



The Swedish Club Offices

Head Office Sweden

Visiting address:

Gullbergs Strandgata 6, 411 04 Göteborg

Postal address:

P.O. Box 171, SE-401 22 Göteborg, Sweden

Tel +46 31 638 400

Fax +46 31 156 711

swedish.club@swedishclub.com

Greece

Tel +30 211 120 8400

Fax +30 210 452 5957

mail.piraeus@swedishclub.com

Hong Kong

Tel +852 2598 6238

Fax +852 2845 9203

mail.hongkong@swedishclub.com

Japan

Tel +81 3 5442 5466

Fax +81 3 5442 5922

mail.tokyo@swedishclub.com

www.swedishclub.com

The Swedish Club Highlights

November 2008

Leased Power Packs

- extract from The Swedish Club Letter No 1-2008



When an owner takes a leased generator set aboard, it is either because he needs to beef up the power output to accommodate further reefer units on a container ship, or because an auxiliary engine has broken down. If the leased generator sustains damage, the issue of H&M cover may become relevant. Although the owner's right to recovery under his H&M policy may depend on the initial purpose for having the generator aboard, most H&M conditions normally cover damage to leased equipment.

Policies which do not provide cover for this are normally supplemented by a Leased Equipment Clause. Having established that most owners have basic cover for damage to leased equipment, we need to dig a little deeper and see what circumstances may prejudice such cover. Classification societies have quite a lot to say about leased generator sets. Germanischer Lloyd (GL) for example:

For temporary installation and connection to ship's mains:

1. The power pack is suitable for the operation on open deck of seagoing ships (marine type). Technical data like maximum inclination to be introduced to our surveyor.
2. The installation of the generator set will be at a suitable place for avoidance of damages due to heavy sea.
3. The power pack will be fixed to the vessel structure by adequate welding-connection or lashing.
4. A portable dry powder extinguisher with a total amount of 12 kg is to be provided and a fire hose and nozzle is kept ready at a hydrant near the generator set. If the generator set is placed within an enclosure an opening to enable fire extinguishing within the container by the means described before are to be provided. Sufficient air supply for combustion and cooling has to be guaranteed. Please note: The container of the power pack is to be considered as a machinery space category A (if 375 kW and above).
5. The power pack is equipped with independent cooling water system and a fuel oil tank with adequate provisions for refilling.
6. The diesel engine and the generator are equipped with independent necessary control, monitoring and alarm of over speed, lube-oil pressure, cooling water temperature, fuel oil tank level, overload, short circuit etc.

7. The cables will be installed fixed and protected against damages.
8. For our final acceptance a visual inspection and a functional test by our surveyor must be carried out, prior to official putting into service.
9. Note: The container of the power pack could be considered as a machinery space category A (375 kW and above) and the IMDG-Code to be observed regarding stowage and separation of adjacent containers with dangerous goods in any case.
10. The generator protection will be adjusted to the data's of the power pack generator, if the capacity of the power pack generator is lower than the existing one. The adjustment to higher values is not permitted.

In addition to the temporary requirements the following to be observed for **permanent installation**:

From the point of view of the rules of classification a sufficient documentation of the power pack with technical data's, suitability of the generator set for marine application and the installation shall be submitted to GL's head office in Hamburg. For example:

- type plate particulars as stamping, serial number, manufacturer for engine and generator
- protection for avoidance of damages due heavy sea,
- location on the vessel,
- fixing on the vessel structure by welding or lashing,
- fuel oil, air and water supply and the relevant technical calculations to assure the heat transfer,
- cable installation and protection,
- fire protection, fire detection, fire extinguishing and fixed fire extinguishing for 375 kW and above,
- control, monitoring and protection for engine and generator,
- modification of existing main switchboard, with short circuit calculation, if the power capacity is increased.

Regardless of whether the installation is temporary or permanent, these Class rules must be complied with.

Always in Class

Of particular interest are GL's items 1, 4, 6, & 8. In addition to GL, we approached DNV which has very similar rules. A number of cases have come to our attention where temporary installations have sustained damage and, in many cases, Class was not advised of additional machinery aboard. Unfortunately, in some of these cases, owners were unaware that rules existed which might impact on the owners' possibility of claiming under their H&M policy.

Some H&M conditions stipulate that the ship should be in class at all times. Other H&M conditions apply a test of causality; in other words, whether damage to leased equipment was causally connected to a lack of compliance with one or more rules laid down by the Classification Society.

As always, the underwriters are not really worried about the odd breakdown of an auxiliary engine placed on deck in a container. Our concern is that there is a container fire caused by the generator set inside and that the owners are then found not to have complied with the rules of the Classification Society. Consider the consequences if the fire were to spread to the rest of the boxes on a large container ship resulting in total loss of ship and cargo. The subsequent discussions for owners to have with cargo interests, H&M and P&I underwriters are not something we would wish for any of our members, or indeed any non-member.

We would encourage all members to review their individual onboard arrangements, ensuring that their additional electric power sources are fully classed and in compliance with the rules of the Classification Societies.

