INTERFERRY

REGULATORY PANEL

Moderated by:

Claes Berglund

Stena

Sweden

INTERFERRY
REGULATORY UPDATE

Key Issues

1. European Entry and Exit System (EES)
2. Exhaust Gas Cleaning Systems (scrubbers)
3. Light Craft
4. IMO Carbon Intensity Indicator
5. IMO Mid-Term Measures
6. Carriage of electric vehicles (John Garner)

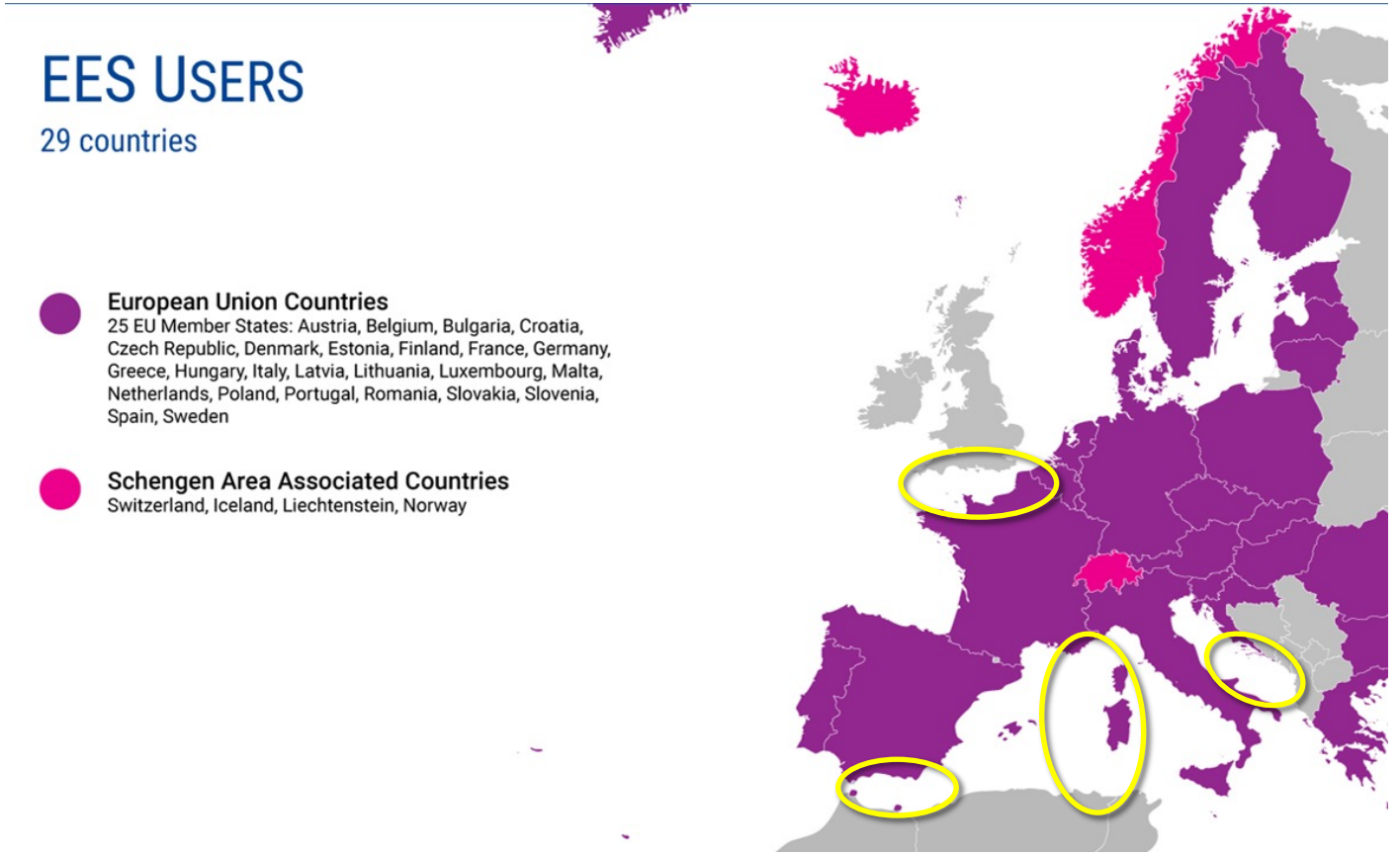
INTERFERRY

1. Key Issues:

European Entry and Exit System (EES)

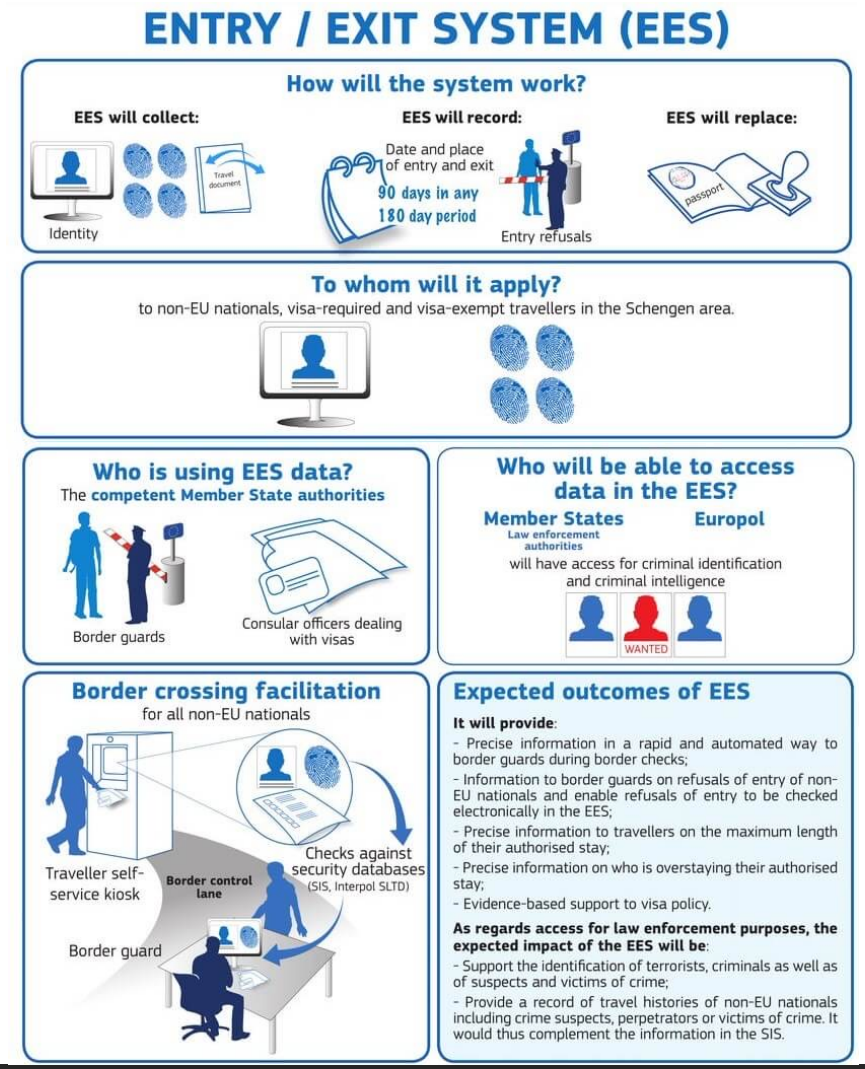
EES

- Concerns operators between Schengen and 3rd countries
- Consultation with maritime was non-existent
- The biometric controls build on airport style security



INTERFERRY

1. Key Issues:
EES and ETIAS



Interferry's Task force has raised several concerns:

- Delays induced by border checks are beyond the operators' control, but very disruptive!
- 100% biometric checks from day 1 is impossible
- IT systems must be allowed to dry-run first
- We need a firm implementation date!

