

# Redacted - First Amendment

## BPS - Energy Efficiency Requirements



Requirement	Type	BPS Current Status	Deadline	Some common requirements:				
				Monitoring & reporting	Continual improvement against objectives & targets	Assessment of efficiency technologies	Prioritisation & implementation of technologies	External audit / verification
ISO 14001:2015	Group		Sep-18	✓	✓			✓
OMS e.g. 6.2 Energy	Group		Ongoing	✓	✓	✓	✓	
UK ESOS (Energy Saving Opportunity Scheme)	Regulatory		Within every 4 years (from 2015)	✓		✓		✓
IMO EEDI (Energy Efficiency Design Index)	Regulatory		Phased reqs. - new build ships			✓	✓	✓
EU MRV (Monitoring, Reporting & Verification)	Regulatory		Aug 2017 - Monitoring Plans Jan 2018 - data collection	✓				✓
IMO MRV (Monitoring, Reporting & Verification)	Regulatory		Dec 2018 - SEEMP update Jan 2019 - data collection	✓				✓
SEEMP (Ship Energy Efficiency Management Plan)	Regulatory		In line with EU MRV & IMO MRV	✓	✓	✓	✓	✓
Establish EEOI (Energy Efficiency Operational Index)	Regulatory		Related to ISO, EU MRV & OMS	✓	✓			✓

**Ames, Jana**

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**From:** Aldous, Caroline  
**Sent:** 18 July 2017 11:57  
**To:** Hatfull, Darren; Ames, Jana  
**Cc:** Singh, Swati  
**Subject:** RE: UK CoS carbon mtng - update & request

**external-email:** 0

Darren and Jana

Wednesday 26<sup>th</sup> July is busy for Susan (4 x 1 hour interviews involving 3 of the LT). Can do 16.45 on Wednesday.

Thursday 27<sup>th</sup> – free PM or Friday 28<sup>th</sup> at 09.00 or 14.30.

Thanks

Caroline

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**From:** Hatfull, Darren  
**Sent:** 18 July 2017 11:23  
**To:** Singh, Swati; Ames, Jana  
**Cc:** Aldous, Caroline  
**Subject:** RE: UK CoS carbon mtng - update & request

Can't see us being able to fit it in. We are both full and Jana out of office tomorrow and me IOM Thursday and Friday.

Jana – can you propose times next week that fit with your diary see if Susan has anything free please?

I have 26<sup>th</sup> 09:00 to 10:30 and from 15:00 onwards.

D

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**From:** Hatfull, Darren  
**Sent:** 18 July 2017 09:13  
**To:** Singh, Swati <[REDACTED]@uk.bp.com>  
**Cc:** Aldous, Caroline <[REDACTED]s@uk.bp.com>  
**Subject:** RE: UK CoS carbon mtng - update & request

We could do if Susan has spare but that would be for Jana to attend in person as I'm in the IOM - be good for Jana to have a bit of face time with Susan also!

D

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**From:** Singh, Swati  
**Sent:** 18 July 2017 08:44  
**To:** Hatfull, Darren

# UK CoS Carbon WG

**Cc:** Aldous, Caroline  
**Subject:** RE: UK CoS carbon mtng - update & request

Darren,

Do you want 30min before 24<sup>th</sup> July?

Regards,  
Swati

**From:** Hatfull, Darren  
**Sent:** 14 July 2017 14:24  
**To:** Singh, Swati <[swati@uk.bp.com](mailto:swati@uk.bp.com)>  
**Subject:** FW: UK CoS carbon mtng - update & request

Swati,

Could you take a look at Susan's diary see if we could grab 30mins going forward on some Env stuff that is important.

Thanks

darren

**From:** Ames, Jana  
**Sent:** 12 July 2017 15:21  
**To:** Hatfull, Darren  
**Subject:** UK CoS carbon mtng - update & request

Darren, I attended the Carbon WG at UK Chamber of Shipping yesterday and am sharing three items for your attention, views & communication as you see fit:

1. Members of the Carbon WG have been invited to provide views by 24<sup>th</sup> July on the short-medium-long term GHG reduction measures proposed at MEPC (attached pg 21-23). The industry view will then be pushed to the DfT consultation meeting on the 25<sup>th</sup> July, which is prior to the next IMO GHG Intercessional. In short, we are being invited by the UK to influence their position to take forwards to IMO and other EU MS.

