



Questions With... Peter Grünwaldt

Co-chief Executive Officer of Seascale Energy

Consolidation Looms for Bunker Suppliers as Alternative Fuels Step Up: Seascale Energy

Seascale Energy is a global marine fuel procurement venture created by Cargill's Ocean Transportation business and leading tanker shipping company Hafnia. Formed by combining Cargill's Pure Marine Fuels and Hafnia's Bunker Alliance, the joint entity delivers enhanced transparency, competitive pricing, and access to sustainable fuel innovations for shipowners and charterers worldwide.

Shipping companies are under pressure from recent European environmental regulations to use low-carbon alternative marine fuels and reduce carbon emissions. Co-chief executive officer of Seascale Energy Peter Grünwaldt talked to OPIS editor Stacy Maphula about how Seascale Energy is preparing for the transition to low-carbon marine fuels.



OPIS: What does Seascale Energy see as the most viable and scalable alternative marine fuel?

1 GRÜNWALDT: There is no single magic bullet when it comes to alternative marine fuels. I see it as a mix. We are going to see an array of solutions emerge, with owners choosing fuels based on what best fits their trades and operations: liquefied natural gas [LNG], methanol, ethanol, biofuels, ammonia, even wind.

As time goes on, more options will come into play, but we don't see one fuel standing alone as the solution by 2050. And that's exactly the challenge for today's shipowners - making long-term investment decisions amid all this uncertainty. That said, it's also worth remembering how far shipping has already come in improving efficiency. The industry doesn't always get credit for just how much progress it's made in moving the world's trade more sustainably every year.

2 OPIS: Is the use of biofuels as an alternative marine fuel a viable way for shipping companies to reduce carbon emissions?

GRÜNWALDT: Biofuels are certainly part of the solution - no doubt about it. They offer a practical way for shipowners to reduce emissions in the near term without major changes to existing infrastructure. But we also have to be realistic. Shipping is not the only industry eyeing biofuels. Aviation, land transport, and others are all competing for the same, and availability could become a real challenge down the line.

3 OPIS: How can the infrastructure be improved to support biofuel and alternative fuel bunkering?

GRÜN WALDT: That's really a bit outside the scope of Seascale as we don't own or operate infrastructure. But from where we are sitting, more and better barges are needed around many delivery points today. There is still a tendency to be 20-30 years behind other industries when it comes to using modern equipment, so we could start there as an industry.

4 OPIS: How does Seascale experience the demand for alternative fuels? What are some trends?

GRÜN WALDT: The trend is definitely upward, though it has been slower to materialize than many expected. We were somewhat skeptical about actual demand heading into 2025, and so far it remains below what most of us imagined. Offsetting and so-called 'pay-to-pollute' schemes have played a bigger role than anticipated, and with the International Maritime Organization (IMO) easing their targets, the market has likely seen a temporary slowdown in momentum. That said, the container sector along with ferries, cruise lines, and Ro-Ro operators has been quicker to adapt. They are the ones best positioned to pass the additional costs on through freight rates or ticket prices.

5 OPIS: How will increased bunkering costs impact shipowners? Who will ultimately bear the costs?

GRÜN WALDT: Ultimately, the costs filter through the entire ecosystem from the shipowner to the charterer and then eventually passed onto the end user or consumer - that's how it usually works. There's no such thing as a free ride. Many shipowners will face challenges navigating these increased bunkering costs, and inevitably, those costs will be reflected in higher prices for goods and services down the line.

6 OPIS: The price gap between VLSFO and green methanol is substantial. How is Seascale Energy using its scale to structure procurement and hedging solutions that help shipowners manage the high premium of sustainable fuels and de-risk their investment in dual-fuel vessels?

GRÜN WALDT: The current market for sustainable fuels, including green methanol, is still in its early stages, with limited demand and liquidity. As such, Seascale Energy takes a bespoke approach, working closely with each shipowner to develop procurement and risk management strategies that reflect their unique operational requirements and investment outlook.

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7 **OPIS: Do you expect there to be more consolidation in the bunker industry?**

GRÜN WALDT: Yes - we expect consolidation on both the selling and buying sides. The complexity of the bunker market almost makes this inevitable. Smaller shipowners will likely need to collaborate or form alliances to secure access to future fuel products. By being part of a bunker alliance, they can gain advantages that only a few larger owners could otherwise achieve on their own. On the supply side, smaller suppliers may continue to serve niche segments, but over time, larger players are likely to either acquire them or push them out of the market.

8 **OPIS: What specific, measurable digital tools or operational protocols is Seascale Energy implementing globally to set a new standard for quality and reduce disputes?**

GRÜN WALDT: For starters, we have played a key role in establishing the Bunker Service Initiative (BSI) - a model designed to increase transparency in the bunker market by combining improved technology with stricter supplier standards. This initiative aims to raise quality benchmarks and reduce operational disputes across the industry. We are also collaborating with Studio 3050, a maritime-focused digital venture studio to develop a digital platform that brings greater transparency to the purchasing and supplier selection process, helping to create a much more level playing field for all participants.

9 **OPIS: Since the introduction of the EU ETS and FuelEU Maritime, how is Seascale Energy positioning itself to offer compliance services, such as emissions pooling for customers, or will you strictly focus on the physical delivery of compliant fuels?**

GRÜN WALDT: Right now, our primary focus remains on the physical supply side ensuring our members have reliable access to compliant fuels. Through Cargill, one of Seascale's founding companies, we already have access to a broad range of products that can support our members in meeting upcoming regulatory requirements. That said, we are also committed to supporting our partners on the compliance journey - offering guidance and practical assistance as they navigate the EU ETS, FuelEU Maritime, and the broader energy transition.

10 **OPIS: What is Seascale Energy's outlook for the European bunker market in 2026?**

GRÜN WALDT: From what we are seeing - the European bunker market could face softer overall demand in 2026 given economic pressures, new legislations and evolving trade routes.

Gasoil is expected to stay relatively firm, with sanctions continuing to restrict supply into Europe and US East Coast strength helping maintain a tighter early-year tone. VLSFO is neutral with product from Al Zhour back into the market which is counterbalancing the low floating storage levels. HSFO is set to stay tight, with limited non-sanctioned barrels and growing scrubber-fitted vessel activity supporting the market. Furthermore, the recent disruptions from Venezuela and the tensions in Iran are putting more pressure on HSFO and should push more product in the East (e/w arb is currently open).





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