

# **Guidance /best practices on backward assessment of Monitoring Plans (MP) pursuant to Regulation on monitoring reporting and verification emissions from maritime transport**

This document is part of a series of documents prepared by experts gathered under two subgroups established under the umbrella of the "European Sustainable Shipping Forum (ESSF)": the MRV subgroup on monitoring and reporting and the MRV subgroup on verification and accreditation. These two MRV subgroups gathered for the period June 2015 to May 2017 in order to provide technical expertise relevant for the implementation of Regulation (EU) 2015/757 (the MRV shipping Regulation).

As indicated in their terms of reference, the two MRV shipping subgroups gathered were mandated to identify best practices in areas relevant for the implementation of the MRV shipping Regulation. The substance of this guidance/best practice document was unanimously endorsed by the representatives of the ESSF Plenary by written procedure ending on 30th of June 2017.

Apart from the present document, Guidance/Best practices documents have been established in the following areas:

- Preparation of Monitoring Plans by companies;
- Monitoring and reporting of fuel consumption, CO<sub>2</sub> emissions and other relevant parameters;
- Use of external ship's tracking data by verifiers;
- Assessment of monitoring plans by verifiers;
- Backward assessment of monitoring plans;
- Verification of emissions reports by verifiers;
- Recommendations for improvements issued by verifiers;
- Assessment of verifiers by National Accreditation Bodies in order to issue an accreditation certificate;
- Dealing with situations where the accreditation is suspended or withdrawn close to the planned issuing date of the Document of Compliance (DOC) by the verifier.

*All guidance/best practices documents and other relevant documents can be downloaded from the Commission's website at the following address:*

[https://ec.europa.eu/clima/policies/transport/shipping\\_en#tab-0-1](https://ec.europa.eu/clima/policies/transport/shipping_en#tab-0-1)

## **1. INTRODUCTION**

This document has been prepared by a Task Force under the MRV subgroup on verification and accreditation, co-ordinated by Ms Martine Meerburg and Ms Francesca Cerchia (from SGS). It 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.

It has been written to support the MRV Regulation, by explaining its requirements in a non-legislative language. However, it should always be remembered that the EU Regulations set the primary requirements.

## **2. 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.

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

Article 6.1 of Regulation (EU) 2015/757 requires that “*by 31<sup>st</sup> August 2017, companies shall submit to the verifiers a monitoring plan for each of their ships*”. By complying with this deadline, verifiers and companies will have sufficient time to agree on a compliant monitoring plan 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.

### **Scenario 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*”.

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 2018 and intends to do it after 1st January 2018, falls in the category of Article 6.2 so it has to submit a MP not later than two months after the first call in a port under the jurisdiction of a Member State .

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

This scenario relates to Article 7.2 (a) of Regulation (EU) 2015/757 which 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 MRV company responsible on 31<sup>st</sup> of December is the one taking over the reporting responsibilities to compile year aggregated data for the entire reporting including from activities carried out by previous MRV companies. 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 MRV company and that the previous MRV companies ensure that data for the activities carried out under their responsibility and prior to the change of are complete and correct and will be available for the accredited verifier of the taking over MRV company.*

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.

### **3. 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.

#### **3.1. Availability of data**

Do ships have readily available data on fuel used (divided per voyage and at berth); distance travelled; cargo, time spent 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.

#### **3.2. 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 for further monitoring can be made where appropriate.

#### **3.3. 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:

- (1) *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.

(2) *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.

(3) *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.

#### **4. 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 for activities under its responsibility is complete and correct. Should the new MRV company substantially modify the monitoring plan (e.g. for the elements listed under Article 7.2 (b), (c), (d)), these modifications shall be subject to a new assessment by the verifier.
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