My concern is that to review this appropriately is a huge undertaking which we have limited resource to achieve right now. What do you want to do? Also, Susan may be interested to be aware of this if you can flag at your next mtng?

2. We are finalising the attached brand new "Environmental Resolution" for Chamber. We were told the Board requested for it to be more aspirational. In doing so, I believe it needs to be considered in context of the new BPS HSEQ Strategy, as it is written in vein of "The Chamber and its members are...actively working with regulators and engaging respective stakeholders to ensure the following goals can be met: [xyz]..."

Would appreciate yours and if you can seek Susan's view to ensure we are aligned and comfortable, by mid-August - perhaps via HSEQ Steering Committee when you next discuss Strategy?

3. Maritime UK is pressing for the shipping industry to input to the UK Industrial Strategy (sector deal). We agreed there is merit in UK CoS to pursue the opportunity, on basis that it could be really good for both industry & government with caveat that any initiatives do not add to regulatory burden, risk derailing IMO / EU plans, or have significant financial implication on the sector. We discussed a couple of ideas - supply chain and air quality in ports (hot topic in press).

The WG agreed our ideas/proposals should be underpinned by data to identify opportunities for greatest impact and quick-wins. It would seem the UK government do not have suggestions or guidance, and are really looking to industry. This is all early work in progress and will be discussed at the upcoming consultation with the DfT on 25<sup>th</sup> July, and subsequent mtngs.

I believe Susan may want to be aware of this, and potentially others depending on how the ideas unfold.

Regards  
Jana

**From:** David Balston [mailto: [REDACTED]@ukchamberofshipping.com]  
**Sent:** 11 July 2017 15:28  
**To:** [REDACTED]@loc-group.com; [REDACTED]@shell.com; Anna Ziou; Cartledge, Helen; [REDACTED]@dnvgl.com; [REDACTED]@james-fisher.co.uk; [REDACTED]@disney.com; 'Goodden, Alan'; 'Harry Knox'; Ames, Jana; Jonathan Campbell; [REDACTED]@lr.org; Klare Chamberlain; [REDACTED]@dnvgl.com; melodie de witte; [REDACTED]@maersk.com'; Paul Britton; peter hamer; Stylianos Papageorgiou; [REDACTED]@james-fisher.co.uk; [REDACTED]@carnivalmaritime.com; 'Woodall Poul (DFDS A/S)'  
**Cc:** Ben Murray; Anna Ziou  
**Subject:** Carbon meeting 11 July

Dear all

Thank you to those of you who came or phoned into today's carbon WG and helped to make it so worthwhile.

We discussed three issues – MEPC and Intersessional outcome, the Chamber's draft environmental resolution and Green shipping.

#### **MEPC & Intersessional**

LR and Shell who attended both these meetings briefed the group on the outcomes with respect to GHGs. It was reported that the IMO agreed a draft future strategy that will or should be fleshed out at the October Intersessional meeting. The draft outline is as follows:

#### **ANNEX 1**

#### **COMPREHENSIVE IMO STRATEGY ON REDUCTION OF GHG EMISSIONS FROM SHIPS DRAFT OUTLINE OF THE STRUCTURE OF THE INITIAL STRATEGY**

- 1 Preamble/introduction/context including emission scenarios
- 2 Vision
- 3 Levels of ambition
- Guiding principles
- 4 List of candidate short-, mid- and long-term further measures with possible timelines and their impacts on States
- 5 Barriers and supportive measures; capacity building and technical cooperation; R&D
- 6 Follow-up actions towards the development of the revised strategy
- 7 Periodic review of the Strategy

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It was agreed that members would provide feedback on the possible short, mid and long term measures as developed by the Intersessional meeting and laid out in pages 21 to 23 of the attached IMO document in order that those attending DfT's Maritime GHG Stakeholder Group meeting could go prepared to persuade or dissuade the UK accordingly. The next meeting of that group is on 25 July so it is **requested that members provide feedback** prior to then. Also, if a member feels that there should be other measures over and above those listed, then these should be included with the feedback.