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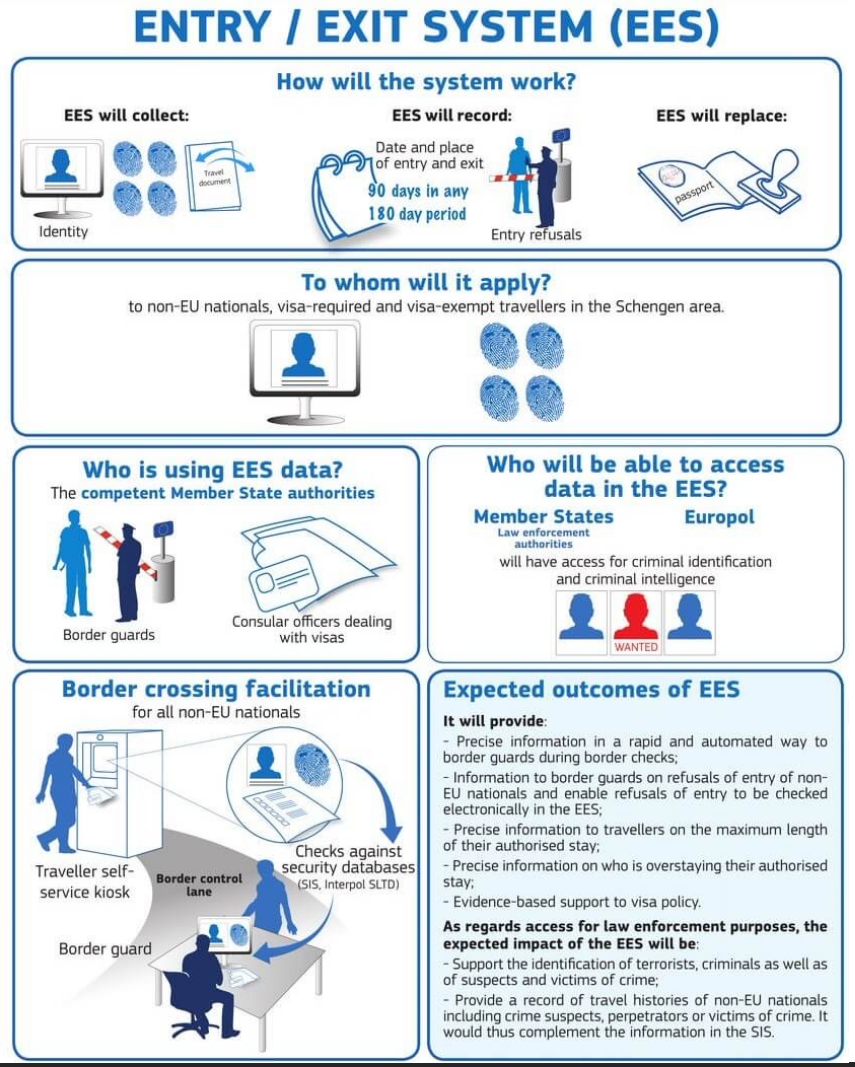

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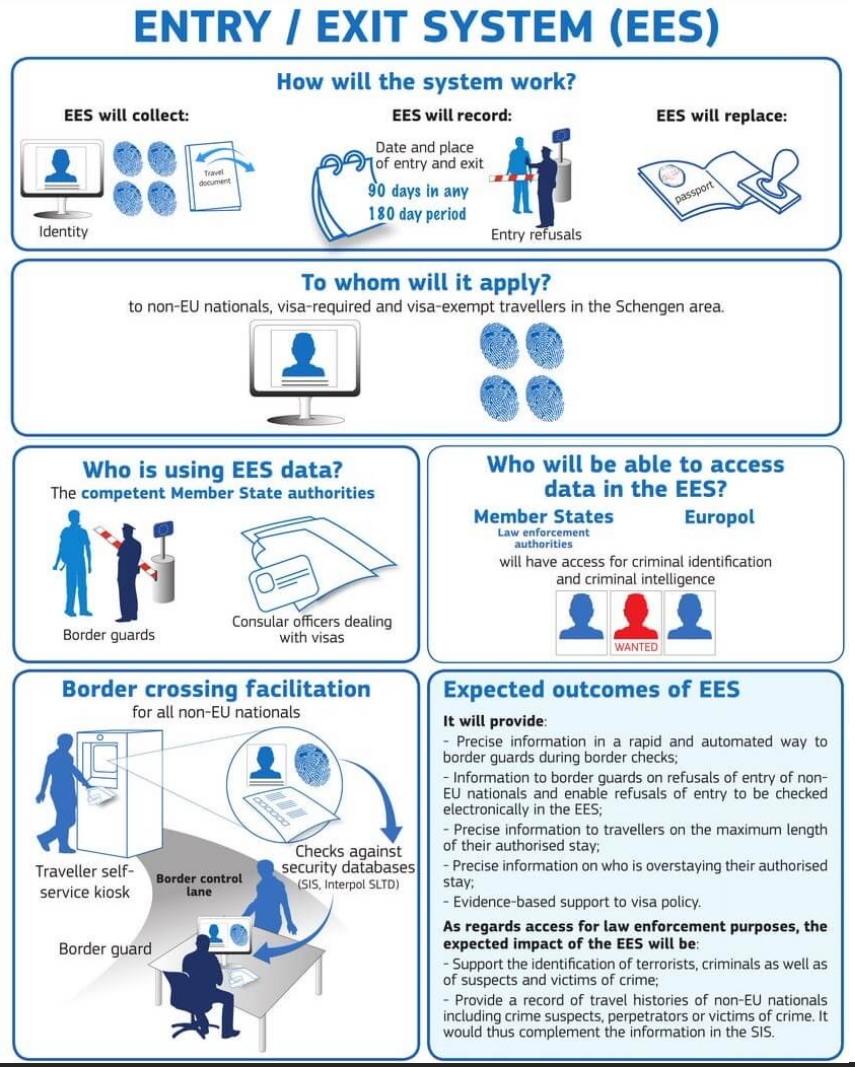

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~~2022~~

May 2023

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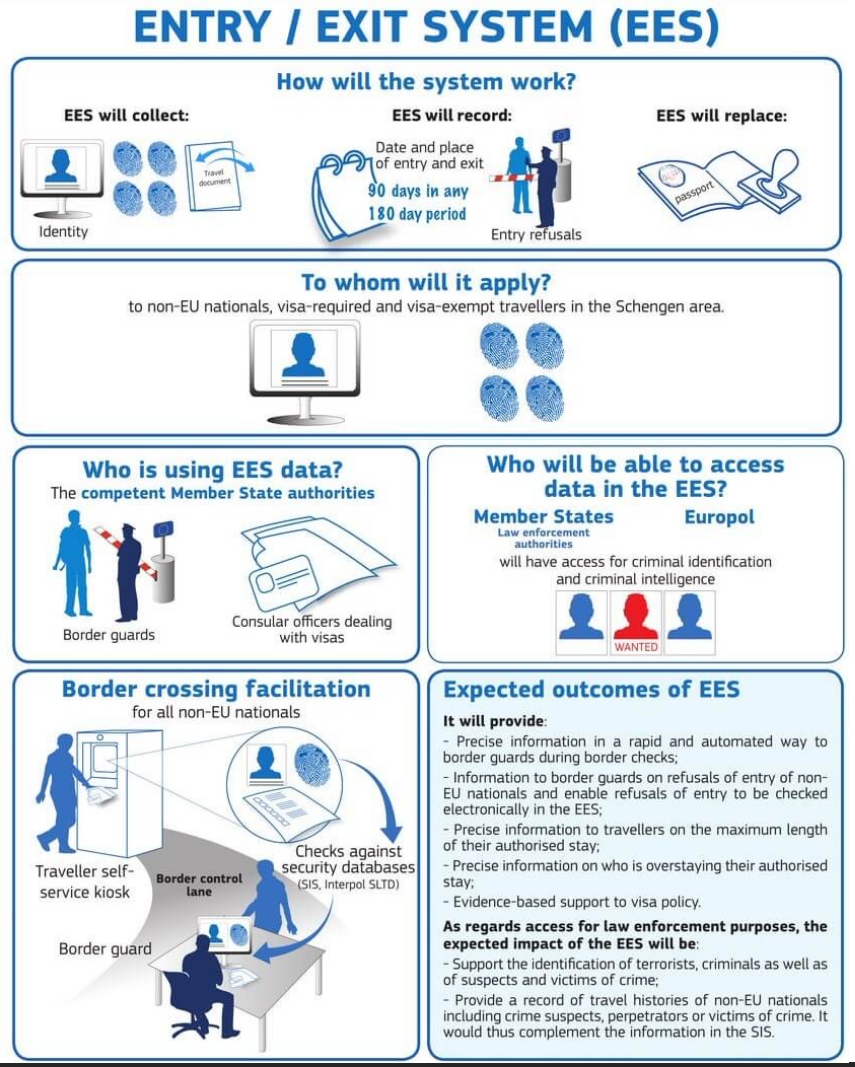

