

SUB-COMMITTEE ON POLLUTION
PREVENTION AND RESPONSE
11th session
Agenda item 7

PPR 11/7/1
15 December 2023
Original: ENGLISH
Pre-session public release:

**EVALUATION AND HARMONIZATION OF RULES AND GUIDANCE ON THE
DISCHARGE OF DISCHARGE WATER FROM EGCS INTO THE AQUATIC
ENVIRONMENT, INCLUDING CONDITIONS AND AREAS**

Comments on proposals to prohibit the use of EGCS and their discharges.

Submitted by ICS

SUMMARY

Executive summary: This document provides additional information for consideration when discussing proposals regarding part 3 (regulatory matters) of output 1.23, which includes proposals to prohibit the use of EGCS and their discharges including in the Exclusive Economic Zone (EEZ), highlights the importance of implementing the *2022 Guidelines for risks and impact assessment of the discharge water from Exhaust Gas Cleaning System* (MEPC.1/Circ.899) and identifies ways to mitigate those risks through the review of the *2021 Guidelines for Exhaust Gas Cleaning Systems* (resolution MEPC.340(77)) before considering potential amendments to MARPOL Annex VI. The document also presents three proposals for consideration by the Sub-Committee in relation to future work on part 3 of this output.

*Strategic direction, 1
if applicable:*

Output: 1.23

Action to be taken: Paragraph15

Related documents: MEPC 78/9/3; MEPC 79/5/1, MEPC 79/5/3, MEPC 79/5/4, MEPC 79/INF.4; PPR 10/INF.3, PPR 10/INF.15; MEPC 80/5/5, MEPC 80/5/6 and MEPC 80/5/7

1 This document responds to the information presented in document MEPC 80/5/5 (Austria et al.) which advocates regulation of EGCS discharges in the EEZ as well as proposing draft regulatory amendments to MARPOL Annex VI.

Background

2 MEPC 80 agreed to refer documents MEPC 80/5/5 (Austria et al.), MEPC 80/5/6 (Japan) and MEPC 80/5/7 (Japan) to PPR 11 and instructed the PPR Sub-Committee to consider them further in conjunction with documents MEPC 78/9/3 (Germany), MEPC 79/5/1 (CESA), MEPC 79/5/4 (CESA) and MEPC 79/INF.4 (Kingdom of the Netherlands) with a view to advising the Committee accordingly (MEPC 80/17, paragraph 5.12).

3 Document MEPC 80/5/5 (Austria et al.), discussing part 3 (regulatory matters) of the scope of work of the output, provides draft amendments to MARPOL Annex VI, which is deemed to be developed based on the draft set out in annex 3 to document MEPC 76/9/2 (Austria et al.). The proposed draft new regulation 2.1 states that "a Party should regulate discharges of discharge water from compliant methods for emission reductions, as defined in regulation 2.1, from a ship in specific areas within the limits of its territorial sea, and may regulate in other sea areas under its jurisdiction beyond the territorial sea, in accordance with the guidelines to be developed by the Organization."

Discussion

4 It is noted that regulation 4 of MARPOL Annex VI provides that "The Administration of a Party may allow any fitting, material, appliance or apparatus to be fitted in a ship or other procedures, alternative fuel oils, or compliance methods used as an alternative to that required by this Annex if such fitting, material, appliance or apparatus or other procedures, alternative fuel oils, or compliance methods are at least as effective in terms of emissions reductions as that required by this Annex, including any of the standards set forth in regulations 13 and 14." Furthermore, the footnote to regulation 4 makes particular reference to the *2021 Guidelines for exhaust gas cleaning systems*. The use of EGCS is therefore accepted in MARPOL as an equivalent means to meet the sulphur oxides (SO_x) and Particulate Matter regulations as required by regulation 14 of MARPOL Annex VI.

5 In the run up to the implementation of the IMO 2020 0.50% sulphur limit, shipowners were encouraged and incentivized to choose EGCS as the preferred compliance method for both existing and new ships. As an example, the European Union (EU) awarded a grant^{*} totalling €48 million in 2015 to support the installation of EGCSs to meet the 0.50% sulphur limit. At that time, this grant was provided as a demonstration of the EU's commitment to reducing sulphur emissions from ships and was a significant step in assisting the industry in complying with the new regulation. The EU grant was part of a broader initiative to promote the use of EGCS in the maritime industry and encouraged investment in EGCS installations both within the EU and across the globe.

