhouse gas emissions from the harbour craft sector in Singapore.
3. Upfront higher capital expenditure of electric harbour craft as compared to conventional harbour craft could pose a cost barrier and deter some harbour craft owners/ operators from adopting electric harbour craft.

[^]New electric harbour craft designs must be approved by MPA from 2027 according to reference designs and safety standards, to cater enough time for design reviews and construction.

Electric Harbour Craft EOIs/CFP



Released: 10 Jul 2023
Closed: 15 Sep 2023



Released: 29 Aug 2023
Closed: 19 Oct 2023



Purpose of EOI

1. For interested parties to submit proposals for competitive **financing and/or insurance solutions** to support the adoption of electric harbour craft in Singapore. Participants could also submit 2 separate proposals on financing and insurance respectively.
2. MPA and/or other Interested Authorities will review, evaluate and assess the Proposals received and may subsequently launch a Request for Proposal (RFP) to implement the Project. MPA also reserves the right to approach one or more EOI Participant(s) directly after the EOI is closed and commence negotiations to award the Project without going through an RFP.

General Requirements

1. Participants may consider an **aggregated fleet of 50 electric harbour craft as an initial demand planning parameter**. Alternatively, Participants may also propose **other portfolio sizes** as part of their Proposals.
2. Participants should indicate whether their Proposals pertain to the harbour craft **hull and machinery, battery systems, or both**.
3. Participants may also refer to:
 - a. EOI on the design and development of best-in-class electric harbour craft reference designs; and
 - b. CFP to carry out pilot trials of charging points for electric harbour craft.
4. Use of **carbon credits (if any)** generated from carbon reductions achieved as a result of the project, **shall be subject to further discussions with MPA** and/or other relevant agencies.

Requirements Pertaining to Financing Scope (I)

1. Proposals on financing solutions which can lower financial barriers of the adoption of electric harbour craft.
 - a. Participants shall illustrate the proposed asset financing/ownership model.
 - b. Models may include, but not limited to, leasing, charter-hire, lease-buyback, debt financing, options of trade-in of existing harbour craft (or a combination of these).

2. Proposals to include broad parameters of financing terms:
 - a. Parameters may include, but not limited to, loan-to-value parameters, interest/pricing considerations, loan tenures and repayment profile, minimum financing quantum to ensure viability of proposed solution.
 - b. Proposed solutions/products must comply with relevant laws, regulations and industry standards.

Requirements Pertaining to Financing Scope (II)

3. Participants shall provide preliminary considerations of risk assessment and propose suitable risk mitigation measures.
4. Participants may include other structuring considerations which may require additional fiscal and/or regulatory support from MPA.
 - a. MPA is currently not considering undertaking any direct equity investments nor owning assets.
 - b. MPA may consider suitable risk-sharing arrangements.

Requirements Pertaining to Insurance Scope (I)

1. Proposals on insurance solutions to manage the financial risks of owning/operating electric harbour craft.
2. Proposals to include broad parameters of insurance terms:
 - a. Information about insurance products and coverage (policy terms, limits, exclusions)
 - b. Breakdown of premium costs (benchmarked against similar insurance products globally where appropriate) and any potential discounts, deductible options
 - c. Compliance of solutions/products with relevant laws, regulations and industry standards
 - d. Additional service provided (e.g., risk management advice, loss prevention programme)
 - e. Any training or maintenance programme that can be developed with certification bodies or appointed providers for servicing of the insured equipment
3. Proposals to include limitations/exclusions/exceptions for insuring electric harbour craft as compared to typical insurance coverage for conventional harbour craft.

Requirements Pertaining to Insurance Scope (II)

4. Insurance coverage should minimally meet regulatory requirements for the licensing of harbour craft where applicable.
5. Participants may indicate company's booking structure of premiums and reinsurance.
6. Participants shall include relevant track record, customer service support for policy holders and its financial standing to undertake the proposed products/solutions.
7. Participants may include multiple pricing models within a single proposed solution.
8. Participants may include other structuring considerations which may require additional fiscal and/or regulatory support from MPA.
 - a. MPA may consider suitable risk-sharing arrangements.

Administrative Details

1. Participants are to submit their Proposal(s) in Microsoft Word and/or PDF formats via email to: IMC@mpa.gov.sg.
2. Proposals submitted after **19 December 2023, 2359 hrs Singapore time** will not be considered.
3. MPA will acknowledge receipt of each submission via email. Email [Melvin LIM@mpa.gov.sg](mailto:Melvin_LIM@mpa.gov.sg) and [CHOI Yi Fang@mpa.gov.sg](mailto:CHOI_Yi_Fang@mpa.gov.sg) if you do not receive an acknowledgement of your submission within two (2) business days.
4. MPA reserves the right to share any information submitted with any party, including other Interested Authorities, for the purposes of assessing the Participant's Proposal(s).



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