



WHEN TRUST MATTERS

MEPC 80

Increased emission reduction ambitions in revised IMO GHG strategy

Webinar

Tore Longva – Director, Decarbonization
Eirik Nyhus – Director, Environment

11 July 2023



The webinar presenters – all from DNV Maritime



Eirik Nyhus

Director, Environment
DNV



Tore Longva

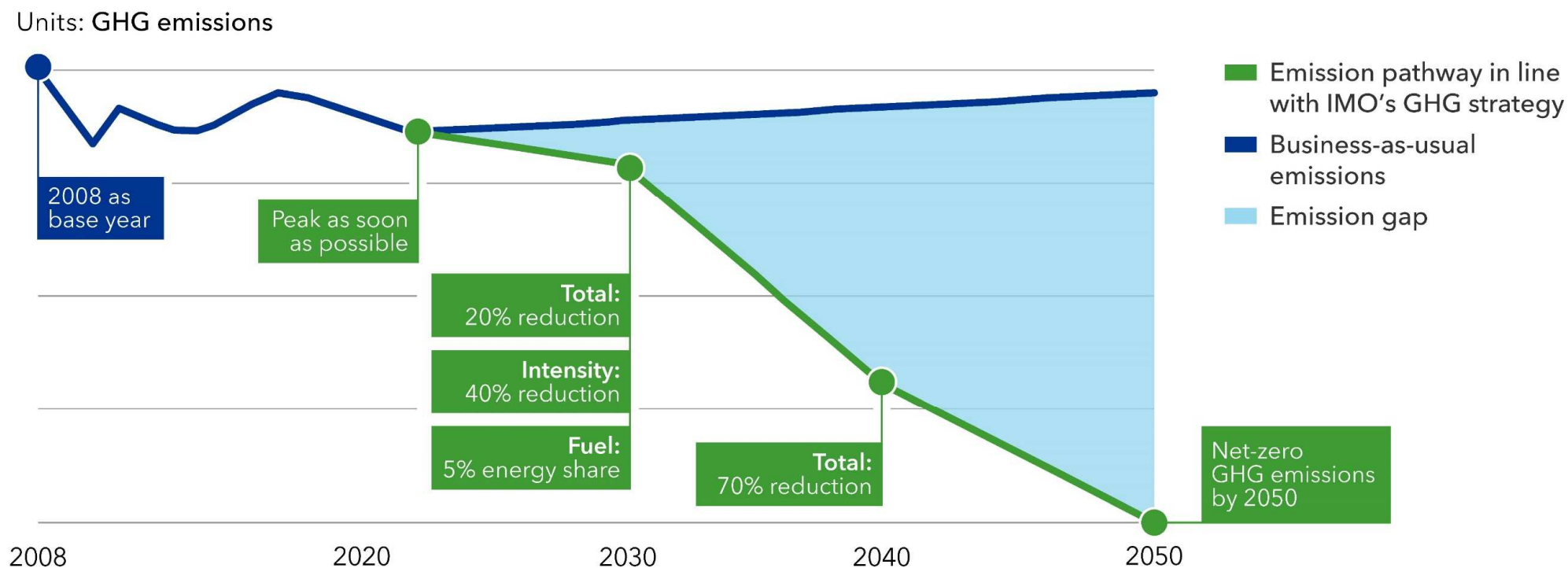
Director, Decarbonization
DNV

AGENDA

- Greenhouse gas strategy
- Other greenhouse gas matters
- Other topics
 - Ballast water management and biofouling
 - Ship recycling
- Questions and answers

