



A challenging and busy meeting was presided over ably by MEPC chairman Arsenio Dominguez

Progress of sorts at MEPC 69

THE DATA COLLECTION system will be put forward for adoption at the 70th MEPC session in October and could enter into force in 2018. It will require ships of 5,000gt or greater to collect consumption data for each type of fuel used, as well as proxies for transport work - design deadweight for cargo-carrying vessels, with measurements for other vessel types still to be decided. Other information including ship identification and particulars, distance travelled and hours not at berth will also be collated.

The aggregated data will be reported to flag states after the end of each calendar year, and IMO will be required to produce an annual report summarising the data, with results anonymised so that individual ships cannot be recognised.

The data collection system is enshrined in draft amendments to the International Convention for the Prevention of Pollution from Ships (MARPOL), which were approved by the MEPC.

The system will facilitate the first in a three-stage process involving data collection, then analysis, then decision making on further measures to enhance energy efficiency and address greenhouse gas (GHG) emissions. At the meeting last week it was decided that proposals to establish an emissions reduction target for international shipping, or develop a work plan to establish the target, would be taken up at the next MEPC session in October.

Approval of draft data collection requirements is seen by many as an important step towards greater action on GHG emissions. Peter Hinchcliffe, secretary general of the International Chamber of Shipping noted: "We believe that IMO member states have agreed an acceptable compromise between governments primarily interested in data on fuel consumption and CO2 and those that wish to collect additional information, for example on so called transport work."

TRIGGERING MRV ANNULMENT?

"The priority now is to persuade the European Union to adjust its unilateral regulation on the reporting and verification of individual ship emissions [the MRV regulation] to make it compatible with what has now been agreed at IMO."

The 69th meeting of the International Maritime Organization's (IMO) Marine Environment Protection Committee (MEPC) in April concluded with the approval of mandatory reporting of vessels' fuel consumption.

That may remain a challenge given two significant differences between the IMO system and the European MRV: The use of design deadweight as a proxy for transport work and the absence of an independent verification process.

Julien Dufour, CEO of Verifavia - an independent auditor with deep experience of European regulations on emissions reporting in both the marine and aviation sectors - cited both factors as obstacles to the replacement of the MRV with a global regulation. Speaking to *The Motorship* shortly before the MEPC session, he said: "I seriously doubt whether the European Commission will accept that the current IMO proposal triggers the annulment of the MRV."

Other parties were dismayed with the speed of progress on establishing a process to determine a GHG emissions reduction target for shipping. The Sustainable Shipping Initiative (SSI) - a coalition of companies from across the shipping supply chain - argued: "The lack of action increases the perception of shipping as an industry that is not willing to contribute to global reduction targets. This threatens the shipping industry's reputation, and increases the chance of reduction targets being mandated outside of the regulatory framework of the IMO."

EXCEEDING EEDI

The SSI also noted that the decision to postpone discussion on further GHG measures until MEPC 70 came despite strong support for the establishment of a reduction target from several parties - including two of the three largest flag registries, the Marshall Islands and Liberia.

The IMO reiterated the status of shipping as the only global industry governed by legally binding energy efficiency measures, in the form of the Energy Efficient Design Index (EEDI), brought into force in 2013 as

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amendments to MARPOL Annex VI. Under the EEDI, all new ships built after 2025 will be 30% more energy efficient than those built in 2013.

The correspondence group charged with reviewing EEDI progress ahead of phase two (2020-2024) reported back at MEPC 69. Having studied 682 vessels built before the introduction of the EEDI, the group found that all containerships and general cargo ships included in the survey, as well as half of bulk carriers and 88% of tankers, already exceeded phase two requirements.

Despite the large number of ships already meeting design efficiency levels due to enter force in four years' time, the group (chaired by Japan) concluded that the timetable, reference lines and reduction rates should be retained rather than made more stringent. One group member, the Clean Seas Coalition, dissented and argued that the IMO should consider increasing reduction rates in light of the evidence, which showed many vessels exceeding future requirements without even adopting current best practices (reducing speed and adopting energy efficiency technologies). The committee eventually decided to extend the correspondence group's work until MEPC 70, in light of the insufficiency of data provided by the current EEDI database.



Agreement on a data collection system for fuel consumption was among the highlight achievements at the latest MEPC meeting

The date of the global 0.5% cap on sulphur in marine fuel is to be determined in October, if the outcome of the International Maritime Organization's (IMO) fuel availability study allows.

FUEL AVAILABILITY STUDY

The MEPC decided that the date of the global 0.5% cap on sulphur in marine fuel is to be determined in October, if the outcome of the International Maritime Organization's (IMO) fuel availability study allows. The committee heard from the fuel availability steering group that the study - assessing the availability of fuel compliant with the MARPOL annex VI global sulphur limit - would be completed before the next MEPC meeting in October.

