

## **TASKFORCE 4<sup>1</sup>: Best practices on backward assessment of Monitoring Plans (MP)**

### **A. Introduction**

This document provides guidance on how to deal with backward assessment of monitoring plans when ships sail to any EU port of call for the first time after 31<sup>st</sup> August 2017 and did not submit a monitoring plan within the deadline because they did not foresee such voyage/s.

### **B. SCENARIOS**

The scenarios below depict three situations for which that have not submitted a monitoring plan to the “verifiers” by 31 August 2017. While the Group acknowledges that other scenarios may exist, the list below relates to three most common cases.

#### **1. Late submission of the Monitoring Plan (MP)**

Article 6.1 of Regulation (EU) 2015/757 prescribes that “by August 2017, companies shall submit to the verifiers a monitoring plan for each of their ships”. Verifiers and companies will have sufficient time to assess compliance of the monitoring plans and companies will be ready for monitoring as of 1 January 2018. Although majority of companies are expected to comply, experience from other schemes shows that a few may be late. These companies will be non compliant if they do not fall within scenario 2 and 3 below.

Consequences of non compliance are not covered by this guidance document.

#### **2. First trip into EU: first time part of scheme (“newcomer”)**

Article 6.2 of Regulation (EU) 2015/757 derogate from Article 6.1 prescribing that “for ships falling under the scope of this Regulation for the first time after 31 August 2017, the company shall submit a monitoring plan to the verifier without undue delay and no later than two months after each ship's first call in a port under the jurisdiction of a Member State”.

*Note that within the working group clarification was asked on what is meant with the vessels falling under the scope of the regulation for ‘the first time after 31 August 2017’ as the regulation requires monitoring for in scope voyages performed as from 1<sup>st</sup> January 2018 . Could this also apply for vessels that call EU ports occasionally after 31 August 2017 but before 1 January 2018? The first time for vessels in the sport market seems open to interpretations. This was discussed in the working group meeting of the 13<sup>th</sup> of February. Hence, if a ship intends to sail to or from a port of call under the jurisdiction of a Member State after 30<sup>th</sup> August and that intends to do it after 1st January 2018, falls in the category of Article 6.2.*

#### **3. Change of MRV Company for ships in compliance**

This scenario relates to Article 7.2 (a) and it prescribes that “Companies shall modify the monitoring plan where a change of company occurs. Changes in MRV companies may lead to several other changes with impacts on the monitoring plan: e.g. loss of data where IT systems are no longer available. Under these circumstances, the new MRV company shall seek approval of the modified monitoring plan without undue delay.

*The working group asked for clarifications as to whether the new MRV company is responsible for the annual emissions report. It was clarified that the new MRV company takes over monitoring and reporting responsibilities for the entire reporting year from the moment it owns the ship. As a best practice, it is recommended that ship’s purchase contracts include clauses whereby new MRV*

*companies have full access to MRV related data for the period prior to the change of ownership and that the previous MRV company ensures that data for the period prior to the change of ownership are complete and correct.*

In all scenarios the overarching issue relates to time as companies are required to start monitoring emissions and transport work without the support of an approved monitoring plan.

### **C. Lessons learned from other schemes and inputs from discussions within the working group**

Under Scenarios 2 and 3, the submission of the monitoring plan to the verifier shall be done without undue delay (Scenario 3) and no later than 2 months after the ship's first call in a port under the jurisdiction of a Member State (Scenario 2).

The development of the monitoring plan in a short period of time is possible where there is availability of data and estimation methodologies to fill in the data gaps.

#### 1. Availability of data

Do ships have readily available data on fuel used (divided per voyage and at berth); distance travelled; cargo, time spend at sea?. Sector experience shows that this is the norm. However, the data available may well not be in line with MRV requirements and it will require companies to rework/systematise the data available for EU voyages, cargo work, etc.

#### 2. Accuracy of data

The Regulation does not provide limits for accuracy for data. Verifiers' assessment focuses on data reliability and recommendations for improvements of accuracy can be made where appropriate.

#### 3. Data gaps

Where companies do not have sufficient data available, they will need to provide acceptable default factors for data gaps. As there is no one size fits all solution, each company will provide its own estimation method for data gaps. Estimation methods may include ship own values from past voyages, extrapolation, interpolation, sector information, tracking data bases, etc. Under these circumstances, the materiality threshold will be assessed by the verifier and could still lead to a qualified statement (positive).

The working group elaborated the following estimation methods suggestions:

##### i. *Estimation of fuel oil consumption*

The use of the engine power speed curves can yield a power-speed histogram. It is preferred to have the day split into more than one segment. The specific fuel oil consumption can then be estimated from the maker's curves. This exercise will define the propulsion related fuel consumption. It can also be found in the Engine Room Log-Book. Many ships integrate torque meters and RPM meters and provide digital image of power. Power will change with weather/speed. Once again, the E/R Log Book will contain the power (and sfoc) of the diesel generators. Please note that the power at sea for diesel generators is but a fraction of the propulsion power. Boilers are not typically fed using economizers instead without additional fuel consumption.

ii. *Estimation of fuel consumption*

An alternative path to estimate fuel consumption looks at fuel consumption of other similar vessels or looks at similar conditions of speed and weather, as evidenced from the noon reports and log book. If distance changes, consumption can be scaled proportionally to the distance.

*Estimation of transport work data*

Cargo can be estimated from the drafts in the log book. Distance travelled can be obtained from the GPS or the log book/noon reports. Needless to say that all of these sources must contain consistent data.

It is not the verifier's task to provide estimation methods for data gaps.

**D. Recommendations**

*The Groups' final recommendations are summarised below:*

1. If monitoring starts prior to the monitoring plan being approved by the verifier, ensure as much as possible there is alignments with the Regulation monitoring requirements and engage with a verifier without undue delay;
2. The assessment of the monitoring plan needs to be completed prior to the verification of the emissions report;
3. Where companies have data gaps, estimation methods shall be used for the provision of alternative data. In this case, a qualified opinion (positive) can be issued by the verifier if the numbers (with omissions) are still within the materiality threshold;
4. New MRV companies should request the previous MRV company to ensure that the data related to the reporting period under its responsibility is complete and correct. Should the new MRV company modify the monitoring plan for the elements listed under Article 7.2 (b), (c), (d), the modifications shall be subject to a new assessment by the verifier.