

TECHNICAL CIRCULAR No. 239 of 09th December 2014

То:	All Surveyors/Auditors
Applicable to flag:	All Flags
Subject:	EU Law to report carbon emission
Reference:	EU Legislation

EU law to report carbon emission

For the first time, all shipping companies calling at EU ports will have to measure and publicly report carbon emissions under a law approved by an overwhelming majority of the European Parliament's Environment Committee. Sustainable transport group Transport & Environment (T&E) says that the law is weak – it only monitors fuel consumption instead of directly reducing it, and only covers CO2 and not air pollutants like SO2 or NOx – but it can still trigger fuel savings indirectly.

The EU law will require ship operators to publicly report three metrics to measure the environmental performance of ships: the theoretical energy performance of the ship known as the Energy Efficiency Design Index (EEDI); its real-world fuel consumption; and its energy efficiency, that is, the amount of fuel divided by the amount of cargo. The more cargo a ship can carry using the same amount of fuel, the more efficient and cheaper to run it is.

The publication of ships' real energy efficiency will provide shipping users in Europe and worldwide with transparent data to identify the most efficient ships and practices. This can trigger a virtuous cycle of increased competition among operators, which will enable fuel savings and emissions reductions.

Currently ships are responsible for over 3 percent of global greenhouse gas (GHG) emissions. The Commission estimates that CO2 emissions from ships sailing in European waters amounted to 180 million tonnes in 2010. If these emissions were reported as a country, maritime transport would be Europe's eighth largest emitter.

According to the greenhouse gases study adopted by the UN's shipping body, the IMO, last month, under a business-as-usual scenario and if other sectors of the economy reduce emissions to keep global temperature increases below 2 degrees Celsius, shipping could represent 10 percent of global

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E-Mail: tho@conarinagroup.com, houston@conarinagroup.com Page 1 of 2 GHG emissions by 2050.

REFERENCES:

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Kindest Regards,

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