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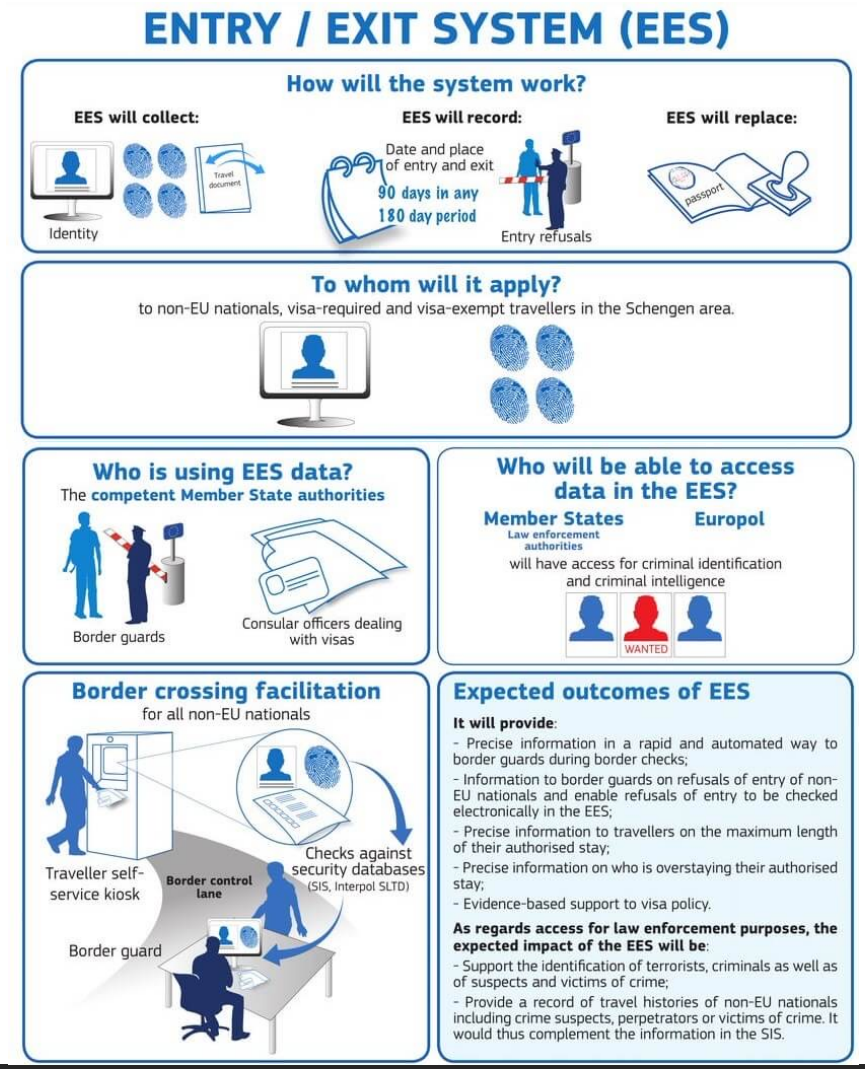

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Definitely 10 November 2024!…

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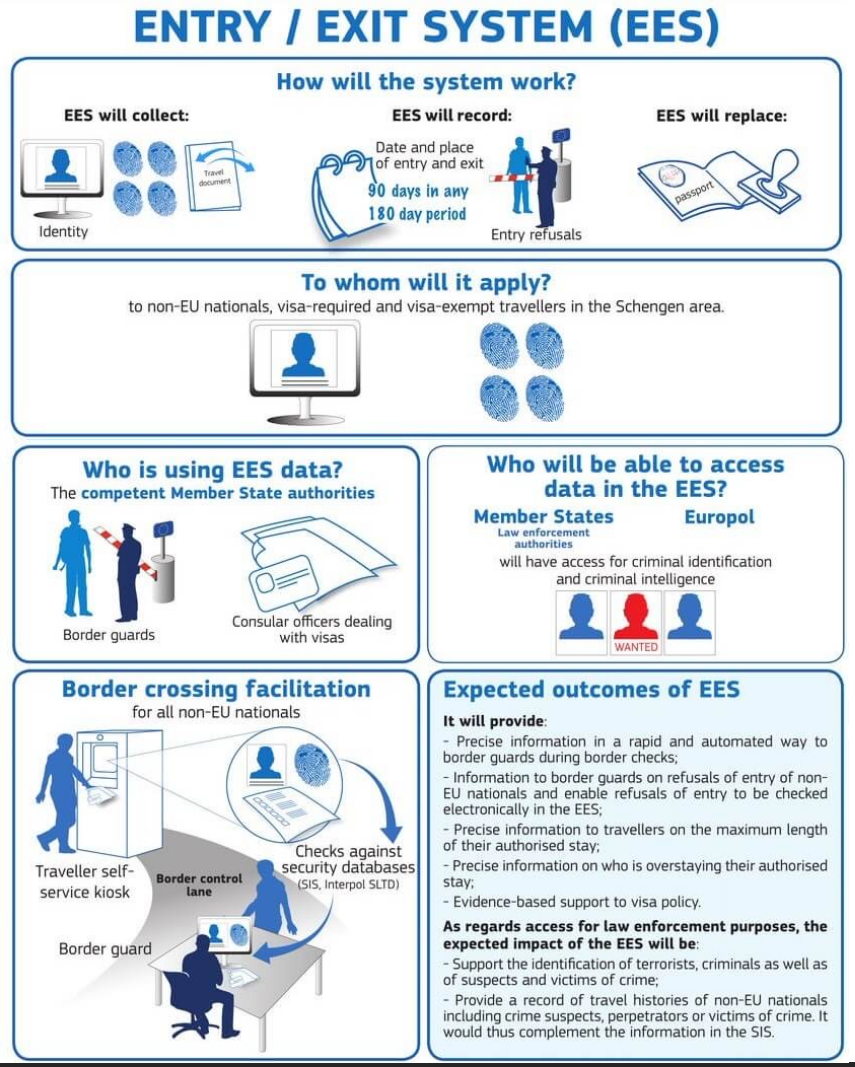

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???

2. Key Issues:
Exhaust Gas Scrubber Systems

2008-2014

The great awakening!

Interferry Conference to Address Emissions

August 6, 2010

Interferry's annual conference in October is well timed to help shape maritime policy at the next world summit on climate change, according to special guest speaker Peter Hinchliffe, secretary general of the International Chamber of Shipping.

ICS associate member Interferry stages its 35th anniversary event in New York City from October 3-6 – immediately after the 61st session of the IMO's Marine Environment Protection Committee (MEPC 61) in London and just weeks ahead of this year's meeting on the UN Framework Convention on Climate Change (UNFCCC) in Cancun, Mexico.

As leader of the influential ICS delegation at both assemblies, Hinchliffe will be on a dual mission when he addresses the ferry trade association on emerging regulations - notably far reaching measures to reduce CO2 emissions – and their impact on shipping operations and planning.

