

IMO regulations impacting the bunker industry

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XIV Russian Forum
St Petersburg, June 24, 2021

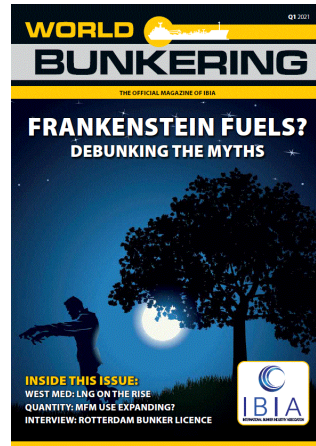
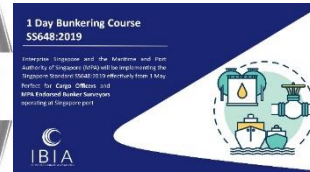
A bit about IBIA

A membership organisation for stakeholders across the entire marine fuel value chain

Promote knowledge & competence through:

- Informative publications
- Training courses
- Events
- Member meetings
- Working Groups

Industry representation



www.ibia.net



Are we done with “IMO 2020”?

- IMO regulatory framework amended when necessary
- Regulations are supported by IMO Guidelines
- Guidelines vs Regulations:
“should” (recommendatory) vs “shall” (mandatory)
- “Jokers in the pack” – interpretation!



Comprehensive set of IMO Guidelines:

- Consistent implementation of 0.50%S limit (2019): *Aimed at authorities, shipowners, bunker industry*
- Guidelines for obtaining representative fuel oil samples:
 - MARPOL delivered sample (2009)
 - In-use sample (2016)
 - On board sample (2020)
- EGCS requirements (2015 Guidelines, 2020 update to be approved + Guidance on system malfunctions)
- Guidelines for PSC related to revisions of Annex VI:
Deals with sampling & testing + dealing with non-compliant fuel
- Best practices (bunker buyers, suppliers & Member States)

MARPOL Annex VI regulatory changes relevant to IMO 2020



- **Appendix V – Information to be included on the BDN** (since 1 Jan, 2019)
Supplier's declaration on Reg. 18.3 and sulphur; requires 'notification' to supply fuel exceeding 0.50%S
- **HSFO carriage ban** (since 1 March, 2020)
- **Amendments to MARPOL Annex VI adopted at MEPC 75**
 - New definitions: Sulphur content, and sample types
 - New sulphur verification procedure, differentiating between sample types
 - Approved in 2019, adopted in 2020, entry into force 1 April, 2022
 - Call for early implementation both in MEPC.1/Circ.882 and Resolution MEPC.324(75)



MARPOL Annex VI amendments adopted at MEPC 75



New definitions added under Reg. 2:

- *Sulphur content of fuel oil* means the concentration of sulphur in a fuel oil, measured in % m/m as tested in accordance with a standard acceptable to the Organization.
(Refers to ISO 8754:2003 in a footnote)
- *MARPOL delivered sample* means the sample of fuel oil delivered in accordance with regulation 18.8.1 of MARPOL Annex VI.
- *In-use sample* means the sample of fuel oil in use on a ship.
- *Onboard sample* means the sample of fuel oil intended to be used or carried for use on board that ship.

