American Club Member Alert – April 16, 2019

MEMBER ALERT

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IMO GUIDANCE ON IMPLEMENTATION PLAN FOR COMPLIANCE WITH 0.50% SULFUR LIMIT UNDER MARPOL ANNEX VI

Your Managers would like to draw your attention to the International Maritime Organization (IMO) guidance as set forth in the annex to the attached document MEPC.1/Circ.878, Guidance on the Development of a Ship Implementation Plan for the Consistent Implementation of the 0.50% Sulphur Limit Under MARPOL Annex VI.

While there currently is no mandatory requirement to have an implementation plan, Port State Control authorities may likely take the status of any plan—or lack thereof—into consideration when verifying compliance after January 1, 2020.

It is therefore recommended that vessels have one in place, based on the template recommended in the Guidance.

In light of these developments, surveyors who are performing condition surveys will be instructed to determination the status of the ship's implementation plan in preparation for the implementation date of January 1, 2020.



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MEPC.1/Circ.878 9 November 2018

GUIDANCE ON THE DEVELOPMENT OF A SHIP IMPLEMENTATION PLAN FOR THE CONSISTENT IMPLEMENTATION OF THE 0.50% SULPHUR LIMIT UNDER MARPOL ANNEX VI

- 1 The Marine Environment Protection Committee, at its seventy-third session (22 to 26 October 2018), approved the *Guidance on the development of a ship implementation plan for the consistent implementation of the 0.50% sulphur limit under MARPOL Annex VI*, as set out in the annex.
- 2 Member Governments are invited to bring the annexed Guidance to the attention of their Administration, industry, relevant shipping organizations, shipping companies and other stakeholders concerned.



ANNEX

GUIDANCE ON THE DEVELOPMENT OF A SHIP IMPLEMENTATION PLAN FOR THE CONSISTENT IMPLEMENTATION OF THE 0.50% SULPHUR LIMIT UNDER MARPOL ANNEX VI

Introduction

- 1 MEPC 70 agreed to "1 January 2020" as the effective date of implementation for ships to comply with global 0.50% m/m sulphur content of fuel oil requirement and adopted resolution MEPC.280(70) on the *Effective date of implementation of the fuel oil standard in regulation 14.1.3 of MARPOL Annex VI*¹.
- In this context, MEPC 73 agreed that Administrations should encourage ships flying their flag to develop implementation plans, outlining how the ship may prepare in order to comply with the required sulphur content limit of 0.50% by 1 January 2020. The plan could be complemented with a record of actions taken by the ship in order to be compliant by the applicable date.
- Regulation 18.2.3 of MARPOL Annex VI requires a Party to take into account all relevant circumstances and the evidence presented to determine the action to take, including not taking control measures. Administrations and port State control authorities may take into account the implementation plan when verifying compliance with the 0.50% sulphur limit requirement.
- 4 A ship implementation plan is not a mandatory requirement. A lack of a ship implementation plan or an incomplete ship implementation plan should not be considered as "clear grounds" for a more detailed inspection.

Ship implementation plan for the consistent implementation of 0.50% sulphur limit under MARPOL Annex VI

- 5 The ship implementation plan for 2020 could cover various items relevant for the specific ship, including, as appropriate, but not limited to:
 - .1 risk assessment and mitigation plan (impact of new fuels);
 - .2 fuel oil system modifications and tank cleaning (if needed);
 - .3 fuel oil capacity and segregation capability;
 - .4 procurement of compliant fuel:
 - .5 fuel oil changeover plan (conventional residual fuel oils to 0.50% sulphur compliant fuel oil); and
 - .6 documentation and reporting.

¹ Amendments to regulation 14.1.3 of MARPOL Annex VI were adopted by MEPC 73 (October 2018).

