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ENERGY EFFICIENCY OF SHIPS

Comments on the application of the Interim Guidelines on Correction Factors and Voyage Adjustments for CII Calculations (G5) to oil tankers engaged in fuel oil supply to other ships

Submitted by INTERTANKO

SUMMARY

Executive summary: This document provides data to indicate that the current CII reference line is not adequate for small size oil tankers engaged in fuel supply to other ships. It is suggested that small tankers engaged in fuel supply operations should be exempted from the CII rating.

Strategic direction, if applicable: 3

Output: 3.2

Action to be taken: Paragraph 14

Related documents: Regulation 28 of MARPOL Annex VI; Resolution MEPC.352(78); Resolution MEPC.353(78)

Introduction

1. This document is submitted in accordance with the Organization and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies (MSC-MEPC.1/Circ.5/Rev.1) and comments on documents related.
2. The Organisation has rightly adopted levels of ambitions for reducing CO₂ emissions from ships. The requirement for annual reporting of the fuel consumption and activity by ships is a positive measure to monitor trends sources enabling informed decisions for a gradual reduction of the GHG emissions from shipping.
3. As adopted, Regulation 28 of MARPOL Annex VI provides a monitoring tool for GHG emissions from ships and sets a standard for their gradual reduction over the years. This is a simple way of describing the aim of the CII requirement and the concept behind the CII rating.
4. Like any regulation that aims to be inclusive and to cover all ship types and all ship sizes, the practical application of Regulation 28 of MARPOL Annex VI falls short for some atypical operational profiles of small tankers, above 5,000 GT, engaged in fuel oil supply to other ships.

5. The fuel oil supply operation cannot be defined as “transport work”, the concept behind the CII regulation. Consequently, it is impossible to ensure an equitable application of CII regulation to tankers engaged in fuel oil supply operating between nearby ports located in different countries.

6. Regulation 28 of MARPOL Annex VI mandates that each ship meets a required Carbon Intensity Index (CII) value as a metric to assess the annual CO₂ emissions of each ship versus the “transport work” ships deliver each year. Transport work is defined as the maximum deadweight of the ship multiplied by the total distance the ship covers during one calendar year. Based on the annual data reported, each ship is rated from A to E by comparing the ship’s *attained annual operational CII value*, to the *required CII value*.

7. The formula for CII required value for tankers is defined in in MEPC.353(78) (G2 Guidelines) $CII_{ref} = 5,247 * DWT^{-0.61}$, where the DWT represents the tankers’ maximum deadweight value at its summer draught. The formula to calculated *attained annual operational CII value* is defined in MEPC.352(78) (G1 Guidelines), $attaiend CII_{ships} = \frac{M}{CxD_t}$, in which *M* is the mass of CO₂ emissions, *C* is the ship’s maximum DWT and *D_t* is the total annual distance travelled by the ship as reported to IMO DCS.

8. Based on this formula, the *attained CII value* for each tanker is significantly dependent on the total annual fuel consumption and the total distance the ship covers each year. However, oil tankers engaged in fuel supply to other ships cannot be considered as doing “transport work”. Their specific operations imply frequent loading followed by supply of fuels to other ships waiting nearby. Therefore, these ships travel over very short distances and have long waiting times between these operations. Consequently, it is impossible to ensure an equitable application of CII regulation, particularly the application of the CII rating.

9. This submission explains the background of the problem and justifies the need to either review the scope of the application of the CII regulation for oil tankers engaged in fuel supply operations to other ships or exempt them from the CII rating.

Background information

10. Table 1 provides data on oil tankers larger than 5,000 GT which are solely engaged in supplying fuel oil to other ships. These ships operate between different ports located in different countries, meaning they cannot be seen having a domestic operation.

Ship	Built	GT (t)	DWT (t)
1	2010	5,581	7,267
2	2010	5,581	7,277
3	2010	5,424	7,535
4	2012	5,422	7,616

Table 1 – Data of oil tankers supplying fuels to other ships

11. Table 2 provides data with which the attained CII values were calculated for different periods of activity in 2022 and 2023. It is to be noted that except one, all ships are rated E. For the D rating, the attained CII value is very close to the D/E rating border.

12. The disadvantage of these ships relates to their type of operations. They do not perform “transport work” but they “supply” fuels to other ships. They do not undertake “voyages” but “move” over short distances between shore terminals and locations where other ships wait to

be supplied with fuel in ports or outside port areas. The total distances of ships used as examples in this submission are among the longest compared with typical similar tankers engaged in fuel supply. Therefore, they represent the best-case scenario. Due to their operational profile, such ships have no design or operational means to improve their rating.

Ship	Reporting period (dates)		D _{total} nm	Total fuel t	CII _{req.}	CII _{att.}	Rating
	From	To					
1	01/01/2022	31/12/2022	24,267	1,634	21.99	29.41	E
2	01/01/2022	31/12/2022	26,067	1,557	21.97	25.97	D
3	01/01/2022	31/12/2022	23,136	1,652	21.51	30.38	E
4	05/05/2022	31/12/2022	9,352	892	21.37	39.94	E
1	01/01/2023	31/12/2023	23,153	1,512	21.99	28.33	E
2	01/01/2023	31/12/2023	25,378	1,640	21.97	28.12	E
3	01/01/2023	31/12/2023	20,186	1,416	21.51	29.70	E
4	01/01/2023	31/12/2023	7,008	994	21.37	59.45	E

Table 2 – Results of application of the CII regulation to oil tankers supplying fuel oils

13. Table 3 provides additional data to explain why ships engaged in fuel supply operations cannot be rated better than E. In most of the cases, these ships spend more time at anchor and at berth than at sea. This means the substantial fuel consumption during the periods when ships are stationary creates an imbalance versus the total annual distance which is the cause of a poor rating.

Ship	Year	Hrs. underway	Days		% of total days of reporting period		
			at sea	at anchor	% at sea	% at anchor	% at berth
1	2023	3,619	151	180	41%	49%	10%
2		3,999	167	158	46%	43%	11%
3		4,251	177	61	48%	17%	35%
4		1,094	46	224	12%	61%	27%

Table 3 – Details of activities at sea and in port/waiting

Conclusion

14. Since the poor rating is due to long waiting times versus short distances ships move, there are no design or operational means to improve the rating. Therefore, it may become prohibitive for ships over 5,000 GT to be engaged in fuel oil supply. This would not result in improved efficiency or reduce the total CO₂ emissions as the demand for supply of fuel oil will still be the same or may increase. Consequently, INTERTANKO suggests that tankers whose sole activity is dedicated to fuel oil supply to other ships should continue to report their fuel consumption, distance and other relevant data but to be exempted from the CII rating requirement.

Action requested of the Committee

15. The Committee is invited to consider the suggested proposals in paragraph 15 and decide accordingly.