Preparing for Change: Updates on the U.S. Environmental Landscape

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Agenda

- USCG/EPA Regulatory Updates
- CARB Regulatory Updates
- International Regulatory Updates

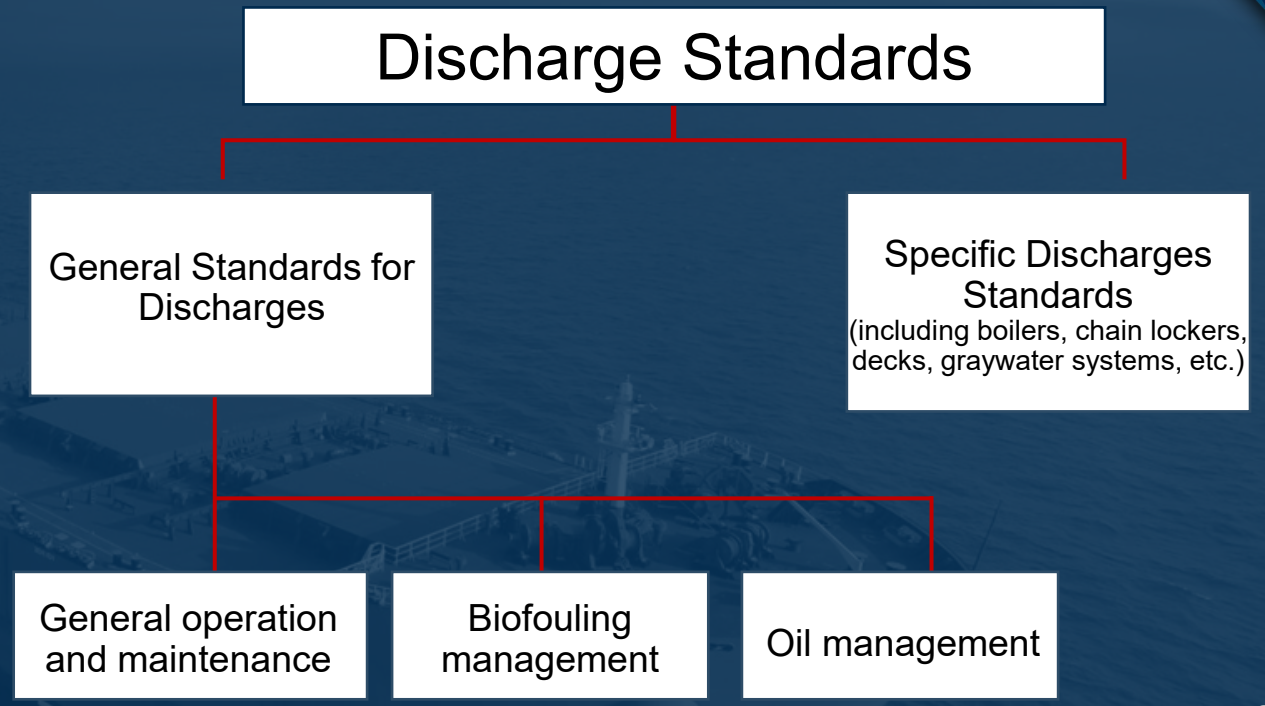
Vessel Incidental Discharges Act (VIDA)

Current Outlook

- On October 9, 2024, the US EPA published its final rule under VIDA.
- It establishes federal standards of performance for marine pollution control devices applicable to discharges into US waters and the contiguous zone.
- It applies to vessels 79' and longer, other than armed forces and recreational vessels.

Upcoming Developments

- USCG Implementation, compliance, and enforcement regulations are due within two years of the EPA standards' publication (expected by October 2026).
- The federal standards will become effective once the USCG finalizes its regulations; until then, the 2013 vessel general permit (VGP) and the USCG's ballast water requirements remain in effect.



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AIM Act Refrigerant Rules and Shipyards

Four areas to check, reflecting EPA's 2026 changes.

New equipment refrigerant selection

Check each system's sector global warming potential (GWP) limit and compliance date before specifying a refrigerant. EPA's May 2026 rule extended several deadlines but left the final limits unchanged.

