



Liquefied Natural Gas Ship-to-Ship Handling Operations Regulations

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Citation

These Regulations may be cited as the LNG Ship-to-Ship (STS) Handling Operation Regulations, 2024.

1 Introduction

1.1 Scope and Objectives

- 1) In the exercise of the powers conferred upon it by section 8(3)(c) and 123(a) of the Natural Gas Act, 2024, the Utilities Regulation and Competition Authority (“URCA”) hereby issues these Regulations relating to the Ship-to-Ship (STS) transfer of LNG in bulk and the STS transfer of LNG to be used as fuel (bunkering) in the Bahamian waters.
- 2) The objectives of these Regulations are to prescribe the requirements and safety conditions to carry out LNG STS Handling Operations in the Bahamian waters.

1.2 Application

- 3) These Regulations shall apply to all Qualified Ships engaged or to be engaged in STS transfer of LNG in bulk and the STS transfer of LNG to be used as fuel (bunkering) in the Bahamian waters.

1.3 Entry into effect

- 4) These Regulations shall come into effect on the date of their publication in accordance with section 15(1)(a) of the Natural Gas Act, 2024.

1.4 Definitions

- 5) In these Regulations, any word or expression to which a meaning has been assigned in the Natural Gas Act, 2024 has the meaning so assigned and, unless the context otherwise requires, the following terms will have the following meanings:

“Bahamian Waters” means all the areas of the sea subject to the jurisdiction of The Bahamas, and includes territorial waters, archipelagic waters and internal waters navigable by seagoing ships;

“Delivering Ship” means a ship which is authorized by URCA in conjunction with the Port Controller to offload LNG to a Receiving Ship;

“Department of Environmental Planning and Protection” (DEPP) means the Bahamas Department of Environmental Planning and Protection;

“Facility” means either an onshore or offshore facility and includes, but is not limited to, structure, equipment, and appurtenances thereto, used or capable of being used to transfer LNG to or from a ship. Also included are facilities that tank clean or strip and any floating structure that is used to support an integral part of the facility's operation.

“Lightering Ship” means a ship specifically intended to receive LNG from the authorized Delivering Ship;

“Lightering Zone” means a location or locations within Bahamian waters specified for STS Transfer operations of LNG in bulk by the Port Controller in accordance with these Regulations;

“LNG” means liquified natural gas;

“LNG Transfer” means any movement of LNG to, from, or within a ship by means of pumping, gravitation, or displacement;

“LNG STS Handling Operations” means a transfer of LNG in bulk or for use as fuel from a Delivering Ship to a Receiving Ship;

“LNG STS Service Provider” means a company or organization that specializes in providing services for the safe conduct of LNG STS Handling Operations;

“MARPOL” means the provisions of Protocol I and Annexes I, II, III and V of the International Convention for the Prevention of Pollution from Ships 1973 as modified by the Protocol of 1978 relating thereto, together with any amendments thereto in force on the 1st of January 2000 and thereafter;

“Person in Charge” means an individual designated as a person in charge of transfer operations for ships;

“Port Controller” means the principal officer of the Port Department or an authorized representative;

“Port Department” (BPD) means the Bahamas Port Department;

“Qualified Ship” means:

- (a) Delivering Ship or a Receiving Ship; or
- (b) Delivering Ship and a Receiving Ship.

“Ship” means a ship, whether self-propelled or not, capable of safely carrying a cargo of LNG;

“Ship Operator” (or owner) means the person who operates (or owns) or is responsible for the operation of the ship;

“STCW” means the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers, 1978;

“Tankship” means a self-propelled tank ship constructed or adapted primarily to carry oil or hazardous material in bulk in the cargo spaces;

“UAT” means the Utilities Appeal Tribunal.