Issues relating to use of sulphur compliant fuel oil

- All fuel oil supplied to a ship shall comply with regulation 18.3 of MARPOL Annex VI and chapter II/2 of SOLAS. Furthermore, ship operators could consider ordering fuel oil specified in accordance with the ISO 8217 marine fuel standard. The following potential fuel-related issues may need to be assessed and addressed by ships in preparation for and implementation of the 0.50% sulphur limit requirement:
 - .1 technical capability of ships to handle different types of fuel (e.g. suitability of fuel pumps to handle both higher and lower viscosity fuels, restrictions on fuels suitable for use in a ship's boilers, particularly the use of distillate fuels in large marine boilers);
 - .2 compatibility of different types of fuels e.g. when paraffinic and aromatic fuels containing asphaltenes are commingled in bunkering or fuel oil changeover;
 - .3 handling sulphur non-compliant fuels in the event of non-availability of sulphur compliant fuels; and
 - .4 crew preparedness including possible training with changeover procedures during fuel switching from residual fuel oil to 0.50% compliant fuel oils.
- The ship implementation plan could be used as the appropriate tool to identify any specific safety risks related to sulphur compliant fuel oil, as may be relevant to the ship, and to develop an appropriate action plan for the Company to address and mitigate the concerns identified. Examples should include:
 - .1 procedures to segregate different types of fuel and fuels from different sources;
 - .2 detailed procedures for compatibility testing and segregating fuels from different sources until compatibility can be confirmed;
 - .3 procedures to changeover from one type of fuel to another or a fuel oil that is known to be incompatible with another fuel oil;
 - .4 plans to address any mechanical constraints with respect to handling specific fuels, including ensuring that minimum/maximum characteristics of fuel oil as identified in ISO 8217 can be safely handled on board the ship; and
 - .5 procedures to verify machinery performance on fuel oil with characteristics with which the ship does not have prior experience.
- A ship implementation plan for the consistent implementation of the 0.50% sulphur limit under MARPOL Annex VI is recommended to be developed based on the indicative example as set out in appendix 1.
- 9 The plan could take into account the issues identified in:
 - .1 appendix 2: additional guidance on development of ship implementation plan (impact on machinery systems); and
 - .2 appendix 3: additional guidance on development of ship implementation plan (tank cleaning).

APPENDIX 1

INDICATIVE EXAMPLE FOR SHIP IMPLEMENTATION PLAN FOR ACHIEVING COMPLIANCE WITH THE 0.50% SULPHUR LIMIT ENTERING INTO FORCE ON 1 JANUARY 2020 USING COMPLIANT FUEL OIL ONLY

Particu	iars or s	mp		
	1.	Name of ship:		
	2.	Distinctive number or letters:		
	3.	IMO Number:		
Plannir	ng and p	reparation (before 1 January 2020)		
1	Risk assessment and mitigation plan			
	1.1 1.2	Risk assessment (impact of new fuels): YES/NO Linked to onboard SMS YES/NO		
2	Fuel oi	system modifications and tank cleaning (if needed)		
	2.1	Schedule for meeting with manufacturers and/or classification societies:		
	2.2	Structural Modifications (installation of fuel oil systems/tankage) required: YES/NO/NOT APPLICABLE		
	If YES,	then:		
	2.2.1	Fuel oil storage system:		
	Description of modification:			

Estimated date of completion of modification: 2.2.2 Fuel transfer, filtration and delivery systems: Description of modification:
2.2.2 Fuel transfer, filtration and delivery systems:
2.2.2 Fuel transfer, filtration and delivery systems:
2.2.2 Fuel transfer, filtration and delivery systems:
2.2.2 Fuel transfer, filtration and delivery systems:
Description of modification:
Details of yard booking (as applicable), time schedules etc.:
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Estimated date of completion of modification:
2.2.3 Combustion equipment:
Description of modification:
Details of yard booking (as applicable), time schedules etc.:
Estimated date of completion of modification:

2.3	2.3 Tank cleaning required: YES/NO/NOT APPLICABLE				
If YES	S, then:				
	ls of cleaning schedule (including, yard booking, time schedules etc., if cable):				
Estim	ated date of completion of cleaning:				
Fuel	Fuel oil capacity and segregation capability:				
Follo	wing any required modifications as per Section 2:				
3.1	Expected number of bunker tanks designated to store 0.50% sulphur compliant fuel oil:				
3.2	Expected total storage capacity (m³) for 0.50% sulphur compliant fuel oil:				
3.3	Expected number of bunker tanks designated to store 0.10% sulphur compliant fuel oil:				
3.4	Expected total storage capacity (m³) for 0.10% sulphur compliant fuel oil:				
3.5	Approximate total fuel oil content (m³) in the fuel oil transfer, purification and delivery systems:				
Proc	urement of compliant fuel oil				
4.1	Details of fuel purchasing procedure to source compliant fuels, including procedures in cases where compliant fuel oil is not readily available:				
4.2	Estimated date for bunkering compliant fuel oil, not later than 24:00hrs 31 December 2019:				
4.3	If fuel arranged by charterer, is there an intention to accept charter party contracts that do not have a specified obligation to provide compliant fuel oil after 1 June 2019 or other date to be identified: YES/NO				

3

4

5

5.2

5.3

5.4

If YES, then:			
		of alternate steps taken to ensure that the charter party provides timely of compliant fuel:	
		Is there confirmation from bunker supplier(s) to provide compliant fuel oil or the specified date: YES/NO	
	If NO, th	en: of alternate steps taken to ensure timely availability of compliant fuel oil:	
	4.5	Details of arrangements (if any planned) to dispose of any remaining non-compliant fuel oil:	
	Fuel oil	changeover plan	
	5.1	Consider whether a ship-specific fuel changeover plan is to be made available. The plan should include measures to offload or consume any remaining non-compliant fuel oil. The plan should also demonstrate how the ship intends to ensure that all its combustion units will be using compliant fuel oil no later than 1 January 2020.	

changeover procedure. If this cannot be confirmed, then consider whether there is a sufficient amount of time dedicated for ship-specific familiarization and training of new officers and crew.

As per the ship-specific fuel changeover plan, the maximum time period required to changeover the ship's fuel oil system to use compliant fuel oil at

Expected date and approximate time of completion of the above-mentioned

Consider availability of adequately trained officers and crew familiar with the ship's fuel system and fuel changeover procedures to carry out the fuel oil

all combustion units:

changeover procedure:

6 Documentation and reporting

- 6.1 If there are modifications planned as per section 2, related documents including the shipboard fuel oil tank management plans and stability and trim booklets should be consequently updated.
- 6.2 The implementation plan could be kept on board and updated as applicable.
- 6.3 If when following the implementation plan the ship has to bunker and use non-compliant fuel oil due to unavailability of compliant fuel oil safe for use on board the ship, steps to limit the impact of using non-compliant fuel oil could be:

6.4 The ship should have a procedure for Fuel Oil Non-Availability Reporting (FONAR). The master and chief engineer should be conversant about when and how FONAR should be used and who it should be reported to.

APPENDIX 2

ADDITIONAL GUIDANCE FOR DEVELOPMENT OF THE SHIP IMPLEMENTATION PLAN (IMPACT ON MACHINERY SYSTEMS)

- 1 Ships are advised to assess potential impact on machinery systems with the use of distillates and fuel oil blends and prepare ships in consultation with chief engineers, equipment manufacturers and suppliers.
- The ship tank configuration and fuel system may require adjustments. A fully segregated fuel system for distillate fuels and blended fuels is recommended because they may require special attention. Ship tank configuration and segregated fuel system will also allow for better management of potentially incompatible fuels.