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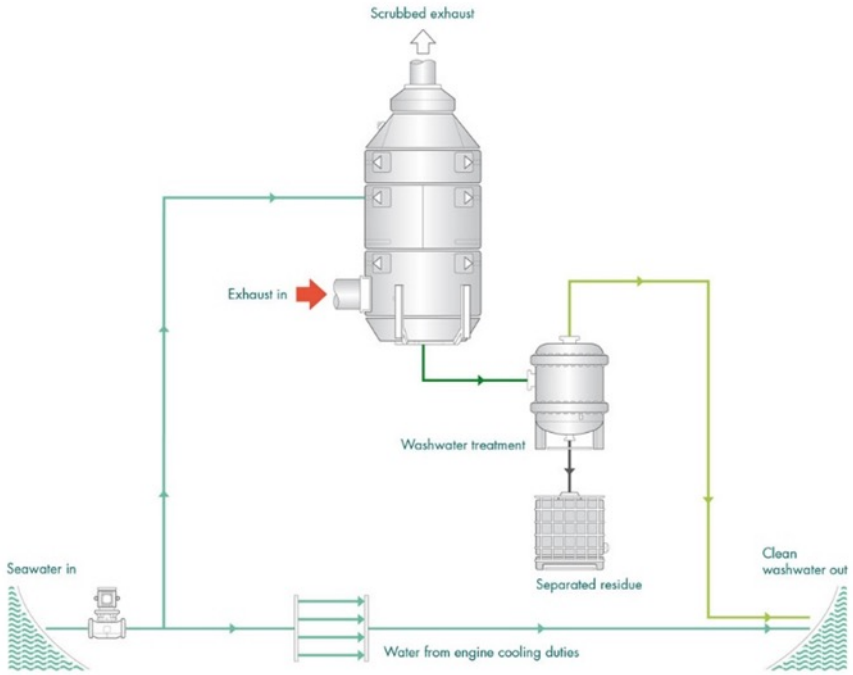
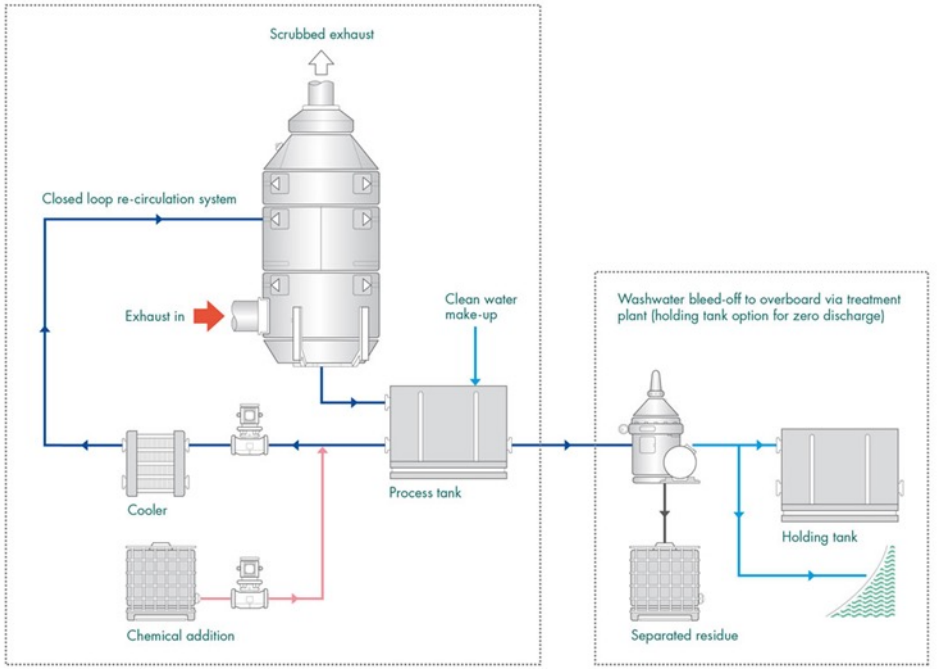
2. Key Issues:
Exhaust Gas Scrubber Systems

- The low sulphur requirements prompted the uptake of scrubbers
- Open-loop scrubbers were always contentious, closed-loop more acceptable





2. Key Issues:
Exhaust Gas Scrubber Systems

- 10-15 years later, we now see strong momentum to regulate discharge of scrubber waters
- Sweden / Denmark: no open loop scrubber discharge as from July 2025 within 12nm territorial waters
- No closed loop discharge as from 2029.
- The general expectation is that most North Sea and Baltic Sea countries will follow suit.

3. Key Issues:
Light Craft

HSC Code

To be allowed to operate under the HSC Code, a (light) craft has to be able to operate at high speed. This goes against the IMO GHG Strategy.

Being able to operate at high speed adds weight – which costs fuel even at lower speeds

$$Speed\ \left(\frac{m}{s}\right) = 3.7 * (\text{max operational displaced volume, } m^3)^{0.1667}$$

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3. Key Issues:
Light Craft

HSC Code → Light Craft Code?

- It is agreed that the HSC Code does not make sense
- Changing an IMO Code is a ten-year undertaking
- Denmark looks to apply the “Light Craft Code” domestically
- If accepted by the EU, the same rules should be applicable pan-EU

- Ship builders / Operators should approach Flags and Class

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4. Key Issues:
IMO Carbon Intensity Indicator (CII Review)

RECAP – what is the CII?

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4. Key Issues:
IMO Carbon Intensity Indicator (CII Review)

RECAP – what is the CII?

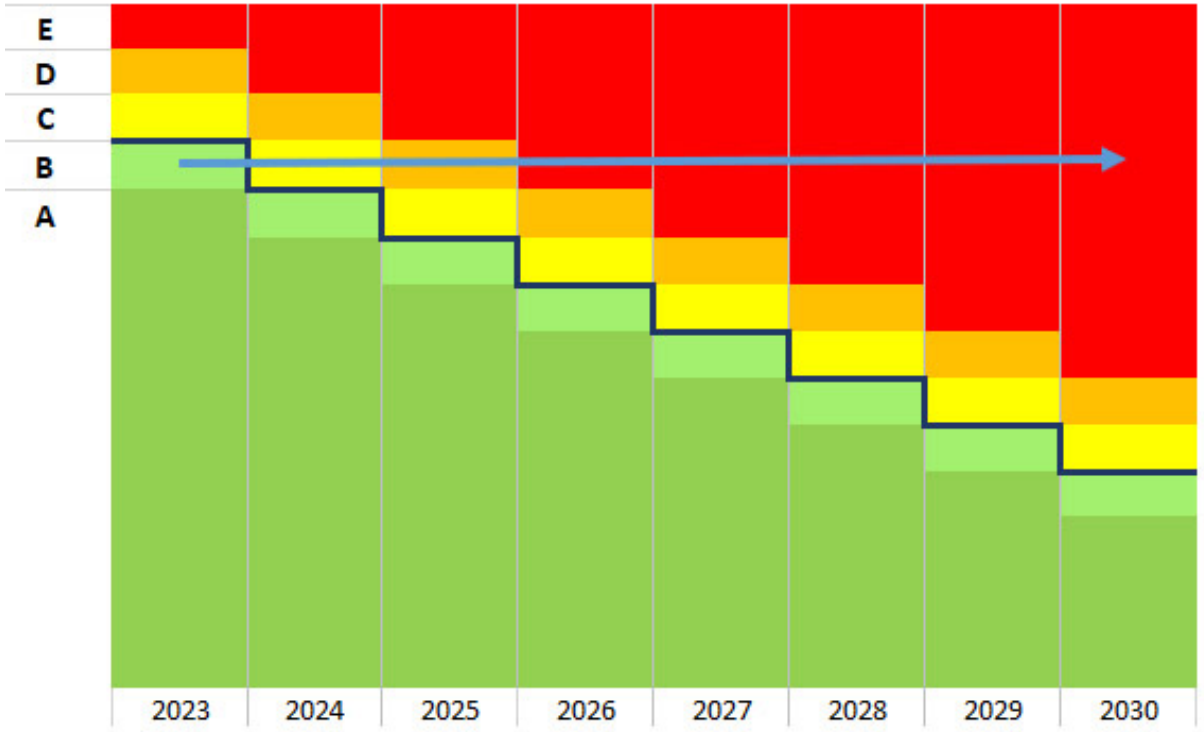
1. Collect fuel consumption and distance sailed from all ships within a segment

