

Regulatory eNewsletter

CO₂ emissions from ships – latest IMO regulatory developments

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The IMO MEPC's working group on energy efficiency for ships (EE-WG1) met in London on June 27–July 2 to further develop the Energy Efficiency Design Index (EEDI) and Ship Energy Efficiency Management Plan (SEEMP) for ships. As is well known by now, the EEDI is intended to provide a measure of the energy efficiency of a vessel design, thus pushing the industry towards designing and building ships that will emit less CO₂ when in operation. The development of the EEDI has been a protracted process due to both technical challenges and the political difficulties inherent in obtaining an international agreement on anything pertaining to CO₂.

The EE-WG1 meeting was convened to work on technical matters only, with the political debates being held in abeyance for MEPC61 at the end of September this year. Further, the EE-WG1 had no decision-making powers, with its recommendations and changes being subject to MEPC61 acceptance or rejection. However, as the delegations are broadly speaking the same ones that will make the decisions at MEPC61 it can be expected that the proposals submitted will to a large degree be accepted. This is not to say that the EEDI as such will be agreed as a mandatory instrument at MEPC61, since there are significant political differences that will need to be settled first.

The 30 countries and close to 20 industry associations and observers present managed to move the proposed EEDI and SEEMP development forward through consensus on the following:

- Despite attempts to the contrary, there was broad agreement on retaining the formula and baseline formulations as they stand. This means that design speed reductions will remain an option for designers and builders when working towards meeting the EEDI requirements.
- While all newbuildings above 400GT within the agreed ship types will have to calculate the EEDI, the requirement of meeting a maximum EEDI limit will only apply to dry cargo carriers, gas tankers, tankers, container ships, general cargo ships and refrigerated cargo carriers. Roro ships, including vehicle carriers, will not be covered in the first tranche of ships. Similarly, diesel electric and hybrid propulsion ships will not be covered initially despite attempts by a few nations to extend the coverage to include these ships.
- Agreement was not reached on the lower size limits for the applicability of requirements, nor was there agreement on required EEDI levels and future reduction levels. However, the debate was moved somewhat forward through the tentative agreement on aspects of these issues.
- Despite previous majority agreement in the MEPC to limit the number of correction factors in the EEDI, two new correction factors were supported by the majority this time. Firstly, a correction factor was agreed for shuttle tankers with redundant propulsion, secondly a correction factor was agreed that would give credit to builders applying "voluntary structural enhancements".
- Dual fuel ships are now specifically addressed to give credit for LNG operation.
- Despite attempts to make the SEEMP subject to flag approval, the proposed requirements remained broadly unchanged.

Numerous other changes and adjustments were also made and are available upon request. However, those listed above are considered to be the most significant ones. The final report stating the proposals agreed to at the meeting will be issued by the IMO for consideration at MEPC61. The three most important issues there will be to decide on the lower size limits for the required EEDI level, reduction rates for the various ship types and selection of the instrument making the EEDI mandatory. MARPOL Annex VI seems the most likely option for the time being, but strong political opposition by some countries leaves this issue in doubt.

Those interested in further details on these or related issues are encouraged to contact DNV.

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