Facility refrigeration and AC maintenance

Leak-repair requirements apply to appliances holding 15 lb or more of an HFC with GWP above 53. Leak-rate triggers are 10% for comfort cooling, 20% for commercial refrigeration and 30% for industrial process refrigeration.

Onboard equipment implications

Marine transport refrigeration is a listed Technology Transitions subsector, so check each system's category. The proposed leak repair exemption covers road and intermodal container units only.

Technician practices and records

Repairs need Section 608-certified technicians. Keep recovery, leak and repair records, plus delivery documents. Reclaimed refrigerant must be labeled and hold no more than 15% virgin hydrofluorocarbon (HFC).

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Shipyard Stormwater Permitting

EPA's 2021 Multi-Sector General Permit has expired.

Where the permit stands

The 2021 MSGP expired Feb. 28, 2026, and remains in effect for facilities already covered, under administrative continuance. EPA's proposed 2026 permit adds PFAS monitoring and tighter corrective action requirements.

New yards without coverage

No new Notices of Intent will be accepted until the 2026 permit is issued. A Feb. 27, 2026 ,EPA no-action assurance covers new facilities that follow the 2021 MSGP and notify EPA first.

Shipyard requirements (Sector R)

Covers SIC 3731 and 3732. Beyond the SWPPP, expect contained pressure-washing areas, documented blasting and painting practices, and added items in quarterly inspections.

State-issued permits

EPA's permit applies only where EPA is the permitting authority, such as Massachusetts, New Hampshire and New Mexico. However, most yards, however, are covered by a state permit.

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CARB Current Regulatory Landscape Overview

IN EFFECT – PARTIAL AUTHORIZATION

Commercial Harbor Craft

Requirement: Vessel-specific engine and emissions-control requirements; renewable diesel usage, shore power, idling, and reporting provisions.

Next dates: Dec. 31, 2026: first Tier 4 plus diesel particulate filter (DPF) deadline for certain research, excursion and passenger fishing vessels. Short-run ferries face a 2026 zero-emission deadline.

Status: EPA authorized most of the rule in January 2025. Vessels have switched to renewable diesel usage.

IN EFFECT - PHASING IN

At-Berth

Requirement: Docked ocean-going vessels must use shore power or a CARB-approved emission control strategy (CAECS).

Phase-in: 2023: container, reefer, and cruise. 2025: ro-ro and tankers at LA and Long Beach. Jan. 1, 2027: tankers at all regulated terminals.

Status: EPA authorized the rule in 2023. Capture-and-control systems such as STAX are approved and in use.

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CARB Proposed Regulatory Updates

The proposed ocean-going vessel (OGV) In-transit Regulation aims to further address California's air quality challenges.

WHY IT MATTERS

95%

Of ocean-going vessel emissions occur while "in-transit". These vessels are projected to be among the state's largest mobile sources by 2037. The current regulations are not sufficient.

Because of Southern California's unique geography, these emissions are trapped along the coast , resulting in poor air quality relative to the rest of the country.

MEASURES UNDER EVALUATION

CARB has not yet identified the exact measures they want to utilize to achieve this reduction. However, the following have been short-listed as potential options:

Cleaner vessels: Newer, cleaner vessel visits to California waters.

Alternative fuels: Alternative fuel types for vessels operating off the coast.

Slower speeds: Vessel speeds of 10 knots or less.

Status

Potential regulation, not yet formally proposed. Kickoff workshop in Dec 2024; Update workshop Feb 4, 2026 with UC Irvine technology findings; engagement survey closed Apr 30, 2026. CARB expects the regulation to go to their board for approval in 2028.

