

ABS REGULATORY NEWS

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PROHIBITION ON THE USE AND CARRIAGE FOR USE AS FUEL OF HEAVY FUEL OIL BY SHIPS IN ARCTIC WATERS

This regulatory news update provides guidance on the ban on HFO in Arctic waters which entered into force on 1 July 2024.

BACKGROUND

The IMO has adopted additional regulations limiting heavy fuel oil (HFO) use in Arctic waters. Previously, there were no regulations related to fuel use and carriage in the Arctic region. However, as shipping traffic and resource exploration activities increase in the Arctic, more heavy fuel oil has been utilized by vessels sailing in Arctic waters. Burning of HFO has a negative impact on the Arctic due to black carbon emissions. Also, if HFO were to be accidentally discharged into the marine environment, it would be challenging to clean up due to the remoteness of the region, harsher climate and lack of resources. In 2022, IMO MARPOL Annex I was amended to prohibit ships from using or carrying HFO as fuel in Arctic waters from 1 July 2024. However, some exemptions allow the use of HFO until 1 July 2029. This new regulation aims to further safeguard Arctic marine ecosystems from potential harm originating from HFO. Exceptions are included for ships engaged in securing the safety of ships or in search and rescue operations, ships dedicated to oil spill preparedness and response, or vessels compliant with regulation 12A of MARPOL Annex I or regulation 1.2.1 of chapter 1 of part II-A of the Polar Code. Coastal states with Arctic shorelines may also temporarily permit their flagged vessels to continue operations locally while transitioning fuel supplies.

Heavy fuel oil is defined by the IMO as any oil — that is not crude oil — with the following characteristics:

1. Density > 900 kg/m³ at 15°C; or
2. Kinematic viscosity > 180 mm²/s at 50°C.

The boundaries for Arctic waters as defined by Regulation 46.2 of MARPOL Annex I Chapter 11 can be found in Figure 1.

KEY NOTES

Application

The ban of HFO in Arctic waters applies to:

- *All ships entering Arctic waters from 1 July 2024.*
- *Vessels engaged in securing safety of ships, search and rescue, or oil spill response are exempt until 1 July 2029.*
- *Vessels that comply with Regulation 12A of MARPOL Annex I or regulation 1.2.1 of chapter 1 of Part II-A of the Polar Code are exempt until 1 July 2029.*
- *Vessels are not required to clean and flush out fuel tanks or pipelines, even if HFO was previously used.*

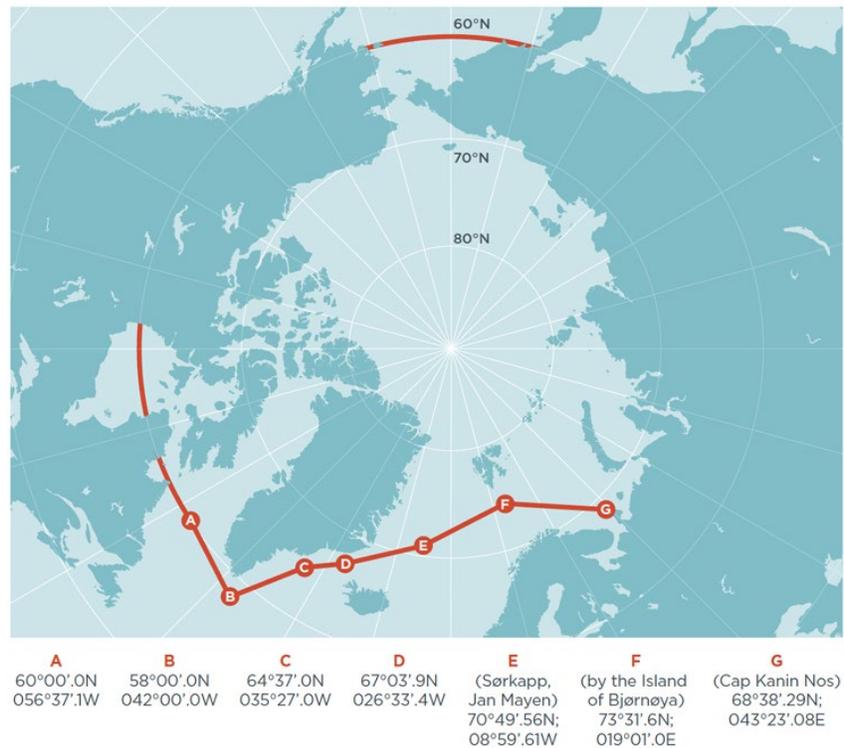


Figure 1. Map of the Arctic Zone as described by the IMO.

EXEMPTIONS

The new regulations set forth in MARPOL Annex I Regulation 43A became applicable starting 1 July 2024 and applies to all vessels operating in Arctic waters. Vessels exempt from this ban may continue the use and carry heavy fuel oils until 1 July 2029, at which point all vessels must comply.

Vessels that are exempt from this ban until 1 July 2029 must claim at least one of the following criteria:

1. The vessel is primarily engaged in security, search and rescue, or oil spill preparedness and response.
2. Ships complying with Regulation 12A of MARPOL Annex I or Regulation 1.2.1 of Chapter 1 of Part II-A of the Polar Code.
3. While operating in Arctic waters subject to the jurisdiction of a sovereign nation, the vessel has obtained a temporary exemption waiver. This waiver may only be issued to vessels flying the flag of the issuing country.

These exceptions and waivers are valid until 1 July 2029, regardless of the date of issuance of the exception or waiver.

CANADA SPECIFIC EXEMPTIONS

1. Canadian vessels engaged in marine resupply voyages for at least 75 percent of their annual voyages can apply to Transport Canada (TC) for a temporary two-year exemption.
2. Canadian vessels constructed before the effective dates of the requirements of Regulation 12A of Annex I or Regulation 1.2.1 of Chapter 1 of Part II-A of the Polar Code but do meet the oil tank design standards of the relevant regulation have the option to comply as of 1 July 2029, provided they apply to TC for a temporary exemption to prove they meet the equivalent level of tank protection.

ACTIONS FOR COMPLIANCE

MARPOL Annex I Chapter 9 has been amended as per Resolution MEPC.329(76) with the addition of a new Regulation 43A that outlines the details of the Arctic ban of heavy fuel oil. The following actions are recommended for compliance:

1. Owners and operators are advised to review fleet and voyage plans to identify vessels impacted by the regulation. Consider the vessel types exempt from this ban when reviewing fleets. It is important to also consider routes and logistics for voyages. Those vessels where compliance is more difficult may consider taking alternative routes outside of the Arctic if possible. Compliance could necessitate planning fuel bunkering stops for Arctic transits.
2. Alternatives to heavy fuel oil should be assessed, such as compliant distillate fuels. Allow sufficient time to order and obtain approved fuels for Arctic voyages. Modifications may also need to be implemented to storage and fuel supply systems if they were previously only designed for heavy fuel oil.
3. All crew should receive training on proper management and safety procedures for new fuel types. Vessel operators should be fully informed of the dangers and proper operation of vessels with fuel types they are not accustomed to.
4. Shipowners may retrofit vessels or strategically deploy compliant ships to affected trades. Documentation is also needed to prove regulatory compliance during Port State Control inspections. Close monitoring of expanding requirements to 2029 will help ensure smooth transitions for all vessels.

REFERENCES

Document	Title
MEPC.329(76)	Resolution MEPC.329(76)
European Climate Foundation brief	Figure 1. image



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