MARPOL Annex VI amendments adopted at MEPC 75



- ***Added to Regulation 14:***

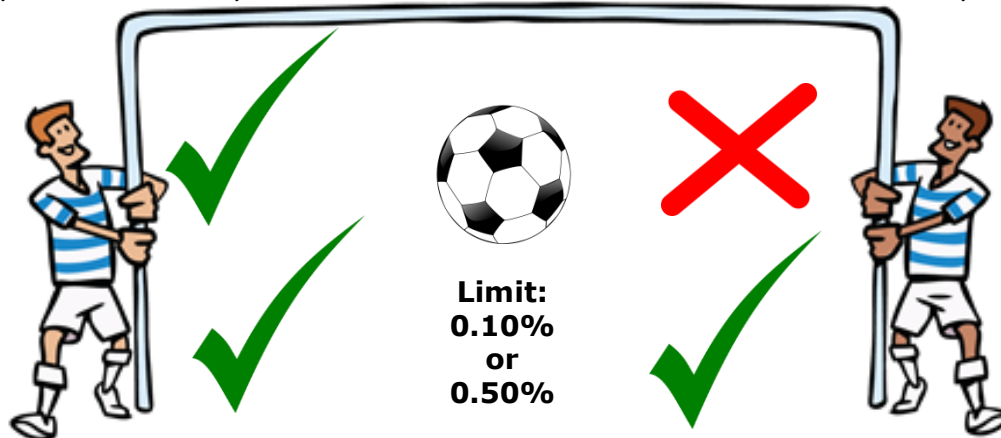
Sampling point(s) shall be fitted or designated for the purpose of taking representative samples of the fuel oil being used on board the ship taking into account guidelines developed by the Organization.

- ***Appendix VI to MARPOL Annex VI*** – sulphur verification procedure, amended to include 3 types of samples which are treated differently.
- Result from one laboratory is final (as opposed to 2)
- **Part 1** – MARPOL delivered sample:
95% confidence will not apply. Must be at or below applicable limit (0.10%S or 0.50%S) to be considered as having met requirement
- **Part 2** – Fuel oil in use or carried for use on board (in-use / onboard samples)
95% confidence will apply -> limit +0.59R acceptable (up to 0.11%S or 0.53%S)

Amended Appendix VI explained

Limit - $0.59 \times R$
(0.09% or 0.47%)

Limit + $0.59 \times R$
0.11% or 0.53%)



Only one laboratory to be used

MARPOL delivered sample must be at or below 0.10%S or 0.50%S

In-use/onboard samples -> up to limit +0.59R accepted (0.11% or 0.53%)

Black Carbon discussions at PPR 8



Sub-Committee on Pollution Prevention and Response (PPR 8) met from 22-26 March

- **Reduction of the impact on the Arctic of emissions of Black Carbon from international shipping**
- **Measures to reduce risk from HFO in the Arctic**

Discussions included:

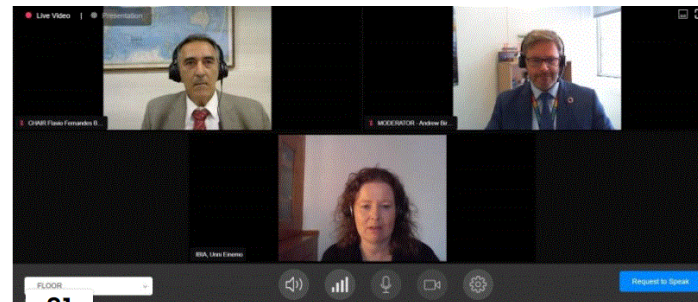
- Impact of fuel aromaticity on tendency to form BC emissions
- Link between aromatic fraction and harmful polycyclic aromatic hydrocarbons (PAH)
- Nature of VLSFOs actually in the market (less aromatic, approx. 95% are HFO)

Policy (regulatory) proposals/options:

- Set a limit on aromatic content, or H/C ratio in ISO 8217
- Establish an Arctic ECA and/or require mandatory switch to distillates
- Direct limit on black carbon emissions

Voluntary measures highlighted in PPR 8/5/3 by IBIA & IPIECA:

- Avoid ships with older mechanical injection engines
- Employ ships that can use LNG or similarly clean-burning fuels
- Voluntary switch to distillate fuels, especially on ships using 4-stroke engines



Our next big challenge: GHG emissions

IMO'S initial GHG strategy (adopted April 2018)

Vision: Reduce GHGs as a matter of urgency, phase out ASAP within this century

Levels of ambition:

1. Strengthen EEDI to reduce carbon intensity
 2. Reduce carbon intensity by at least 40% by 2030; 70% by 2050 (v 2008)
 3. Peak GHG as soon as possible and reduce total by at least 50% by 2050 (v 2008)
- Strategy outlines a range of potential IMO policy instruments divided into short-, mid-, and long-term measures
 - Revised IMO GHG Strategy to be adopted in 2023