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CARB Regulation Uncertainty

Authorization Challenged (H.J.Res.213)

- In August 2026, a joint resolution was introduced to revoke the partial authorization granted to CARB by the EPA
- This authorization allowed CARB to create new emission standards leading to the At Berth and Harbor Craft regulations
- The EPA has decided to treat the California Clean Air Act waiver and authorization decisions as rules eligible for review under the Congressional Review Act
- In effect, if this resolution passes, it would eliminate CARB's ability to set its own standards for these vessels and remove the At Berth and commercial Harbor Craft Requirements
- It has passed the House and awaits a Senate vote

Jan 6, 2025	EPA signs partial authorization of CARB's 2022 harbor craft amendments
Mar 2025	AFPM and AWO petition the D.C. Circuit to review the authorization
Jul 22, 2026	EPA reverses its position and sends the authorization to Congress as a rule
Sep 16, 2026	House passes the resolution, 214 to 208
Sep 17, 2026	Received in the Senate; a Senate Vote and presidential signature are still required

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MEPC 84 At a Glance

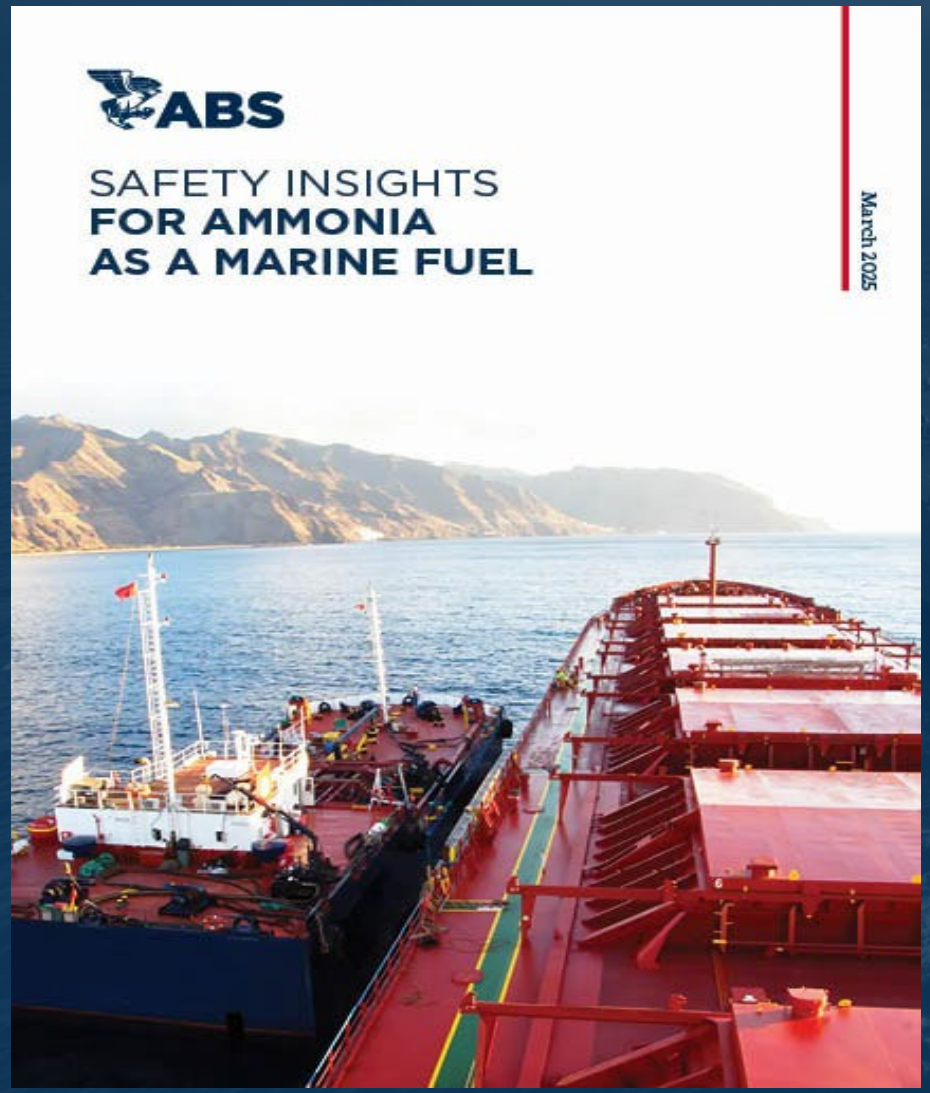
27 April – 1 May 2026

Topic	Status
IMO Net-Zero Framework	No agreement; continued intersessional (slides 18, 24)
Fifth IMO GHG Study	Terms of Reference approved; final report to MEPC 87
LCA framework	Structured way forward; decisions deferred to MEPC 85
IMO DCS accessibility (MEPC.407(84))	Adopted - EIF 1 Sep 2027
EEDI dual-fuel (two liquid fuels)	Adopted (MEPC.410(84), MEPC.411(84))
CH_4 / N_2O measurement, ELM, CEMS	Adopted (MEPC.414–416(84))
BWM Convention amendments	Approved for adoption at MEPC 85
North-East Atlantic ECA	Adopted - EIF 1 Sep 2027
Biofouling	Legally binding standalone instrument by 2029
Marine plastic litter	2026 Strategy and Action Plan adopted



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Alternative Fuels: Safety Framework



- Ammonia Cargo as Fuel (MSC.1/Circ.1681): Safety level equivalent to LNG-fueled installations; single failure must not release ammonia outside the cargo area; mandatory risk assessment; double-wall fuel piping, ammonia release mitigation, fixed gas detection, decontamination showers, crew familiarization.
- Hydrogen as Fuel: Goal-based interim Guidelines aligned with the IGF Code, covering fuel supply, fire safety and explosion prevention, ventilation, electrical installations, control and monitoring.