1.5 Interpretation

6) In these Regulations, unless the contrary appears:

- a) headings are for convenience only and do not affect interpretation;
- b) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- c) words in the singular include the plural and vice versa;

- d) words importing persons include a body whether corporate, politic, or otherwise;
- e) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- f) mentioning anything after include, includes or including does not limit what else might be included;
- g) words and expressions which are not defined have the meanings given to them in the Comms Act;
- h) reference to a person shall include firms or companies; and
- i) cross references are marked with an open parenthesis. It is expressly stated that the use of an open parenthesis in these cross references bears no legal interpretation. The sole legally pertinent element is the reference number.

1.6 Incorporation by reference

- 7) Certain material is incorporated by reference into these Regulations with the approval of URCA. Any changes to these Regulation will be made by URCA in accordance with its established Consultation Process. Changes to approved material will be made in accordance with the standards specified by the following institutions, said standards being incorporated by reference into these Regulations.

	Subject Matter	Document	Issuing Body
(a)	Guidelines for Ship-to-ship transfer, applying to section 2.5	Ship-to-Ship transfer guide for Petroleum, Chemicals and Liquefied Gases. 1st Edition, 2013. Cited as: Ship-to-Ship transfer guide for Petroleum, Chemicals and Liquefied Gases	International Chamber of Shipping (ICS), Oil Companies International Marine Forum (OCIMF), Society of International Gas Tanker and Terminal Operators(SIGTTO) and Chemical Distribution Institute (CDI)
(b)	Requirements for LNG bunkering transfer systems and operations, including equipment, procedures, and safety measures, applying to section 2.5 and 2.11.	Ships and marine technology — Specification for bunkering of liquefied natural gas fuelled ships. Edition 2, 2021. Cited as: ISO 20519:2021	International Organization for Standardization
(c)	Standards for the safe construction and operation of ships carrying LNG in bulk, applying to	International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code). Cited as IGC Code	International Maritime Organization (IMO)

	section 2.5 and 2.11.		
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2 General

2.1 Transfer procedures

- 8) The requirements established under these Regulations must be met when transferring LNG to or from the ship or from tank to tank within the ship.

2.2 Alternatives

- 9) URCA in conjunction with the Port Controller may consider and approve alternative procedures, methods, or equipment standards to be used by a ship operator in lieu of any requirements in this part where:
- a) Compliance with the requirement is economically or physically impractical;
 - b) The ship operator submits a written request for the alternative at least thirty (30) calendar days before operations under the alternative are proposed, unless URCA in conjunction with the Port Controller authorizes a shorter time; and
 - c) The alternative provides an equivalent level of safety and protection from pollution which is documented in the request.
- 10) URCA in conjunction with the Port Controller takes final approval or disapproval action on any alternative requested, in writing, within thirty (30) calendar days of receipt of the request.

2.3 Exemptions.

- 11) The URCA in conjunction with the Port Department, may grant an exemption or partial exemption from compliance with any requirement in this part, where:
- a) The ship operator submits an application for exemption via the Port Controller at least thirty (30) calendar days before operations under the exemption are proposed, unless the Port controller authorizes a shorter time; and
 - b) It is determined, from the application, that:
 - i) Compliance with a specific requirement is economically or physically impractical;
 - ii) No alternative procedures, methods, or equipment standards exist that would provide an equivalent level of safety and protection from pollution; and
 - iii) The likelihood of LNG being discharged as a result of the exemption is minimal.
- 12) Where requested, the applicant must submit any appropriate information, including an environmental and economic assessment of the effects of and reasons for the exemption and

proposed procedures, methods or equipment standards.

13) The exemption may specify the procedures, methods, or equipment standards that will apply.

14) An exemption is granted or denied in writing. The decision of URCA in conjunction with the Bahamas Port Department is a final agency action.