Outcomes from MEPC 76 (June 10-17)



- **Arctic HFO use and carriage ban adopted**

Entry into force on 1 November, 2022

Takes effect on 1 July, 2024, exemptions and waivers applicable until 1 July, 2029

- *Exemptions for ships with double-hull protection of fuel tanks*
- *Waivers for ships flying the flag of countries with a coastline bordering on Arctic*

- **Indicative example of a bunker supply license approved**

(annex to Guidance for best practice for Member State/coastal State)

- **Reduction of GHG emissions from ships:**

- *Amendments to MARPOL Annex VI to reduce the carbon intensity of existing fleet **adopted** (CII, EEXI)*
- *Further consideration of the proposal to implement a small levy (\$2) on bunkers for an International Maritime Research Fund*
- *MBMs back on the agenda with a proposal for IMO to establish a GHG levy by 2025, starting at \$100 per tonne of CO2 equivalent*
- *Plan for work to progress mid- and long-term measures adopted*

Maritime Safety Committee 103 (May)

Development of Further Measures to Enhance the Safety of Ships Relating to the Use of Oil Fuel

- Seeks to implement increased control on the supply of bunker fuels
 - Initial focus on flashpoint (FP)
 - **Discussions/proposals:**
 - Mandatory reporting of FP non-compliance by suppliers
 - Mandatory 'action as appropriate' against oil fuel suppliers
 - Mandatory requirements to document FP for every delivery (as opposed to generic MSDS)
- *Statement of compliance or actual FP on the BDN
- Develop guidelines for ships if they have a test result indicating FP below SOLAS regulatory limit
 - Possible measures related to other safety-related oil fuel parameters

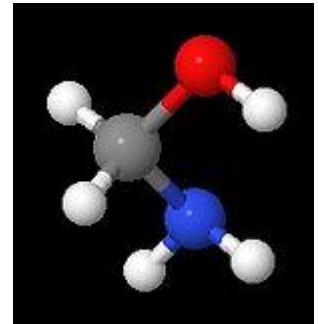


Other IMO activities of interest



- **International Code of Safety for Ships using Gases or other Low-flashpoint Fuels (IGF Code)**
 - Tailored initially for ships using LNG, entered into force 1 January 2017
 - Provisions for other types of low-flashpoint fuels may be developed
 - Methanol was first (Interim guidelines approved by MSC 102, Nov 2020)
 - CCC sub-committee working on “Amendments to the IGF Code and development of guidelines for low-flashpoint fuels”
 - CCC currently focusing on fuel cell power installation but also working on LPG and low-flashpoint oil fuels
- **FAL: Guidance to address maritime corruption**
 - Cross-industry working group led by MACN/ICS helped put it on the agenda
 - IBIA co-sponsor of draft guidance discussed at FAL 45 (1-7 June)
- **III Sub-Committee meeting in mid-July:**

IBIA has submitted a document co-sponsored by Jamaica **III 7/5/8** under Agenda item 5: Measures to harmonize port State control (PSC) activities and procedures worldwide





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SUBCOMMITTEE ON IMPLEMENTATION OF
IMO INSTRUMENTS
7th session
Agenda item 5

III 7/5/8

7 May 2021

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MEASURES TO HARMONIZE PORT STATE CONTROL (PSC) ACTIVITIES AND PROCEDURES WORLDWIDE

**Early implementation of MARPOL Annex VI amendments
to achieve consistent implementation of the 0.50% sulphur limit**

Submitted by Jamaica and the International Bunker Industry Association (IBIA)

SUMMARY

Executive summary: This document highlights discrepancies in enforcement of the 0.50% sulphur limit in force since 1 January 2020 and urges PSC regimes to harmonize procedures in line with resolution MEPC.321(74), circular MEPC.1/Circ.882 and resolution MEPC.324(75) which call for the application of amendments to Appendix VI of MARPOL Annex VI related to the verification procedure for a MARPOL Annex VI fuel oil sample in advance of their entry into force



**Working with our members to
keep the global marine fuels
industry on course**

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Thank you for your attention!

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