- Liquefied Hydrogen in Bulk: Revised interim recommendations strengthen structural integrity and safety controls.
- "One ship, One code": Gas carriers remain solely under the IGC Code for Chapter 19 products; for fuels outside Chapter 19, a combined IGC/IGF approach applies, subject to Administration approval (new IGC 1.1.1.2).

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IGC and IGF Codes: "One Ship, One Code"



- **The Gap:** MSC 95 established that the IGF Code does not apply to ships already covered by the IGC Code. MSC 110 identified that gas carriers using alternative gaseous or low-flashpoint fuels not listed in Chapter 19 of the IGC Code (e.g., methanol, hydrogen) fell between the two regimes.
- The resolution, approved at MSC 111 for adoption at MSC 112, EIF 1 July 2028:

Instrument	Amendment
IGC Code (new 1.1.1.2)	Ships using fuels not listed in Chapter 19 must be approved by the Administration, guided by the recommendations developed for those ships
IGF Code preamble	"…an international standard for ships, other than gas carriers, using gas or low-flashpoint fuel"
SOLAS II-1/56.4	Excludes gas carriers as defined in regulation VII/11.2

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Thank You!

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Alternative Fuels: In Development

Work Stream	Body	Target
Methyl/ethyl alcohol as fuel - revision of MSC.1/Circ.1621	ISWG-AF3 - CCC 12	Finalisation CCC 12 (Sep 2026)
Low-flashpoint oil fuels - interim guidelines	ISWG-AF3 - CCC 12	Sep 2026
Fuel cell power installations - revision of MSC.1/Circ.1647	ISWG-AF3 - CCC 12	Toward a mandatory instrument
Battery energy storage systems *(highest SDC priority)*	SSE CG - SDC 13	Spring 2027
Wind propulsion - Intact Stability Code review	SDC CG - SDC 13	Spring 2027
Nuclear power - hazard inventory, including security	SDC CG - SDC 13	Spring 2027; LEG and FAL on civil liability
OCCS onboard safety and regulatory barriers	CCC 12 onward	From Sep 2026

Training (HTW 12, endorsed by MSC 111)

- STCW.7/Circ.26 (methyl/ethyl alcohol) and STCW.7/Circ.27 (ammonia) approved, addressing the immediate gap pending formal STCW amendments.
- Ammonia competencies developed to apply uniformly across IGF and IGC Code vessels, consistent with “One ship, One code.”
- Phase 2 (revision) of the comprehensive STCW review initiated, with an endorsed work plan for alternative fuels and new technologies.