6 The Organization has initiated the output on "Evaluation and harmonization of rules and guidance on the discharge of discharge water from EGCS into the aquatic environment, including conditions and areas" which was tasked with analysing the issue and coming up with relevant solutions. However, it is noted that some ports have gone one step ahead of the Organization and prohibited the use of EGCS within their limits. EGCS use has become a subject of debate and scrutiny, with some advocating for their use and others opposing it. However, there is still much uncertainty, and more research needs to be done to determine the effects of EGCS discharge water on the marine environment.

* 'Interferry members win EU aid for scrubber projects' (2015) SAFETY4SEA, 30 July. Available at: <https://safety4sea.com/interferry-members-win-eu-aid-for-scrubber-projects/> (Accessed: 3 September 2023).

7 Document MEPC 80/5/5 recommends prohibiting EGCS discharges in EEZ and amending MARPOL Annex VI to regulate "discharge water" from EGCS. There are other recent submissions to the Organization, such as document MEPC 79/5/3 (FOEI et al.) calling for a prohibition on the use of EGCS, citing inconsistencies with UNCLOS provisions. ICS believes that decisions to regulate the use of EGCS or EGCS discharges, should be evidence and data science based. In this regard, the *2022 Guidelines for risk and impact assessments of the discharge water from exhaust gas cleaning systems* (MEPC.1/Circ.899) should be implemented.

Measured approach

8 ICS considers that a measured approach that analyses EGCS discharges, including through the implementation of MEPC.1/Circ.899, is more effective and aligned with IMO processes than blanket bans (prohibition of EGCS use and regulation of EGCS discharges, including MARPOL Annex VI amendment).

9 If the need to improve the quality of EGCS discharges is identified through the accumulated scientific data and analysis, it is proposed to mitigate discharge risks through the existing regulatory framework, i.e. update and revise the discharge water quality criteria in the latest guidelines for EGCS (resolution MEPC.340(77)) instead of introducing new amendments to MARPOL Annex VI

Existing ships

10 Ships that have installed EGCS equipment in line with the existing regulation and in good faith should be allowed to use them without being penalized in any way. Penalizing existing EGCS installations that were installed in accordance with regulations will create a bad precedent for many ships that were early adopters of the technology when they made these investments relying on encouragement, approval, and in many cases encouragement and financial assistance, from maritime administrations.

11 The shipping industry is at a crossroads with regard to the reduction of GHG emissions from the sector. The 2023 IMO GHG Strategy including the target to achieve net-zero by around 2050 and the ambitious 2030 and 2040 targets will encourage shipowners and operators to invest in alternative zero- and near-zero GHG fuels and technologies. Retroactively applying restrictive measures on previously accepted emission abatement technologies like EGCS will set a very bad precedent for early movers investing in low- and zero-GHG ships, who are already dealing with uncertainties regarding the global availability of their chosen alternative fuel option and the cost implications of taking up new fuels and technologies. This would lead to a complete loss of trust in the Organization's process.

12 It is also noted that an amendment to MARPOL Annex VI would take a considerable amount of time and effort. The shipping industry has already begun using low-carbon fuel options such as biofuels. Considering the aforementioned ambitious mid- and long-term targets set by the Organization, the Sub-Committee is invited to consider whether by the time any new regulations on EGCS are adopted, the industry will already have moved on to alternative fuel and technology options.

New ships

13 A comprehensive solution should be developed to address the unique needs of new EGCS installations. ICS believes that, in order to address concerns regarding EGCS discharges and encourage manufacturers to innovate and make further advances in EGCS technology, the Sub-Committee could initiate work to review the discharge water quality criteria in section 10 of the *2021 Guidelines for Exhaust Gas Cleaning Systems* (resolution MEPC.340(77)) in accordance with the latest scientific understanding.

Proposal

14 On the basis of the discussion presented in the paragraphs above, the Sub-Committee is invited to consider the following proposals:

- .1 ensure that existing ships that have already installed EGCS equipment in accordance with the relevant regulatory requirements are not penalized;
- .2 invite Parties to MARPOL Annex VI that have implemented restrictions to support their decisions by implementing the *2022 Guidelines for risks and impact assessment of the discharge water from EGCS* (MEPC.1/Circ.899); and
- .3 consider revising and updating the *2021 Guidelines for Exhaust Gas Cleaning Systems* (resolution MEPC.340(77)) with a particular focus on section 10, discharge water quality criteria, if the implementation of *2022 Guidelines for risks and impact assessment of the discharge water from EGCS* (MEPC.1/Circ.899) determines that there is evidence that EGCS discharge quality must be improved to prevent environmental harm.

Action requested of the Sub-Committee

15 The Sub-Committee is invited to consider this document, in particular the proposals contained in paragraph 14, and take action as appropriate.