#### **UK Chamber Environmental Resolution**

The Chamber reported that the draft environmental resolution supported by a number of the members of this WG was presented to the Chamber's Supervisory Board in June. The Board was largely supportive though wanted the language to be more aspirational, to include air quality as well as more on emissions. It was agreed that the Chamber would amend the resolution accordingly and then circulate the revised draft to the WG for comment/further amendment. This will need to be done prior to the end of August such that the new draft can be presented to the next meeting of the Board in September.

#### **Green Coastal Shipping**

The main part of the meeting was spent discussing the Norwegian Green Coastal Shipping programme and its possible applicability to the UK, potentially as part of Maritime UK's submission to the industrial strategy (sector deal). DNV kindly gave some very useful background on the Norwegian model, how that works and some of the pilot schemes being developed.

Importantly, it was agreed that the Chamber should continue to pursue this line of work which could be of great benefit to the industry but that it should not aim to add to the regulatory burden, especially if that was outside the IMO.

It was also agreed that work needs to be done (or existing work uncovered) to identify where key pinch points lie – ie where most impact could be most easily achieved. To that end LR agreed to contact UCL and others who we know have conducted studies to see what can be shared and may form the basis for a cross sectoral proposal, probably centring around air quality in ports in one form or another.

DNV also agreed to share a snapshot study that they had conducted into the Irish Sea. This is attached.

It was agreed though that Government input will almost certainly be required to get a full study done covering all the UK. This will be discussed further with DfT officials.

Meanwhile the Chamber will continue to examine how best to get this work started which, when completed, will make the identification of issues that could fuel future industry/government strategy more readily identifiable.

Thank you again for all your inputs – most helpful.

Kind regards

David

**David Balston**

Director of Policy

**UK Chamber of Shipping**



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## Environmental Resolution

The UK Chamber of Shipping and its members are committed to taking all possible steps to continue to reduce shipping's footprint on the environment and protect it for present and future generations.

The carriage of goods and people by sea is widely seen as the most carbon efficient mode of transport. While much has already been done to build on this position and manage critical environmental aspects, the Chamber and its members are committed to a culture of continuous improvement.

The Chamber and its members are therefore taking concrete steps and leading discussions on how to further improve the environmental efficiency of shipping and actively working with regulators and engaging respective stakeholders to ensure the following goals can be met:

### Environment

- Goal Zero:
  - Prevent pollution from ships to sea from oil, plastics, and other harmful discharges as defined by the International Convention for the Prevention of Pollution from Ships (MARPOL).
  - Deter and prevent the transportation of illegal animal and plant products by sea.
- Minimise:
  - Greenhouse gas emissions from shipping in line with the 2015 Paris Climate Change Agreement.
  - The spread of non-native species to protect bio-diversity.
  - The generation of shipborne garbage.
  - The impact on the environment and human health from air emissions.
- Encourage:
  - Further research to understand the impact of ship noise underwater on marine life.
  - Responsible recycling of ships at yards that comply fully with the Hong Kong Convention on Sustainable Ship Recycling.
  - Research and development opportunities to further reduce adverse air emissions from shipping and to improve air quality.
  - Responsible management of shipborne waste ashore.

### Governance & Awareness & Training

- Promote Environmental Training in the Shipping Industry
- Take every opportunity to raise environmental awareness, promoting the development of sustainable environmental policies for shipping.
- Collaborate with government and interested parties to develop and promote coordinated and progressive practices that reduce the environmental impact of the shipping industry.
- Actively encourage strengthening of effective enforcement of national, regional and international shipping regulations on ship based pollution sources.

## CO2 Task Force Brief & Recommendations to ExCom

79.2.8

### Executive Summary

OCIMF supports the need to reduce greenhouse gas (GHG) emissions. A roadmap to develop a strategy to reduce GHG emissions has been agreed at the IMO's Marine Environmental Protection Committee (MEPC) which frames the discussion at IMO level going forward. Setting CO2 targets is outside OCIMF's remit, however the organisation will advocate for a global system that creates a level playing field regardless of vessel type and trade route. OCIMF will support operational/technical developments that effectively reduce GHG emissions and this support is not reliant on regulation.

The Task Force recommends:

1. Influencing regulation by: participating in relevant working groups at IMO and other relevant fora; developing positions on how to reduce emissions via operational/technical opportunities; advocating for global measures versus regional.
2. Supporting members by: keeping them informed on regulatory changes/progress; facilitating sharing of operational/technical experiences between members; exploring opportunities within existing programmes to capture emissions performance.