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Atlantic Coast

State	Normal Permitting Agency / Pathway	Published Status or milestone	What the yard should track
Virginia	Virginia DEQ; VPDES industrial stormwater general permit VAR05, or an individual permit	DEQ has published 2024 permit materials. Verify the exact term against the final permit and facility coverage documents; the fact sheet reviewed describes a five-year cycle beginning July 1, 2024.	Applicable sector provisions, Chesapeake Bay TMDL obligations where relevant, registration and ownership changes. Virginia groups ship/boat building with water transportation under Sector Q in the reviewed fact sheet.
North Carolina	NC DEQ, DEMLR; NCG190000 for marinas and shipbuilding	Effective July 1, 2025; expires June 30, 2030. theAgency states certificates without outstanding fees were automatically renewed in the 2025 cycle.	Confirm renewed Certificate of Coverage, fee status, current permit requirements, outfalls, and monitoring. Do not assume every certificate renewed automatically.
Maine	Maine DEP; state Multi-Sector General Permit	Agency states its December 7, 2016 MSGP remains in effect until an updated permit is finalized and reissued.	Continue applicable obligations and watch reissuance notices. Agency says permittees will be notified to file new notices of intent (NOI)s / or no exposure certifications (NEC)s when the replacement is issued. This is Maine's continuation process, not EPA's.
Massachusetts	EPA for the normal industrial stormwater NPDES pathway; confirm facility jurisdiction and permit type	EPA's 2021 MSGP expired February 28, 2026, and is administratively continued for facilities/operators covered before expiration.	Existing coverage, continued monitoring/reporting, and EPA replacement-permit instructions. New facilities/operators need separate review; EPA's conditional No Action Assurance is not permit coverage.
New Hampshire	EPA for the normal industrial stormwater NPDES pathway; confirm facility jurisdiction and permit type	Same EPA MSGP continuation framework as Massachusetts.	Same EPA coverage and transition checks. Also check applicable state and local requirements.

Pacific Coast

State	Normal Permitting Agency / Pathway	Published Status or milestone	What the yard should track
California	State and Regional Water Boards; Industrial General Permit CAS000001, Order 2014-0057-DWQ as amended, or a regional/individual permit	Agency lists the amended Industrial General Permit effective July 1, 2020. No new statewide 2026 replacement was verified in this review.	Actual general versus regional/individual coverage, SMARTS submissions, SWPPP, monitoring and exceedance-response requirements. CARB is not the stormwater permitting agency.
Washington	Department of Ecology; Industrial Stormwater General Permit, separate boatyard permit where applicable, or an individual permit	The 2025 ISGP remains in effect. Agency lists its current term as January 1, 2025–December 31, 2029; a 2026 draft modification would shorten expiration to December 31, 2028.	Confirm which permit covers the yard. Track the pending modification; do not present its proposed expiration change as final. Federally operated facilities require jurisdiction confirmation.
Oregon	Oregon DEQ; Industrial Stormwater General Permit 1200-Z, or an individual permit	Agency states the 2026–2031 permit took effect July 1, 2026, replacing the permit that expired June 30, 2026.	Confirm renewed registration, current stormwater plan/checklist, monitoring, receiving-water conditions, and submissions through Your DEQ Online.

Great Lakes - Wisconsin

State	Normal Permitting Agency / Pathway	Published Status or milestone	What the yard should track
Wisconsin	Wisconsin DNR; WPDES Tier 1 Industrial Storm Water General Permit, currently linked by DNR as WI-S067849-5, subject to facility-specific coverage	DNR identifies ship and boat building/repair, SIC 3730–3739, as Tier 1. The linked permit became effective May 31, 2021 , and lists an expiration date of June 2, 2025. A replacement or explicit continuation determination was not verified in this review.	Confirm the operative permit version, continuation/reissuance status, and facility coverage directly with DNR. Check SWPPP requirements, quarterly visual inspections, annual facility compliance inspections, chemical monitoring, annual fees, and authorized discharge types. EPA's MSGP continuation does not establish Wisconsin coverage.