2.4 LNG transfer requirements

15) A ship may engage in a LNG transfer operation (in bulk or for use as fuel) where:

- a) The owner or operator of the ship submits in electronic form to the Port controller, at least ninety-six (96) hours prior to the intended commencement of the transfer operation, an LNG STS Handling Operations Application Form available on **URCA's website (or the Port Controller's website?)HERE**, together with the additional following documentation:
 - i) Business License;
 - ii) Certificate of Incorporation;
 - iii) Liability Insurance;
 - iv) Employee listing for LNG STS handling operations;
 - v) Identification for Employees (Passport/Voter's Card);
 - vi) Qualifications for Employees in LNG STS handling operations;
 - vii) Experience for Employees in LNG STS handling operations;
 - viii) LNG STS Partner, where applicable;
 - ix) Ships utilized in LNG STS handling operations;
 - x) Registration numbers for ships;
 - xi) Listing and specifications of mooring equipment; and
 - xii) Location of mooring equipment.
- b) The owner of the ship submits written responses satisfactory to the Port Controller to any request from the Port Controller for further information concerning the intended LNG STS handling operation;
- c) The LNG transfer is conducted in compliance with these Regulations;
- d) For STS transfer of LNG in bulk, the transfer is conducted within a Lightering Zone specified by the Port Controller;
- e) The corresponding fees for the LNG transfer have been paid by the applicant owner and the payment of such fees so prescribed fulfils the fee obligations of both the delivering Ship and the

receiving Ship; and

- f) The owner's application has been approved and such approval, in the form of a permit has been issued to the Qualified Ship by the Port Controller.
- 16) Any LNG STS Transfer in bulk intended as a result of collision, grounding, tank rupture or any similar emergency affecting a Qualified Ship, shall be conducted only after a permit has been issued by URCA in conjunction with the Port Controller with the prior specific approval for such LNG STS Transfer given by the Bahamas Port Department and in that instance, the owner of the Qualified Ship may be obliged to submit additional information to the Port Controller concerning the Ship's damaged conditions stability plans, contingency plans and relevant advice from structural experts or the Ship's Classification Society;
- 17) Where URCA in conjunction with the Port Controller determines that an emergency exists or that an approved LNG transfer endangers persons, property or the environment, or the owner of the Qualified Ship fails to comply with the applicable regulations, URCA, in conjunction with the Port Controller, may:
- a) Authorize a deviation from these Regulations;
 - b) Revoke the permit issued for the specific LNG transfer;
 - c) Order the cessation of the specific LNG transfer.
- 18) Notwithstanding the decision under paragraph 17) of this section, the owner of the Qualified Ship shall be and in all respects, shall remain responsible for the safety of his respective ship and of the LNG transfer operation in question.

2.5 Operations Plan

- 19) The delivering ship and the receiving ship must have approved LNG STS Operation Plans in accordance with MARPOL Annex I.
- 20) Every LNG STS handling operation shall be conducted in accordance with an approved STS Operation Plan and the approved STS Operation Plan shall include:
- a) the description (name, flag, call sign, IMO Number and ETA) of each Qualified Ship and its P&I Club or other liability insurer and safety, pollution prevention and insurance certification, including that the respective ship is fit and equipped for the purposes of conducting LNG STS Transfer operations in bulk;
 - b) for LNG STS transfer operations in bulk, a statement that each Qualified Ship possesses a valid Approved LNG STS Operation Plan and that the LNG STS transfer will be carried out in accordance with such Plan, in conformity with the Ship-to-Ship transfer guide for Petroleum, Chemicals and Liquefied Gases¹, and in accordance with these Regulations;

¹ Published by the International Chamber of Shipping; Oil Companies International Marine Forum; Society of International Gas Tanker and Terminal Operators; Chemical Distribution Institute.

- c) for LNG STS fuel transfer operations, a statement that each Qualified Ship possesses a valid Approved LNG STS Operation Plan and that the LNG STS transfer will be carried out in accordance with such Plan, in conformity with the ISO 20519:2021² and the IGC Code³, and in accordance with these Regulations;
- d) the date, time and preferred geographical location of the intended LNG STS handling operation;
- e) whether the LNG STS handling operation are to be carried out at anchor or under way;
- f) the planned duration of the LNG STS handling operation;
- g) the manning of each ship during the course of the LNG STS handling operation including details of the manning certificates where requested;
- h) the names, qualifications and relevant experience of the individual overseeing the LNG STS handling operation along with his emergency contact details;
- i) the identity of the LNG STS Service Provider and any organization tasked with directing and carrying out the LNG STS handling operation, along with the LNG STS Service Provider's relevant experience, certifications and emergency contact details;
- j) a written confirmation that the LNG STS Service Provider is an Approved LNG STS Service Provider;
- k) the quantities and properties of the LNG cargo;
- l) the quantities and properties of the cargo intended to be transferred between ships in bulk or for use as fuel;
- m) copies of the relevant bills of lading encompassing the above; and
- n) the Emergency Plan prescribed under the best practices, including each ship's pollution response contingency arrangements relevant to the LNG STS handling operation.