### Background

The CO2 Task Force was formed in 2016 to review Industry progress and perspectives on GHG and develop an OCIMF position on the GHG issue and recommendations pertaining to OCIMF activities to support this position. The position and recommendation are submitted in this paper for consideration by the Executive Committee.

The CO2 Task Force has looked at regulatory developments by the IMO and the EU as well as monitoring activities of other industry associations where possible.

The forum has been effective in sharing information. As defined in the ToR this paper represents the consensus view on the way forward.

OCIMF position should support a system that:

- Is effective in reducing GHG emissions from well-to-wake.
- Is global and enables a level playing field.
- Encourages the most effective solution.
- Encourages early deployment of GHG reduction opportunities.
- Is supportive of technical innovation and R&D in the entire shipping sector.

### Reducing emissions from shipping

Industry recognised options for reducing GHG emissions fall into three categories:

- Technical/operational improvements.
- Switching to low GHG emissions fuels.
- Offsetting GHG emissions out-of-sector e.g. purchasing carbon credits.

Any action taken to reduce emissions should be carefully evaluated to ensure they will be effective. For example, Energy Efficiency Design Index (EEDI) improvements do not always lead to operational fuel savings, the ranking of fuel options by GHG emissions depends on whether on-board emissions or a well-to-wake

analysis is used, and analysis used in determining whether carbon credits result in genuine GHG reductions can be difficult. Any measures taken must not be detrimental to the vessel's safety performance. Despite this complexity, the shipping industry already has implemented measures that reduce fuel use, and further operational and technical options to reduce emissions do exist and their development and implementation should be encouraged.

Part of the debate at MEPC on the development of a GHG reduction strategy covers the setting of a global target. The discussion at MEPC is currently at the ideas phase with proposals being developed. A number of options have been discussed, for example the target being a percentage of total global emissions, or an absolute CO2 (ton) or fleet efficiency (emissions per ton mile). These could be regulated by means of market based measures and/or setting individual vessel efficiency targets.

Industry must ensure that this highly political discussion is nevertheless based on sound understanding of vessel operations and emission reduction potential, and that lessons are learnt from the Ballast Water Convention where regulatory intent was not supported by technology options and, different interpretations of the convention resulted in problems.

In general, ship owners, operators and charterers are seeking to improve efficiencies and reduce fuel consumption. The effect that these activities have on reduction of GHG emissions is an increasing consideration in the drive for efficiency.

However, the lack of reliable information on performance of new technologies and a concern that early adopters may be penalised by future regulations, can deter early uptake of these technologies and hamper well-intentioned efforts.

#### Opportunities for OCIMF

OCIMF has previously been active on the subject of emissions, for example developing a CO2 Trajectory model for tanker fleet, publishing a review on GHG Emission Mitigation Measures for Tankers and, together with INTERTANKO, publishing an information paper on virtual arrival (reducing vessel speed to match new schedule if delay expected at terminal) to optimise voyage management and reduce vessel emissions.

Informed by learnings over the last year, the Task Force propose that OCIMF build on this previous engagement and use the expertise of the membership to influence the external debate on technical and operational GHG emission reduction options. In a highly political environment, information provided by industry associations carries extra weight and some countries have expressed the view that active participation from the industry plays an important role to further the debate.

The Task Force also identified a lack of information on the environmental performance of vessels, how can owner/operators/charterers assess the performance of their vessels and how are best practices shared? There is an opportunity for OCIMF to address this gap by developing further best practise guides and/or including further information on the vessel performance in SIRE which could provide a more solid reference than the EU MRV (Measurement Reporting and Verification) information being published from 2019.

#### Recommendations to ExCom

Our recommendations fall into two categories, influencing the regulators and supporting the members.

##### 1. Influencing regulation

- a) Continue participating at IMO Correspondence Group on MRV and GHG Emission Working Group.

This gives OCIMF the opportunity to monitor developments, engage with other stakeholders and is the basis for engagement on the topic. The IMO Correspondence group on MRV is finalising the IMO MRV framework and is expected to complete this soon. The GHG Emission Working Group has been tasked to develop a GHG reduction strategy by 2018 and three inter-sessional meetings are planned in addition to meetings at MEPC71 to achieve this. Resources have been provided by membership (Shell and BP to date). The GHG emission strategy is to be agreed at the IMO by 2023.