2. Assign the ships DWT or GT as fixed cargo intake

3. Calculate fuel per ton*nm for each ship

- Least fuel per ton*nm → A rating
- Most fuel per ton*nm → E rating
- You have to match A-C over time

4. Tightening the req's over time will force all ships to improve operational performance



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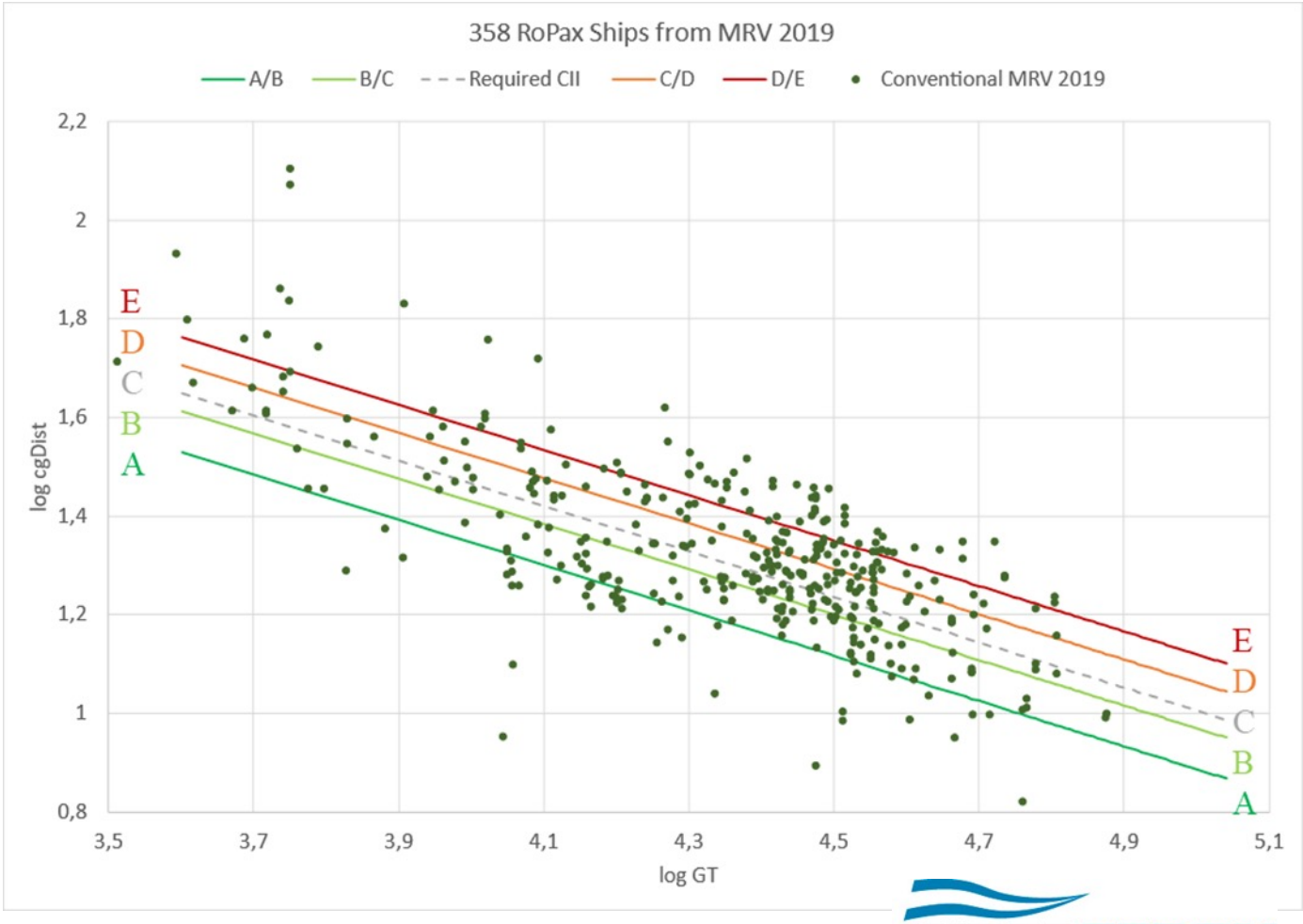
4. Key Issues:
IMO Carbon Intensity Indicator (CII Review)

Why doesn't the CII work?

- In theory, they are poor performers and should be forced out of the market
- Many (ferry) operators have one or several ships deeply entrenched in E
- Not necessarily because they are poorly designed or operated poorly, but just happen to operate on disadvantaged routes



4. Key Issues:
IMO Carbon Intensity Indicator (CII Review)

Why doesn't the CII work?

INTERFERRY has been the most vocal association against the CII, which:

- Penalizes port visits
- Penalizes short voyages
- Penalizes actual cargo carried
- Is very route dependent
- The rest of the industry has caught up, as have many Member States

MEPC 82

IMO Maritime Environment Protection Committee are engaged in a CII review

- Which would have had to be finalized by April 2025 for any significant changes to be made to the 'soft enforcement' of CII
- Not even the EU proponents seem to believe in the concept any longer
- Earliest possible sharp enforcement is 2030

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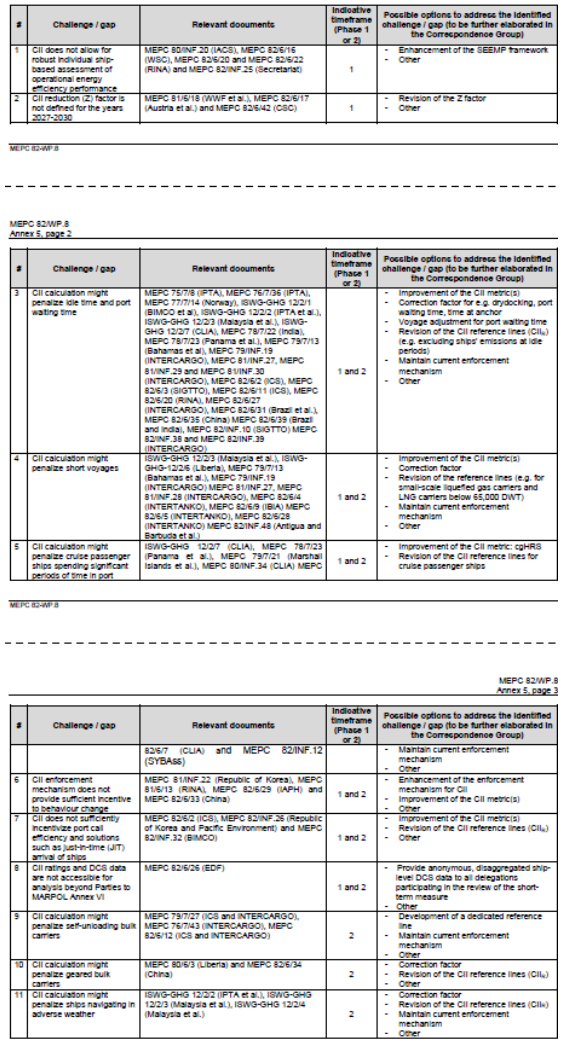
4. Key Issues:
IMO Carbon Intensity Indicator (CII Review)

MEPC 82

- It took the IMO Working Group all of MEPC 82 just to collate and structure all the issues raised for the CII.
- The Intersessional Working Group is tasked to deal with more than 100 IMO submissions by February…
- We will keep helping to improve the CII, but only for soft application