2.6 LNG STS Service Provider

- 21) Every LNG STS Service Provider who intends to provide LNG STS Transfer Services (in bulk or for use as fuel) in Bahamian waters shall provide the Port Controller with information regarding LNG STS services, a list of its qualifications and experience, insurance arrangements and such other information as the Port Controller may request.
- 22) Where the Port Controller approves the LNG STS Service Provider to provide LNG STS Transfer Services (in bulk or for use as fuel), then such LNG STS Service Provider shall be deemed an Approved LNG STS Service Provider for a period to be designated in writing, by the Port Controller.

2.7 Persons in charge: Designation and qualification

- 23) Each operator or agent of a ship of LNG, or each person who arranges for and hires a person to be in

² Ships and marine technology — Specification for bunkering of liquefied natural gas fuelled ships. Edition 2, 2021.

³ International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code).

charge of a transfer of LNG cargo in bulk or LNG fuel transfer, shall designate, either by name or by position in the crew, the person in charge (PIC) of each transfer to or from the ship.

24) The owner and operator of the ship, and his or her agent, shall ensure that each transfer of LNG is supervised by a person designated as PIC of the transfer.

25) No person may serve, and the owner or operator of the ship, and his or her agent, may not use the services of any person, as a PIC, unless that person:

a) Has sufficient training and experience with the relevant characteristics of the ship on which he or she is engaged to safely conduct a transfer of LNG (in bulk or for use as fuel);

b) Holds a license or other document issued by the flag state or its authorized agent authorizing service as master, mate, pilot, engineer, or operator on that ship;

c) Is capable of reading, speaking, and understanding in English, or a language mutually-agreed-upon, all instructions needed to commence, conduct, and complete a transfer of LNG (in bulk or for use as fuel), except that the use of an interpreter meets this requirement where the interpreter:

i) Fluently speaks the language spoken by each PIC;

ii) Is immediately available to the PIC on the tankship at all times during the transfer; and

iii) Is knowledgeable about, and conversant with terminology of, ships and transfers; and

iv) Is capable of effectively communicating with all crewmembers involved in the transfer with or without an interpreter;

d) Holds a Dangerous-Cargo Endorsement or Certificate issued by a flag state party to International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), or other form of evidence acceptable to the BPD; or

e) Is a National Fire Protection Association Certificated Marine Chemist.

26) Upon request by Port Controller, the owner and operator of the ship, and his or her agent, shall provide documentary evidence that the person in charge has received the training specified by paragraph 25) of this section and is capable of competently performing the procedures necessary for the cargo.

2.8 Supervision by person in charge

27) No person may connect or disconnect a hose, top off a tank, or engage in any other critical procedures during the transfer operation unless the person in charge, required by section 2.7, supervises that procedure.

28) No person may start the flow of LNG to or from a ship unless instructed to do so by either person in charge.

29) No person may transfer LNG to or from a ship (in bulk or for use as fuel) unless each person in charge

is in the immediate vicinity and immediately available to the transfer personnel.

2.9 Person in charge: Limitations

30) No person may serve as the person in charge of transfer operations on more than one ship at a time during transfers between ships or between two or more ships and a facility unless authorized by the Port Controller.