- b) Continue participating in ESSF working group on MRV

The secretariat participates in working groups at the European Sustainable Shipping Forum which supports the implementation of environmental directives. This gives OCIMF the opportunity to influence the implementation of the global Sulphur cap and EU position at IMO. In future other regions may also form stakeholders' groups to inform debate, it would be for the CO2 WG to decide which groups are relevant to attend. The request is made for the secretariat to attend meetings and provide input, membership support would be needed.

- c) New: Develop a position on GHG emission reduction options

Develop a clear OCIMF position on the GHG emission reduction options to provide an impartial view on operational/technical opportunities, including costs and constraints. This position should be built using membership and industry experience. This could result in a joint industry paper presented at the IMO intersessional GHG working group or MEPC. Potential industry partners include IMAREST/INTER TANKO.

Recognising that regulatory options include the use of a range of efficiency targets, the Task Force recommend that proposals made at MEPC should be reviewed and assessed by OCIMF for their merit, and these views expressed in discussions at MEPC/Working Group level.

- d) Advocate for global measures

The EU parliament has voted to include shipping in the EU ETS scheme unless the IMO has developed a similar scheme by 2021. For a global industry facing a global issue, regional measures add complexity and detract from the global debate. The Task Force recommends that OCIMF, in line with other industry groups, advocate for global measures and against EU ETS scheme for shipping.

2. Supporting membership on GHG reduction

## a) Inform

Keep the membership informed on regulatory progress and provide insights and background information, for example via articles in the OCIMF Newsletter or information papers. Sharing summary report from the OCIMF IMO Representative with the broader OCIMF membership. This will assist in raising awareness on issues ahead.

## b) Share experience

Provide a means to share member experiences of emission reduction technologies and operational efforts. This could be information papers like the OCIMF/INTERTANKO paper on Virtual Arrival or a discussion forum on an accessible SharePoint site.

## c) Vessel efficiency

The EU MRV will publicise the efficiency of vessels, but as the basis for calculation is limited to EU port calls this will not reflect most vessels' overall performance. It is likely that in the future this information will be used by charterers, as well as NGOs, to rate vessels. There may be an opportunity for OCIMF to include sharing of environmental efficiency performance data via SIRE, and this should be explored further with the SIRE Focus Group. Further, OCIMF could provide guidance on how to select a more energy efficient vessel or a vessel that is striving to be more efficient.

GHG reduction is a topic of interest for the whole Industry. Working with other industry groups to help progress makes sense. The Task Force recommends that OCIMF monitor other industry groups to learn, to avoid duplication of effort and to consider collaborating where appropriate.

## CO2 Task Force Brief & Recommendations to ExCom

79.2.8

### Resources and Timeline:

The GHG emission strategy is to be agreed at the IMO by 2023. It is expected that the OCIMF work will continue until IMO strategy is completed.

<u>RECOMMENDATION</u>	<u>CURRENT ALLOCATED SECRETARIAT RESOURCES (man days per year)</u>	<u>ADDITIONAL SECRETARIAT RESOURCES REQUIRED</u>	<u>CURRENT ALLOCATED MEMBER RESOURCES (man days per year)</u>	<u>ADDITIONAL MEMBER RESOURCES REQUIRED</u>
<u>Regulation</u>				
1a (IMO support)	0	0	10	0
1b (Regional support)	6	0	0	0
1c (develop position)	0	2	0	6
1d (advocate for global)	0	2	0	0
<u>Support Membership</u>				
2a (inform)	0	4	0	0
2b (share experiences)	0	12	0	12
2c (develop rating mechanism)	0	[12+] building on 2b	0	[12+] building on 2b

There is currently high uncertainty regarding the work to be completed within 2c. The work within this section is dependent on the approval from ExCom and support from SIRE FG. There would need to be agreement on how to rate vessel efficiency and this is viewed as the most significant step. *It was noted that this discussion may be a bit premature. This may tie into the broader OCIMF Priority List and how can OCIMF secretariat support this.*

### Next Steps

- Current CO2 Task Force to draft a ToR based on feedback from ExCom on above.
- Set up a new Working Group under GPC to carry out agreed work in the ToR.

→ Awaiting discussion by GPC & feedback on proposed next steps/activities