



Client Alert 21-2019 November 20, 2019

Panama Canal Authority Advisory A-39-2019 Updated Fuel Requirements

As you are undoubtedly aware, the Panama Canal recently joined the increasing number of regions where discharge of wash water from open-loop Exhaust Gas Cleaning Systems (EGCS, aka scrubbers) has been prohibited, in the lead up to the January 1, 2020 deadline for the IMO Fuel Sulfur cap.

The Panama Canal Authority (ACP) recently issued [Advisory to Shipping No.A-39-2019](#) with a [Fuel Requirements Addendum](#) (copies attached), reminding all stakeholders of the fuel requirements for vessels anchoring, transiting through and docking at terminals in Panama Canal waters. The Advisory reiterates that [NT Notice to Shipping No. N-1-2019](#) remains in force, then goes on to list the alternatives to using marine distillate fuel in that region. These alternatives are:

- LNG fuel
- Biofuels
- Closed-loop scrubbers (EGCS)
- ULSFO and VLSFO not exceeding a viscosity of 70 cst at 50 deg C.

Please refer to the attached Advisory and “Fuel Requirements in the Panama Canal” addendum for more detailed information.

Attachments

- ACP Advisory to Shipping No.A-39-2019
- Fuel Requirements Addendum



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AUTORIDAD DEL CANAL DE PANAMÁ VICE PRESIDENCY FOR TRANSIT BUSINESS

ADVISORY TO SHIPPING No. A-39-2019

November 6, 2019

TO : All Shipping Agents, Owners, and Operators

SUBJECT: Reminder concerning Fuel Requirements in the Panama Canal

The upcoming international sulphur cap for marine fuels (IMO 2020), which will go into effect January 1, 2020, has prompted numerous inquiries to the Panama Canal Authority (ACP) regarding the types of fuels that will be permitted while in Panama Canal waters. As a result, the following information is provided as a summarized guide of the fuels and arrangements suitable for anchoring, transiting, and docking at terminals in Panama Canal waters.

The current mandate to switch to marine distillate fuel as published in NT NOTICE TO SHIPPING No. N-1-2019 "Vessel Requirements" is maintained. All vessels proceeding to Panama Canal waters for transit shall switch from residual fuel to marine distillate fuel prior to arriving at Panama Canal waters. However, these requirements allow for cases whereby vessels may supplement or replace marine distillate fuels with LNG fuel, biofuels, closed loop scrubbers, and ULSFO & VLSFO not exceeding a viscosity of 70 centistokes @ 50°C.

Some exceptions will still apply to the requirement to switch to marine distillate fuel. Vessels making only a local port call and not transiting will not be required to switch to marine distillate fuel. Additionally, vessels anchoring prior to transit will be permitted to use residual fuel for their auxiliary generator engines, boilers, and other ancillary equipment while at the Pacific and Atlantic Anchorages, only if they are capable of maintaining their main propulsion engines simultaneously on marine distillate fuel.

In order to preserve the quality of its waters, especially freshwater reservoirs, the ACP prohibits the use of open loop scrubbers. Similarly, closed loop scrubbers and hybrid scrubbers in a closed loop mode shall retain all effluents on board.

Attached please find the complete set of fuel requirements, as well as the information to be forwarded to the ACP in order to verify compliance with this regulation.

Further inquiries on the subject matter shall be directed to fuel-compliance@pancanal.com.

ORIGINAL SIGNED

Rogelio A. Gordon
Acting Vice President for Transit Business

Attachment:
Fuel Requirements in the Panama Canal

Fuel Requirements in the Panama Canal

Except as specified below, vessels arriving at Panama Canal (ACP) waters shall switch residual fuels to marine distillate fuels being used for their main propulsion engines, boilers, auxiliary generator engines, and other ancillary equipment. Panama Canal waters consist of the Pacific and Atlantic Anchorage areas and the fresh water reservoirs, as outlined in Nautical Charts DMA No. 21603 and DMA No. 26068, respectively.

Vessels shall record the fuel changeover in their Engine Room Logbook and/or Fuel Oil Changeover Record Book. The record book entries shall specify the date and time of commencement and ending of the changeover from marine residual fuel to marine distillate fuel.

After completion of any changeover to marine distillate fuel, the vessel shall verify that the main propulsion engine operates properly. If necessary, the vessel shall undertake appropriate corrective actions to ensure the vessel's safe and expeditious transit of the Panama Canal.

Vessels may supplement or replace marine distillate fuels with any of the following:

- LNG fuel (including boil-off gas)
- Biofuels compliant with MARPOL Annex VI
- ULSFO or VLSFO not exceeding a viscosity of 70 centistokes @ 50°C. These vessels shall submit to the ACP for evaluation, at least 96 hours prior to ETA at Panama Canal waters, a copy of the corresponding bunker delivery note.
- A closed loop scrubber in zero discharge mode or a hybrid scrubber in closed loop and zero discharge mode

Vessels opting to use closed loop scrubbers or hybrid scrubbers in closed loop and zero discharge mode, shall submit the following to the ACP for evaluation, at least 96 hours prior to ETA at Panama Canal waters:

- Copy of the Supplement to the IAPP Certificate
- Total volume of effluent holding tanks
- Total time (in hours) required to reach the capacity of the effluent holding tanks when operating in zero discharge mode. Effluent holding tanks shall be empty upon arrival at Panama Canal waters.

The use of open loop scrubbers or hybrid scrubbers in open loop mode is prohibited in Panama Canal waters.

Vessels making only a local port call and not transiting will not be required to switch to marine distillate fuel. These vessels may use a marine residual fuel with a maximum sulphur content of 0.5% or a closed loop scrubber or hybrid scrubber in closed loop and zero discharge mode.

Vessels anchoring prior to transit will be permitted to use marine residual fuel with a maximum sulphur content of 0.5% to operate their auxiliary generator engines, boilers, and other ancillary equipment while at the Pacific or Atlantic Anchorages, only if they are capable of maintaining their main propulsion engines simultaneously on marine distillate fuel.

The vessels described in the preceding paragraph shall switch from the fuel being used for their auxiliary generators, boilers, and other ancillary equipment to marine distillate fuel at least two (2) hours prior to the scheduled pilot time for their Canal transit. These vessels will be deemed ready for transit only after the changeover to marine distillate fuel has been completed.

Vessels proceeding to port terminals or anchorages within Canal waters immediately after completing their transit will be permitted to switch back to residual marine fuel with a maximum sulphur content of 0.5%, once the vessel is moored alongside the dock or is anchored.

Further inquiries on the subject matter shall be directed to fuel-compliance@pancanal.com.