Greenhouse gas strategy

Strengthened IMO strategy on GHG reductions

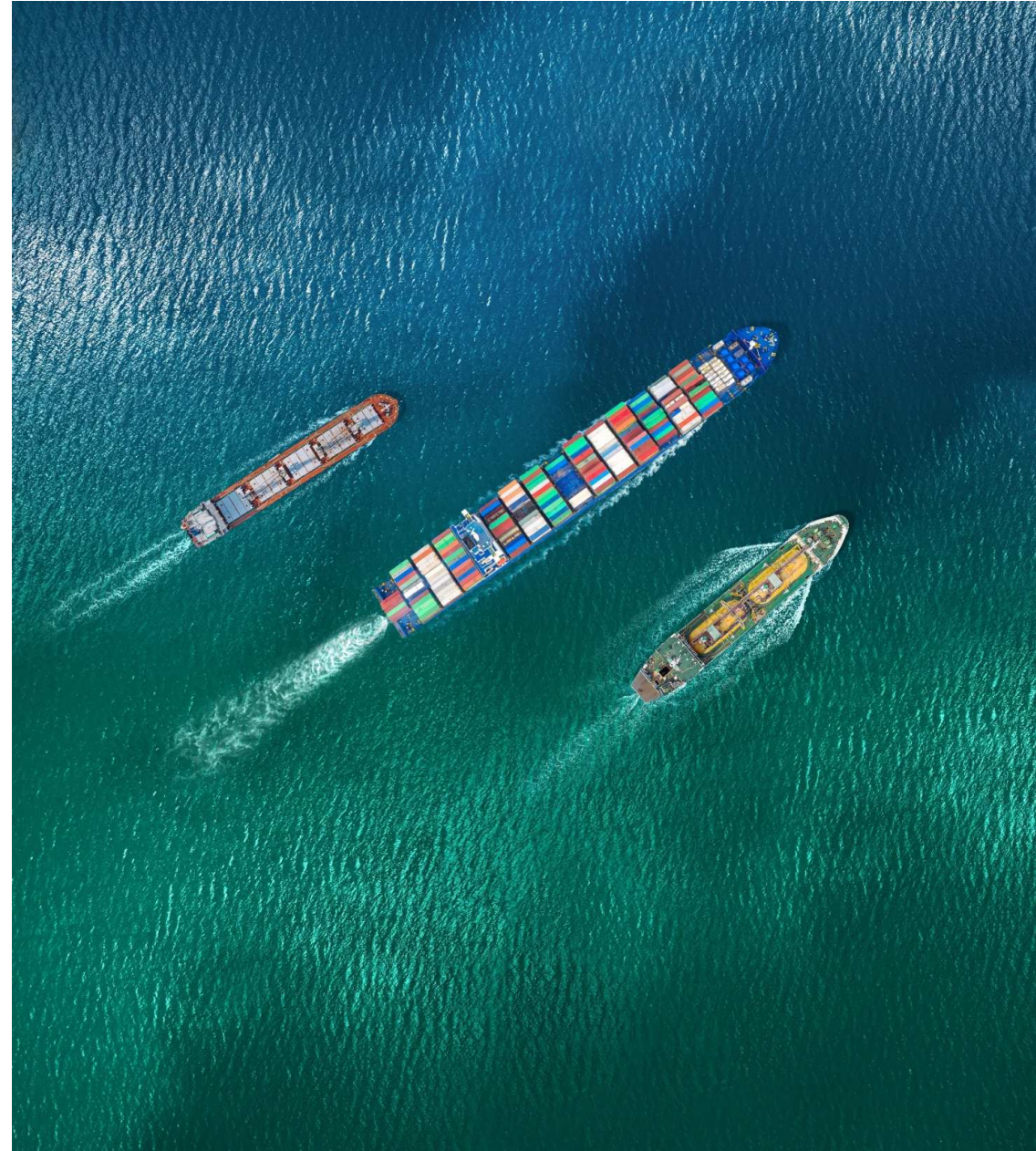


Total: Well-to-wake GHG emissions; **Intensity:** CO₂ emitted per transport work; **Fuel:** Uptake of zero or near-zero GHG technologies, fuels and/or energy sources

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Agreement in principle on new GHG Measures

- Technical measure: **GHG intensity fuel standard:**
 - Regulating the phased reduction of fuel well-to-wake GHG intensity
 - Separate proposals from EU and China could form the design basis
- Economic element: a **price on GHG emissions**
 - No agreement on pricing mechanism, but could potentially be linked directly to the GHG intensity fuel standard
- **Timeline**
 - Adoption in 2025, Entry into Force in 2027



Business implications

- We have our marching orders – the maritime decarbonization **course and speed is set**
- Additional regulations are **in the pipeline**
- Regulatory **complexity and overlap will increase**, and compliance will become tougher
- **Energy efficiency** improvements remain important
- **Zero and near-zero fuels** are essential
- Knowing and understanding your own **emissions data** will be business critical