#	Challenge / gap	Relevant documents	Indicative timeframe (Phase 1 or 2)	Possible options to address the identified challenge / gap (to be further elaborated in the Correspondence Group)
1	CII does not allow for robust individual ship-based assessment of operational energy efficiency performance	MEPC 80/INF.20 (IACS), MEPC 82/6/16 (WSC), MEPC 82/6/20 and MEPC 82/6/22 (RINA) and MEPC 82/INF.25 (Secretariat)	1	- Enhancement of the SEEMP framework - Other
2	CII reduction (Z) factor is not defined for the years 2027-2030	MEPC 81/6/18 (WWF et al.), MEPC 82/6/17 (Austria et al.) and MEPC 82/6/42 (CSC)	1	- Revision of the Z factor - Other

MEPC 82/WP.8

MEPC 82/WP.8
Annex 5, page 2

#	Challenge / gap	Relevant documents	Indicative timeframe (Phase 1 or 2)	Possible options to address the identified challenge / gap (to be further elaborated in the Correspondence Group)
3	CII calculation might penalize idle time and port waiting time	MEPC 75/7/8 (IPTA), MEPC 76/7/36 (IPTA), MEPC 77/7/14 (Norway), ISWG-GHG 12/2/1 (BIMCO et al.), ISWG-GHG 12/2/2 (IPTA et al.), ISWG-GHG 12/2/3 (Malaysia et al.), ISWG-GHG 12/2/7 (CLIA), MEPC 78/7/22 (India), MEPC 78/7/23 (Panama et al.), MEPC 79/7/13 (Bahamas et al), MEPC 79/INF.19 (INTERCARGO), MEPC 81/INF.27, MEPC 81/INF.29 and MEPC 81/INF.30 (INTERCARGO), MEPC 82/6/2 (ICS), MEPC 82/6/3 (SIGTTO), MEPC 82/6/11 (ICS), MEPC 82/6/20 (RINA), MEPC 82/6/27 (INTERCARGO), MEPC 82/6/31 (Brazil et al.), MEPC 82/6/35 (China) MEPC 82/6/39 (Brazil and India), MEPC 82/INF.10 (SIGTTO) MEPC 82/INF.38 and MEPC 82/INF.39 (INTERCARGO)	1 and 2	- Improvement of the CII metric(s) - Correction factor for e.g. drydocking, port waiting time, time at anchor - Voyage adjustment for port waiting time - Revision of the CII reference lines (CII$_R$) (e.g. excluding ships' emissions at idle periods) - Maintain current enforcement mechanism - Other
4	CII calculation might penalize short voyages	ISWG-GHG 12/2/3 (Malaysia et al.), ISWG-GHG-12/2/6 (Liberia), MEPC 79/7/13 (Bahamas et al.), MEPC 79/INF.19 (INTERCARGO) MEPC 81/INF.27, MEPC 81/INF.28 (INTERCARGO), MEPC 82/6/4 (INTERTANKO), MEPC 82/6/9 (IBIA) MEPC 82/6/5 (INTERTANKO), MEPC 82/6/28 (INTERTANKO) MEPC 82/INF.48 (Antigua and Barbuda et al.)	1 and 2	- Improvement of the CII metric(s) - Correction factor - Revision of the reference lines (e.g. for small-scale liquefied gas carriers and LNG carriers below 65,000 DWT) - Maintain current enforcement mechanism - Other
5	CII calculation might penalize cruise passenger ships spending significant periods of time in port	ISWG-GHG 12/2/7 (CLIA), MEPC 78/7/23 (Panama et al.), MEPC 79/7/21 (Marshall Islands et al.), MEPC 80/INF.34 (CLIA) MEPC	1 and 2	- Improvement of the CII metric: cgHRS - Revision of the CII reference lines for cruise passenger ships

MEPC 82/WP.8

MEPC 82/WP.8
Annex 5, page 3

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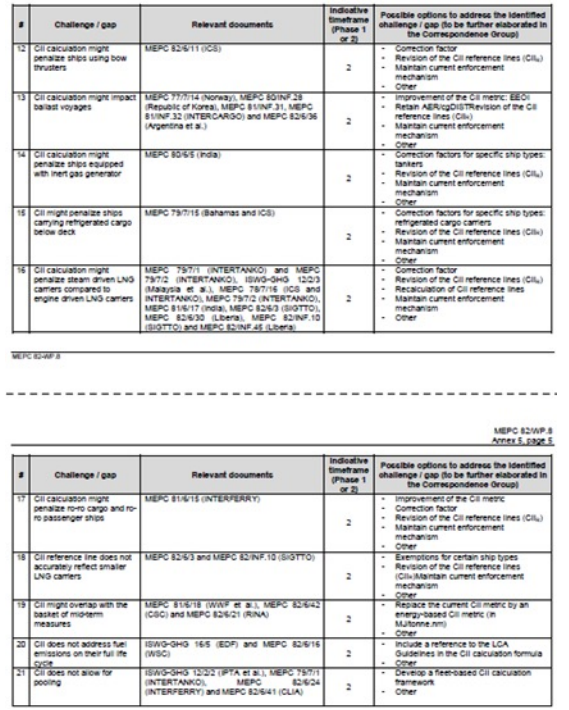
		82/6/7 (CLIA) and MEPC 82/INF.12 (SYBAss)		- Maintain current enforcement mechanism - Other
6	CII enforcement mechanism does not provide sufficient incentive to behaviour change	MEPC 81/INF.22 (Republic of Korea), MEPC 81/6/13 (RINA), MEPC 82/6/29 (IAPH) and MEPC 82/6/33 (China)	1 and 2	- Enhancement of the enforcement mechanism for CII - Improvement of the CII metric(s) - Other
7	CII does not sufficiently incentivize port call efficiency and solutions such as just-in-time (JIT) arrival of ships	MEPC 82/6/2 (ICS), MEPC 82/INF.26 (Republic of Korea and Pacific Environment) and MEPC 82/INF.32 (BIMCO)	1 and 2	- Improvement of the CII metric(s) - Revision of the CII reference lines (CII$_R$) - Other
8	CII ratings and DCS data are not accessible for analysis beyond Parties to MARPOL Annex VI	MEPC 82/6/26 (EDF)	1 and 2	- Provide anonymous, disaggregated ship-level DCS data to all delegations participating in the review of the short-term measure - Other
9	CII calculation might penalize self-unloading bulk carriers	MEPC 79/7/27 (ICS and INTERCARGO), MEPC 76/7/43 (INTERCARGO), MEPC 82/6/12 (ICS and INTERCARGO)	2	- Development of a dedicated reference line - Maintain current enforcement mechanism - Other
10	CII calculation might penalize geared bulk carriers	MEPC 80/6/3 (Liberia) and MEPC 82/6/34 (China)	2	- Correction factor - Revision of the CII reference lines (CII$_R$) - Other
11	CII calculation might penalize ships navigating in adverse weather	ISWG-GHG 12/2/2 (IPTA et al.), ISWG-GHG 12/2/3 (Malaysia et al.), ISWG-GHG 12/2/4 (Malaysia et al.)	2	- Correction factor - Revision of the CII reference lines (CII$_R$) - Maintain current enforcement mechanism - Other