Based on that information, the committee agreed to aim for a decision on whether the cap will be introduced on 1 January 2020 or 2025 at the forthcoming meeting. However, it was accepted that the outcome of the study will need to be considered in full before a decision is made. If the review is inconclusive, further research may be needed, delaying a decision.

The International Chamber of Shipping and international tanker operators association Intertanko pressed for a rapid decision in a joint submission to last week's MEPC session. "Ship operators and oil refiners will require as much time as possible to prepare for implementation," they wrote. "The oil refining industry will need to take important decisions to ensure that sufficient quantities of compliant fuel will be available. Shipowners will need to take important decisions, inter alia, about whether to invest in alternative compliance mechanisms such as exhaust gas cleaning systems (scrubbers) or the use of low sulphur fuels such as LNG.

"The date of implementation of the 0.50% sulphur cap may also affect decisions on whether or not ships will be sent for early recycling. In view of the economic impact that the implementation date will have on international shipping, and the decisions that need to be taken by oil refiners and shipping companies worldwide, it is vital that the [IMO] takes a clear decision as soon as possible - ideally at MEPC 70."

A steering committee comprising 13 member states, one intergovernmental organisation and six international non-governmental organisations is overseeing the review, which is being conducted by CE Delft.

As reported on Motorship.com and in this issue, the

global sulphur cap will also be the subject of a further proposal at MEPC 70 - namely that the cap's introduction should be staggered in light of the pressure the extra demand for low-sulphur fuel. The proposal follows the completion of a 'supplementary study' into fuel availability conducted by Navigistics Consulting and EnSys Energy (see page 12).

With final adoption of the data collection system and discussion on further GHG measures also set to take place in October, the second MEPC meeting of this year will be a critical one in determining the industry's approach to energy efficiency and emissions reduction.

BALLAST WATER MANAGEMENT

As the IMO's Ballast Water Management (BWM) Convention edges towards the tonnage requirement that will trigger entry into force, the industry might have been hoping for some additional clarity on the treaty from MEPC 69. But, barring a restatement of the fact that early adopters of BWM technology - those who have installed systems approved under current G8 guidelines - will not be penalised, there was little comfort.

The review of the G8 guidelines for the approval and

certification of BWM systems - which will result in revisions to some key testing parameters - will now continue to MEPC 70 in October. The responsible intersessional correspondence group was also asked to take on the further tasks of discussing the scaling of testing and BWM bypass arrangements.

As at the previous MEPC meeting last year, there was much discussion of whether the G8 guidelines should be codified - meaning that they would become mandatory. This would, some delegates suggested, ensure that the guidelines are applied more consistently by flag states. A decision will be taken after the G8 guidelines are finalised.

A novel discussion was raised around the monitoring of BWM systems, and whether it should include 'biological' factors to establish that it was working effectively as well as functioning normally in terms of power, flow and dosing parameters. There was a sentiment among some key delegations that monitoring might not yet be sophisticated enough to include such biological factors, and the MEPC charged the intersessional group reviewing the G8 guidelines to add this to their list for investigation. **MS**

The Motorship perspective

AFTER OUR VISIT to the MEPC meeting, *The Motorship* wrote the following opinion piece, which raised some spirited debate across the industry's social media channels. To stay tuned with our full output, find us on Twitter, LinkedIn and Facebook.

"Anyone who expected [the latest] meeting of the IMO Marine Environment Protection Committee to resolve all outstanding issues on the ballast water management (BWM) convention and global fuel sulphur cap is misguided. Reports from groups overseeing both processes, submitted several weeks before the meeting, clearly showed that more time was needed. The biggest shortcoming was failing to address several calls for a clear decision, or a scheduled process towards a decision, on reducing greenhouse gas emissions.

The agreement to introduce a data collection system on fuel consumption is a step in the right

direction, and the information gathered will play a role in informing any future target. Nevertheless, a great deal of work has been shunted to the second meeting of the year, in October. They include a decision (if the study results are clear enough) on when the global sulphur cap will be implemented; whether to retain or intensify phase two requirements for the Energy Efficient Design Index; and how the new G8 guidelines on BWM system approval and certification will ultimately look.

Amidst those important decisions, will the MEPC have time to consider the delayed submissions on greenhouse gas emissions at its 70th sitting? Or was their postponement in effect a punt into the overgrown meadows of the future? Time will tell, but meanwhile those pushing the carbon reduction agenda - and outside regulators assessing the industry response - will be drawing their own conclusions."