Other greenhouse gas matters



Fuel lifecycle (LCA) guidelines adopted

- Key content:
 - **Methods for calculating** well-to-wake and tank-to-wake GHG emissions – grams CO₂e per MJ
 - **Sustainability topics/aspects**
 - **Defines a Fuel Lifecycle Label (FLL)** that specify the information relevant for the life cycle assessment.
 - Preliminary **default emissions factors** for various fuels and fuel pathways
- **No provisions for application** or requirements – intended to support the GHG Fuel Standard
- **To be developed further** in the coming years:
 - Default emissions factors; sustainability criteria; fuel certification; handling of on-board carbon capture

Use of biofuels under DCS and CII regulations

- Biofuels can use a CO₂ conversion factor equal to the well-to-wake GHG emissions factor if they:
 - Are **certified** by an international certification scheme
 - Meet their **sustainability criteria**
 - Provide a **well-to-wake GHG emissions reduction of at least 65%** compared to fossil MGO
- **Temporary**, until regulations apply the methods in the LCA guidelines.





Carbon Intensity Indicator (CII) review

- **Phased approach** agreed
 - **Data-gathering** phase until MEPC 82, autumn 2024
 - **Data analysis and potential amendments** to the CII by MEPC 83, summer 2025
- **No immediate changes to the CII framework**
 - This includes correction factors and voyage adjustments
 - Potential **amendments in 2025** include:
 - CII **reduction requirements** from 2026 to 2030 to be aligned with the revised GHG Strategy ambitions
 - **Correction factors** and/or additional metrics
 - Revised **enforcement** mechanism
 - Application of **LCA guidelines**

Other matters

- Brief discussion on framework for **onboard carbon capture and storage**
 - No substantial discussion - postponed to next working group in April 2024
 - To be linked to the further work on the LCA guidelines
- Approved **amendments to DCS**, likely taking effect from 2026
 - Additional data elements: e.g. fuel consumption per fuel type and energy consumer and transport work
 - Accessibility to data
- Updates to the **EEDI and EEXI guidelines**
- No conclusion on application of the concept of **overridable shaft/engine power limitation (ShaPoLi/EPL) under the EEDI framework.**



Other topics: ballast water,
biofouling, ship recycling

Ballast water management and biofouling

- Ships operating in **challenging water quality**
 - No conclusion on guidance
 - Some Administrations may implement their own national policies early.
- Revised guidelines on **biofouling**
 - Non-mandatory
 - Recommendations on in-water inspections
 - Quantitative assessment of biofouling





Other issues

- Approved amendments to MARPOL Annex VI
 - Clarifying the **definition of fuel oil and defining gas fuels**
 - Gas fuels and low-flashpoint fuels are:
 - not required to provide information on density, sulphur content and flashpoint,
 - not required to provide a sampling point
 - Accepting marine diesel engines replacing steam systems, as “replacement engines” under Regulation 13.2.2 (NOx)
- Adopted revised Guidelines **on Underwater Radiated Noise**
- Adopted Guidelines for **Thermal Waste Treatment Devices**
- **Plastic litter**: Plan for onboard **management of fishing gear** - requirement to be developed

Hong Kong ship recycling convention ratified

Entry into force 26 June 2025



Each ship ≥ 500 GT to carry a certified Inventory of Hazardous Materials (IHM)

About 23 000 vessels would need to be equipped with a certified IHM over the coming years



Ship Recycling Facilities (SRF) to be authorized by their competent authorities

SRF shall only accept ships that comply with the HKC requirements.

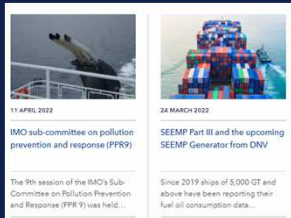
The impact on SRFs is expected to be significant

Read more in this newsletter:

<https://www.dnv.com/news/hong-kong-recycling-convention-ratified-entering-into-force-in-2025-245173>

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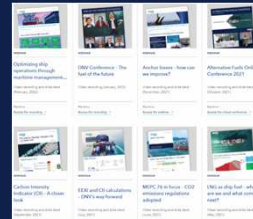
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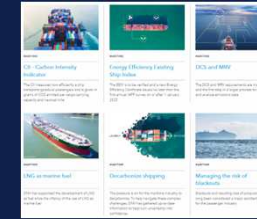
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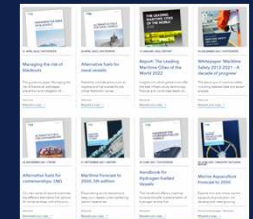
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incl. preliminary CII rating (customer portal)



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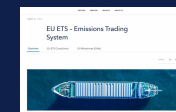
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