Raised concerns grouped into 21 different challenges



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12	CII calculation might penalize ships using bow thrusters	MEPC 82/6/11 (ICS)	2	- Correction factor - Revision of the CII reference lines (CII$_R$) - Maintain current enforcement mechanism - Other
13	CII calculation might impact ballast voyages	MEPC 77/7/14 (Norway), MEPC 80/INF.28 (Republic of Korea), MEPC 81/INF.31, MEPC 81/INF.32 (INTERCARGO) and MEPC 82/6/36 (Argentina et al.)	2	- Improvement of the CII metric: EEOI - Retain AER/cgDIST/Revision of the CII reference lines (CII$_R$) - Maintain current enforcement mechanism - Other
14	CII calculation might penalize ships equipped with inert gas generator	MEPC 80/6/5 (India)	2	- Correction factors for specific ship types: tankers - Revision of the CII reference lines (CII$_R$) - Maintain current enforcement mechanism - Other
15	CII might penalize ships carrying refrigerated cargo below deck	MEPC 79/7/15 (Bahamas and ICS)	2	- Correction factors for specific ship types: refrigerated cargo carriers - Revision of the CII reference lines (CII$_R$) - Maintain current enforcement mechanism - Other
16	CII calculation might penalize steam driven LNG carriers compared to engine driven LNG carriers	MEPC 79/7/1 (INTERTANKO) and MEPC 79/7/2 (INTERTANKO), ISWG-GHG 12/2/3 (Malaysia et al.), MEPC 79/7/16 (ICS and INTERTANKO), MEPC 79/7/2 (INTERTANKO), MEPC 81/6/17 (India), MEPC 82/6/3 (SIGTTO), MEPC 82/6/30 (Liberia), MEPC 82/INF.10 (SIGTTO) and MEPC 82/INF.45 (Liberia)	2	- Correction factor - Revision of the CII reference lines (CII$_R$) - Recalculation of CII reference lines - Maintain current enforcement mechanism - Other

MEPC 82/WP.8

MEPC 82/WP.8
Annex 5, page 5

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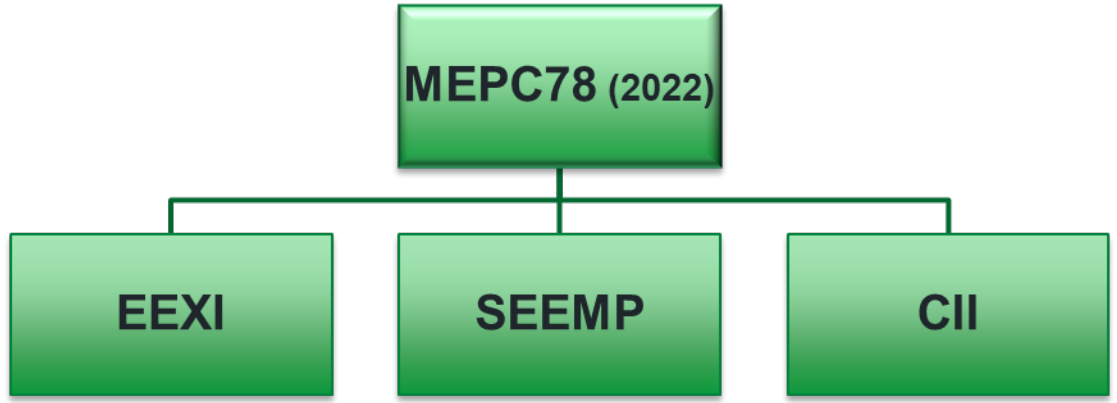
17	CII calculation might penalize ro-ro cargo and ro-ro passenger ships	MEPC 81/6/15 (INTERFERRY)	2	- Improvement of the CII metric - Correction factor - Revision of the CII reference lines (CII$_R$) - Maintain current enforcement mechanism - Other
18	CII reference line does not accurately reflect smaller LNG carriers	MEPC 82/6/3 and MEPC 82/INF.10 (SIGTTO)	2	- Exemptions for certain ship types - Revision of the CII reference lines (CII$_R$)/Maintain current enforcement mechanism - Other
19	CII might overlap with the basket of midterm measures	MEPC 81/6/18 (WWF et al.), MEPC 82/6/42 (CSC) and MEPC 82/6/21 (RINA)	2	- Replace the current CII metric by an energy-based CII metric (in MJ/tonne.nm) - Other
20	CII does not address fuel emissions on their full life cycle	ISWG-GHG 16/5 (EDF) and MEPC 82/6/16 (WSC)	2	- Include a reference to the LCA Guidelines in the CII calculation formula - Other
21	CII does not allow for pooling	ISWG-GHG 12/2/2 (IPTA et al.), MEPC 79/7/1 (INTERTANKO), MEPC 82/6/24 (INTERFERRY) and MEPC 82/6/41 (CLIA)	2	- Develop a fleet-based CII calculation framework - Other

INTERFERRY

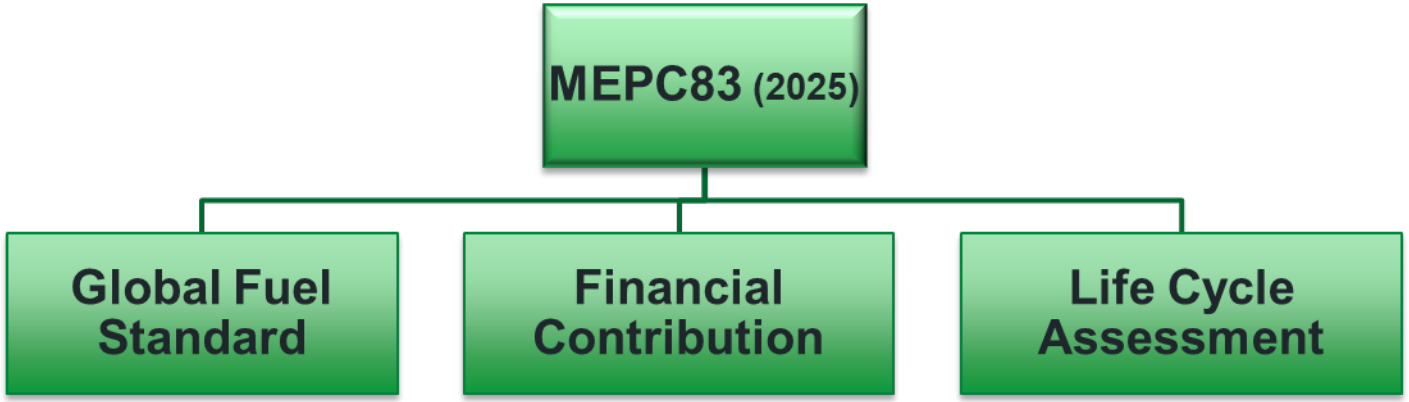
5. Key Issues:
IMO Mid-term Measures

INTERNATIONAL MARITIME ORGANIZATION

Short-term measures
2023 -



Mid-term measures
2027 -



INTERFERRY

5. Key Issues:
IMO Goal based Fuel Standard

- Ships have to, over time, increasingly use fuels that emit fewer Well-to-Wake (WtW) GHG emissions
- Ship's attained Greenhouse Gas Fuel Intensity (GFI) is compared with required GFI
- A Flexibility Mechanism is introduced, allowing under- and overperformance on fuel GHG intensity (~pooling)

$$GFI_{attained} = \frac{\sum_{j=1}^{J} GHG_{wtw,j} \times E_j}{\sum_{f=1}^{F}(M_f \times LCV_f) + \sum_{k=1}^{K} E_k + \sum_{c=1}^{C} P_C}$$

where:

.1 j is the fuel or energy source type;

.2 J is the total number of different fuel or energy source types used during the compliance period, as reported under IMO DCS;

.3 f is the fuel type;

.4 F is the total number of different fuel types used during the compliance period, as reported under IMO DCS;

.5 M_f is the mass (in metric tonnes) of fuel type f;

.6 LCV_f is the lower calorific value (in MJ/t) of fuel type f;

.7 k is the type of onboard non-fuel energy;

.8 K is the total number of different zero-emission on-board non-fuel energy sources used during the compliance period;

.9 E_k is the amount of effective energy (in MJ) from zero-emission energy type k delivered to the ship;