2.10 Attendance of an Inspector appointed by the Port Controller.

31) The Port Controller may, following the receipt of an application to carry out a LNG Transfer Operation (in bulk or for use as fuel), require the attendance of an Inspector on-board of the ship:

- a) to be present during the course of the Transfer Operation; or
- b) for the purpose of conducting a preliminary inspection.

2.11 Declaration of inspection

32) No person may transfer LNG to or from a ship (in bulk or for use as fuel) unless each person in charge, designated section 2.7, has filled out and signed a Declaration of Inspection.

33) No person in charge may sign the Declaration of Inspection unless he or she has determined by inspection that the ship is in a position to carry out the LNG transfer operation safely. The ship persons in charge shall each have a signed copy of the declaration of inspection available for inspection by the Port Controller during the transfer operation.

34) The declaration of inspection may be in any form but must contain at least:

- a) The name or other identification of the transferring ship and the receiving ship;
- b) The location of the transfer operation;
- c) The date and time the transfer operation is started;
- d) A space for the date, time of signing, signature, and title of each person in charge during transfer operations on the transferring ship and a space for the date, time of signing, signature, and title of each person in charge during transfer operations on the receiving ship certifying that all tests and inspections required under the corresponding best practices specified in the Ship-to-Ship transfer guide for Petroleum, Chemicals and Liquefied Gases and the ISO 20519:2021 and IGC Code, as applicable, have been completed and that they are both ready to begin transferring product; and
- e) The date and time the transfer operation is completed.

35) The operators of each ship engaged in the transfer operation shall retain a signed copy of the Declaration of Inspection on board the ship for at least one (1) month from the date of signature.

2.12 Reporting of an incident

- 36) In the event of any fire, explosion, collision, grounding or any similar emergency or the threat thereof, the owner or operator of the ship shall immediately report to the Port Controller such emergency or threat thereof, and shall confirm to the Port Controller that all applicable contingency and response plans have been duly activated.
- 37) In the event of any escape of LNG or the threat thereof, the owner or operator of the ship shall immediately report to the Port Controller, the Bahamas Port Department (BPD), the Bahamas Department of Environmental Planning and Protection (DEPP) and URCA and shall confirm to the Port Controller, that all applicable contingency and response plans have been duly activated.
- 38) Where the owner or operator of the ship fails to make a report as required by this section, he or she shall be guilty of an offence.
- 39) The Port Controller may authorize resuming the transfer operation where it is deemed appropriate.

2.13 Pre-arrival Notice

- 40) The owner or the owner's agent of each Qualified Ship, shall provide at least ninety-six (96) hours' notice prior to the Qualified Ship's projected arrival at the lightering or fueling location, as applicable.
- 41) The notice made under paragraph 40) shall be accompanied by:
- a) an approval letter by the Port Controller to the LNG STS provider;
 - b) the LNG STS Provider employee listing and qualification regarding LNG STS handling operation;
 - c) the LNG STS Partner;
 - d) a certificate of registration for each participating ship;
 - e) the Master's name and certificate of competency for each ship;
 - f) a Protection and Indemnity Certificate;
 - g) the pollution prevention and insurance certificates;
 - h) the location of the LNG transfer;
 - i) the estimated time of arrival (ETA) for LNG STS handling operation;
 - j) the duration of the LNG STS handling operation;
 - k) the approved plan;
 - l) a statement whether the LNG STS handling operation is at anchor or under way;
 - m) the manning of each ship during LNG STS handling operation and certificates of competency;
 - n) the Safe manning certificate:

- o) the Mooring master and relevant qualifications;
- p) the specifications of the product to be transferred;
- q) the material safety data sheet for product to be transferred;
- r) the quantity of LNG on board;
- s) the properties of LNG on board;
- t) the shipboard pollution plan;
- u) the emergency arrangements for LNG STS handling operations;
- v) the designated spill response agency;
- w) the weather forecast during the LNG STS handling operation; and
- x) the mooring and fender arrangements.

42) In the event that the ship's ETA at the lightering or fueling location changes by a period in excess of six (6) hours, the owner or the owner's agent of each ship shall promptly advise the Port Controller of such change in writing along with the new ETA.

