

Circular 269/ 2022

To: Owners, Technical Managers, Deputy Registrars, Fleet Managers, Surveyors, Recognized Organizations

Subject: MARPOL Annex VI – technical and operational measures to reduce carbon intensity of international shipping

Date: 7th September 2022

Summary:

On the 1st of November, amendments to MARPOL Annex VI will enter into force; they will introduce a new consolidated MARPOL Annex VI, including restructuring and renumbering of existing regulations.

The amendments will introduce mandatory goal-based technical and operational measures to reduce carbon intensity of international shipping.

The measures include:

- The Energy Efficiency Existing Ship Index (EEXI), applicable from the first annual, intermediate or renewal IAPP survey after 1st January 2023
- The enhanced Ship Energy Efficiency Management Plan (SEEMP), whereby an approved SEEMP needs to be kept onboard from 1st January 2023
- The operational Carbon Intensity Indicator (CII) rating scheme, taking effect from 1st January 2023

Introduction of the Energy Efficiency Existing Ship Index (new Regs. 23 and 25):

This technical efficiency measure requires all applicable vessels above 400 GT that operate internationally to hold:

- An attained EEXI or Energy Efficiency Design Index (EEDI) equal to or below the required EEXI of the vessel
- An Onboard Management Manual approved by a Recognized Organisation (RO), where Overridable Power Limitation (OPL) has been installed to improve the attained EEXI
- A verified attained EEXI (or EEDI where applicable) based on an EEXI (or EEDI where applicable) Technical File
- A Flag or RO issued International Energy Efficiency Certificate or Statement of Compliance following verification of the attained EEXI

Vessels to which EEXI applies must demonstrate compliance by their next scheduled survey – annual, intermediate or renewal – for the International Air Pollution Prevention Certificate (IAPPC) to be issued or endorsed, or the initial survey before the ship enters service for the International Energy Efficiency Certificate (IEEC) to be issued, whichever is the first on or after 1st January 2023.

SEEMP Part III (new Reg. 26.3):

Applicable ships* are required, prior to 1st January 2023, to have a SEEMP Part III onboard that has been verified by an RO.

The SEEMP Part III is required to be in compliance with the '2022 Guidelines for the Development of a Ship Energy Efficiency Management Plan (SEEMP)' – IMO resolution MEPC.346(78). As part of the verification of the SEEMP Part III, the ship will be issued with a Confirmation of Compliance, that is to be retained onboard.

The 'SEEMP Part III' is to include the following:

- a description of the methodology that will be used to calculate and report the ship's attained annual operational CII;
- the required annual operational CII, for the next three years;
- an implementation plan documenting how the required annual operational CII will be achieved during the next three years; and
- a procedure for self-evaluation and improvement.

Demonstration of Operational Carbon Intensity reduction (new Req. 28)

Applicable vessels (the same ship types as EEXI but 5,000 GT and above and adding cruise ships using conventional propulsion) will need to demonstrate reductions of carbon intensity between January 2023 and 2030.

Key amendments to MARPOL Annex VI:

- From 1st January 2023, evidence of carbon intensity reduction must be recorded in a new section of the vessel's existing Management System for Carbon Intensity (SEEMP)
- Emissions data must be submitted through the IMO Data Collection System (DCS) in addition to the existing fuel consumption requirement. Emissions reporting must, as a minimum, include the Annual Efficiency Ratio (for Bulk Carriers, Tankers, Container Ships, General Cargo, LNG Carriers, Gas Carriers, combination carriers and Reefers) or the cgDIST (for passenger cruise ships, vehicle carriers, ro-ro cargo and ropax)
- Annual verification of DCS will continue. From 1st January 2024, vessels will be issued with a Statement of Compliance, covering verified fuel consumption, attained carbon intensity reduction and an annual rating (A to E) based on carbon intensity reduction performance against the required carbon intensity reduction
- Periodic SEEMP verification audits will be introduced to ensure plans are in place to achieve the targets and ensure correction plans are being followed where a vessel is rated E in any given year, or D in three consecutive years.

Carbon reduction targets and vessel ratings

A set of non-mandatory guidelines were approved by the IMO, setting a carbon intensity reduction of 2% each year between 2023 and 2026. Performance against this target will be used to provide the vessel its rating. The annual target is to be reviewed by the IMO no later than 1st January 2026.

Actions for ship owners and managers

Owners and managers are invited to get in touch with the Cook Islands approved Class/ROs to plan the implementation of the abovementioned amendments and the relevant certification of their vessels.