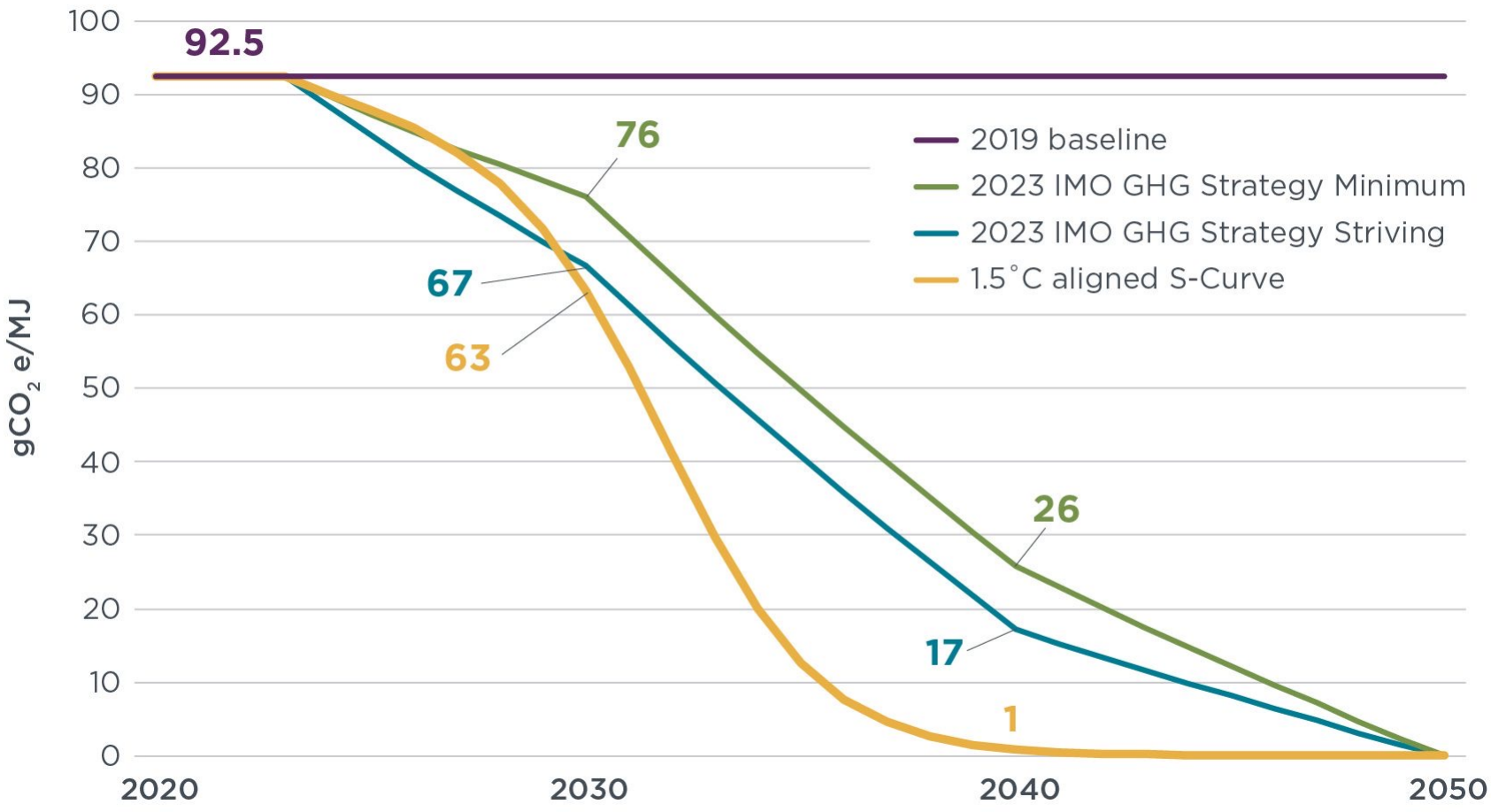
.10 c is the shoreside electricity supply point, including onshore-power supply or battery charging;

.11 C is the total number of shore-side electricity supply points;

.12 P_C is the amount of electrical energy (in MJ) supplied to a ship by shoreside electricity in point c.

Draft Guidelines ISWG-GHG 16/2/7

5. Regulatory Affairs Report:
IMO Goal based Fuel Standard



Source: ICCT - GFI trajectory that satisfies the targets in the 2023 IMO GHG strategy and an S-curve trajectory that would stay below the cumulative emissions limit for 1.5°C

- **Will the GFI be in sync with FuelEU?**
- **Will the Flexibility Mechanism help or hinder?**

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6. Regulatory Affairs Report:
Carriage of Electric Vehicles

SSE

IMO Ship Systems and Equipment have started looking into carriage of "new energy vehicles":

- *Identification of gaps in existing regulations*

Interferry has successfully engaged with SSE since 2017.

CCC

IMO Carriage of Cargo and Containers are more concerned with IMDG rules not reflecting the risks of carrying BEVs (in PCTCs), but we have to constantly remind them that there are different types of ro-ro ships

INTERFERRY

6. Regulatory Affairs Report:
Carriage of Electric Vehicles

CCC 10

an exemption for vehicles when stowed on roll-on/roll-off and vehicle spaces. In this provision, the requirement for the state of charge (SOC) of the battery, namely 30% if verified by the manufacturer or 25% otherwise, is added in square brackets. This part should be removed, at least for "in-use vehicles" and "hybrid vehicles". For those vehicles loaded on roll-on/roll-off passenger ships, it is practically impossible to adjust the state of charge of the battery to less than 25% before loading. Additionally, the battery of hybrid vehicles is normally controlled automatically to have a state of charge from 50% to 60% in use, and it is technically difficult to reduce the state of charge to less than 30%. Therefore, even if the proposed SP961 is to be finalized and agreed in general, still, the said SOC requirement should be removed, at least for "in-use vehicles" and "hybrid vehicles". In the last paragraph of the draft SP962 in document CCC 10/6/2, the

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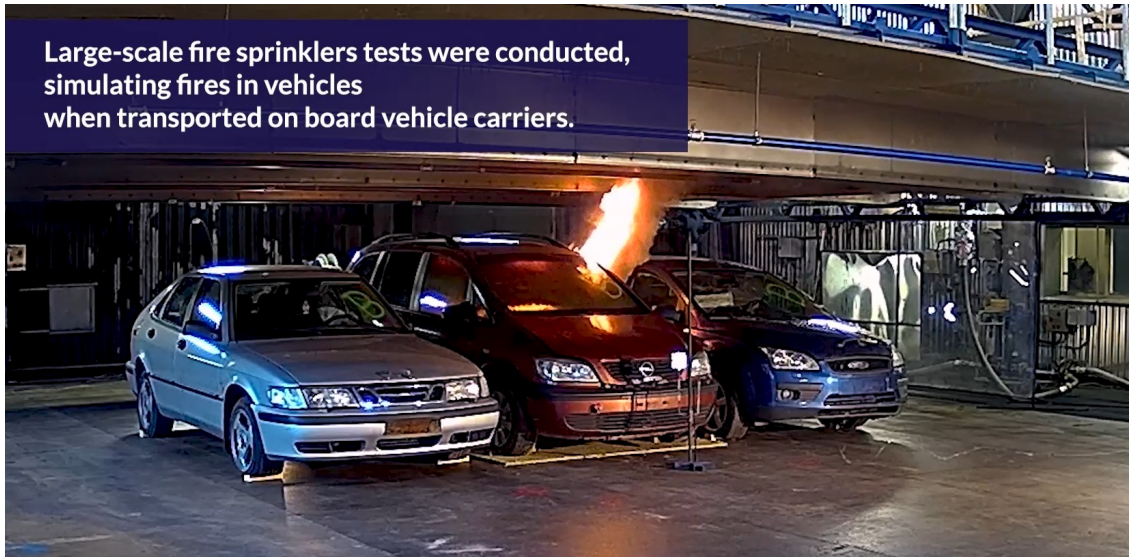
6. Regulatory Affairs Report:
Carriage of Electric Vehicles

LASH FIRE

Battery Electric Vehicles (BEV) pose a different, but not higher risk, than Internal Combustion Engine Vehicles (ICEV).

Ro-Ro and Ro-Pax have high-capacity drencher systems, which are capable of containing also a runaway li-ion battery fire



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REGULATORY PANEL

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