2.14 Floating Storage

43) Where a ship or facility intends to engage in floating storage of cargoes in Bahamian waters for a period in excess of twenty-one (21) calendar days, the owner or operator shall notify the Port Controller in writing of its intention, along with;

- a) the quantity and nature of LNG on-board;
- b) the intended location of the floating storage;
- c) whether such intended floating storage will be at anchor or drifting or under way;
- d) the intended duration of such floating storage; and
- e) such other information as the Port Controller may from time to time request in writing.

2.15 Compulsory Insurance

44) The owner of a Qualified Ship shall ensure that valid hull and machinery and Protection and Indemnity (P&I) policies are maintained at his own expense.

45) The Owners Protection and Indemnity policies shall include provisions for:

- a) injury, illness and death of crew, passengers and stevedores, or injury , illness or death of crew, passengers and stevedores;
- b) repatriation of crew and substitute expenses;

- c) diversion and other expenses incurred in landing refugees;
- d) sick persons and stowaways;
- e) collision liability and excess collision liability;
- f) pollution by LNG or other substances;
- g) property damage;
- h) towage contract liabilities and liabilities under other contracts;
- i) indemnities, cargo loss, shortage and damage;
- j) unrecoverable general average contributions;
- k) salvor's expense, fines, certain legal and other costs; and
- l) wreck removal.

46) Evidence of insurance shall be provided to the Port Controller in the application for the LNG STS handling operation.

2.16 Offences

47) An owner or manager of a Qualified Ship which carries out a LNG STS handling operation in a grossly negligent manner or with wilful misconduct, commits an offence under Part X paragraph (6)(b) the Natural Gas Act, 2024.

48) An owner or manager who commits a contravention of paragraph 47) commits an offence and is liable on summary conviction to a fine not exceeding twenty-five thousand (25,000) dollars or to a term of imprisonment not exceeding one year.

2.17 Appeal

49) An owner or an Approved LNG STS Service Provider who is aggrieved by a decision of the Port Controller to refuse the grant of a permission conduct an LNG STS Transfer may within seven (7) business days of notification of the refusal, appeal to UAT who may confirm, or reverse the decision of the Port Controller.

3 Special requirements for LNG STS transfer in bulk

3.1 Navigational warnings

50) The Port Controller shall communicate the coordinates of any Lightering Zone to charting authorities, for their issuance as a Notice to Mariners.

51) For the duration of any LNG STS Transfer Operation, every ship that is involved therein shall transmit appropriate navigational warnings to every other concerned ship.

3.2 Designated LNG Lightering Zones

- 52) URCA shall, upon obtaining the advice of the Port Controller following the Port Controller's consultation with The Bahamas Port Department, The Bahamas National Oil Spill Advisory Committee, The Royal Bahamas Defence Force, The Bahamas Department of Environmental Planning and Protection, The Department of Environmental Health Services, The Bahamas Environment of Science and Technology Commission and any other organisation deemed necessary by URCA, designate by notice published on URCA's website, all LNG Lightering Zones and their requisite operational requirements.
- 53) When a lightering zone has been designated, lightering and Ship-to-ship Operations in a given geographic area may only be conducted within the designated lightering zone.

3.3 Factors considered in designating lightering zones.

54) The following factors are considered in designating a lightering zone:

- a) The findings of the environmental analysis or, where prepared, the Environmental Impact Statement;
- b) The proximity of the zone to:
 - i) Shipping lanes;
 - ii) Ship traffic schemes or ship separation systems;
 - iii) Anchorages;
 - iv) Fixed structures;
 - v) Designated marine sanctuaries;
 - vi) Commercial and recreational fishing areas;
 - vii) Environmentally sensitive areas; and
- c) The traditional use of areas for lightering operations;
- d) The normal weather and sea conditions in the areas, and their effect on lightering operations, and the fate of possible cargo discharges;
- e) The depth of water and underwater obstructions that may adversely impact anchorages and clearance of ships;
- f) Other relevant safety, environmental, or economic data.