Distillates

3 If distillates have been chosen as the option for compliance the following may be considered:

- a decrease in fuel oil viscosity may cause an increase in fuel oil leakage between the fuel pump plunger and barrel of diesel engines. Internal leakages in the fuel injection system may result in reduced fuel pressure to the engine, which may have consequences for the engine performance (e.g. starting of the engine). Equipment makers' recommendations should be consulted, and adequate testing, maintenance and possible installation of coolers etc. may be performed;
- .2 shipowners may also consider installing fuel pumps and injection nozzles, suitable to fuel oil with low viscosity. Fuel oil with too low viscosity may lead to increased wear or seizure of fuel oil pumps. Engine and boilermakers should be consulted to ensure its safe and efficient operation. Implications for validity of NO_x certification (EIAPP Certificate) should be considered;
- .3 while some compliant fuels may not require heating, others, including some distillates, will require heating. It would therefore be prudent to review heating arrangements for distillate fuels on board and, where appropriate, maintain the existing heating arrangements; and
- in some locations, bunker suppliers may only be able to offer automotive diesel fuel containing biodiesel (FAME) in accordance with the ISO 8217-2017 Standard which provides a marine biodiesel specification (DFA/DFB) with up to 7.0% by volume of FAME. CIMAC has provided a "Guideline for Ship Owners and Operators on Managing Distillate Fuels up to 7.0 % v/v Fame (Biodiesel)".²
- In view of paragraph 3.3 manufacturers of engines and equipment such as oily water separators, overboard discharge monitors, filters and coalescers, etc. need to be consulted to confirm ability to handle biodiesel blends up to 7% v/v.
- Also, some parts of the fuel oil supply system, i.e. fuel pumps, pipefittings and gaskets may need to be overhauled to ensure integrity.

² https://www.cimac.com/cms/upload/workinggroups/WG7/CIMAC_WG7_Guideline_for_Ship_Owners_and_Oper ators_on_Managing_Distillate_Fuels_May_2013.pdf

Blended residual fuels

- New blended 0.50% sulphur fuel oil as and when offered could provide an alternative to conventional distillate fuel such as Marine Distillate Fuel.
- When using such new blended sulphur fuel oils, the technical specification of such fuels are (a) either within the limits specified by ISO 8217 or are (b) issued with formal documentation indicating no objection to its use by the engine/boiler makers.
- 8 Before purchasing a new fuel oil product, operators should carefully consider the specific technical and operational challenges that this type of fuel oil may have and, where necessary, contact the fuel oil supplier or Original Equipment Manufacturer (OEM) for the considerations to be made to ensure safe operation.
- 9 Densities of these fuel oils are in general lower than conventional residual fuel oils. This may require adjustment of centrifuges to ensure adequate cleaning of the fuel oil.

Cold flow

- 10 Since most distillate fuels do not require heating (in fact, typically, heating is not recommended due to the low viscosity of these products), the fuel's cold flow properties become a potential handling/storage challenge, especially when operating in colder regions.
- 11 It is however possible to successfully manage cold flow properties through good fuel management, from procurement to technical operation, by considering the following:
 - .1 where the ship will be operating;
 - .2 where the risk is higher of getting fuels with poor cold flow properties;
 - .3 can the required cold flow properties be specified in the fuel contract;
 - .4 what is the actual low-temperature flow properties of the bunkered fuel; and
 - which actions have to be taken in order to safely consume the bunkered fuel (e.g. tank and filter heating).

APPENDIX 3

ADDITIONAL GUIDANCE FOR DEVELOPMENT OF THE SHIP IMPLEMENTATION PLAN (TANK CLEANING)

Introduction

- 1 Most ships will have been using high viscosity high sulphur fuel oil (HSFO) based primarily on residual fuel oils. Such fuels tend to adhere to the inside of fuel tanks forming layers of semi-solid substances containing sediments and asphaltenic sludge; such residues will also typically have solidified and settled in various parts of the fuel oil service system including pipelines, settling and service tanks.
- The ship operator may choose to clean the fuel oil tanks of these residues before loading compliant fuel prior to 1 January 2020 based on the following considerations.
- Some of the fuels complying with the 0.50% sulphur limit are expected to be very paraffinic due to crude sources of blending components and also a high content of distillate components. If such fuels are loaded into HSFO fuel tanks that have not been cleaned, there is a possibility that they could dissolve and dislodge sediments and asphaltenic sludge in storage tanks, settling tanks and pipelines, potentially leading to purifier and filter operational issues and in extreme cases fuel starvation resulting in loss of power.
- 4 Alternatively, ships have been using ship specific changeover procedures to effectively and safely load on top of existing fuel oil and gradually flushing through the fuel system until the sulphur content in the fuel oil is at a compliant level.
- 5 Should the ship operator determine it is appropriate to clean the ship's fuel oil tanks and system, the following considerations may need to be taken into account when making arrangements for tank cleaning.

Options for tank cleaning, approximate timelines and considerations

- Fuel oil tanks are normally cleaned on a regular basis on ships to remove built-up sediments and sludge, usually during dry docking and whenever inspections of the fuel tanks are due. However, leading up to 1 January 2020, it would not be practicable for the majority of the global fleet that has been running on HSFO and decided to opt for tank cleaning to undergo dry docking during a very short period. Hence, other options for cleaning tanks and fuel oil systems during service may need to be considered.
- The time and work involved in cleaning HSFO tanks cannot be defined precisely, as it will vary depending on how long it has been since the last time the tanks were cleaned, the condition of the tank coating and the effectiveness of the cleaning process itself. The estimates in this document may err on the side of caution as it is almost impossible to pinpoint at what stage the ship's fuel oil system is sufficiently clean to guarantee compliance.

Manual cleaning during dry docking

- 8 Time required varies; it can be done in 2 to 4 days per tank. In addition to cleaning tanks, all of the pipework in the fuel oil service system needs to be flushed through. Overall, it may take 1 to 2 weeks.
- 9 A ship that has had all its fuel oil tanks and fuel system cleaned can start loading compliant fuels and expect to be fully compliant right away.

However, if only the tanks have been cleaned in dry dock, it could take 2 to 5 days to flush through the pipework in the fuel oil service system to ensure full compliance with the 0.50% sulphur limit.

Manual cleaning during service

- 11 If tanks are to be cleaned manually during service, risk assessment and safety measures are paramount; refer to IMO resolution A.1050(27) on *Revised recommendations* for entering enclosed spaces aboard ships.
- Time required will vary depending on tank size and the number of tanks, how long it has been since the last tank cleaning and the number of crew available to perform safe and complete tank cleaning operations. Tank cleaning can be performed by the ship's crew and/or by employing a riding crew for this purpose. It is always good practice to inspect the tank once cleaned to check its condition and to inspect heating coils, conduct pressure tests and undertake repairs as necessary.
- If the cleaning is done by the ship's existing crew, it would likely take a minimum of 4 days per tank. For an average tank, a week should be allowed. If employing a riding crew to clean the tanks, if working in shifts, it would likely take a minimum of 2 days to clean a tank, but 4 days per tank should be allowed.
- Tanks need to be empty before they can be cleaned, hence the time needed to drain tanks needs to be taken into account when estimating the overall time required.
- In addition to cleaning tanks, all of the pipework in the fuel oil service system needs to be flushed. Flushing the remaining pipework and fuel oil service system after all tanks have been cleaned could take another 1 to 2 days.
- The residues from tank cleaning should be retained on board until they can be disposed of correctly or disposed to shore reception facilities.

Cleaning tanks in service with specialized additives

As an alternative to manual cleaning, consideration can be given to gradually cleaning the sediments and asphaltenic sludge from HSFO tanks and fuel systems by dosing additives. There are successful examples of this approach for ships that needed to reallocate HSFO tanks to fuels complying with the 0.10% sulphur limit that took effect in ECAs in 2015.

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