

FAQ:

Argus B24 dob Algeciras-Gibraltar



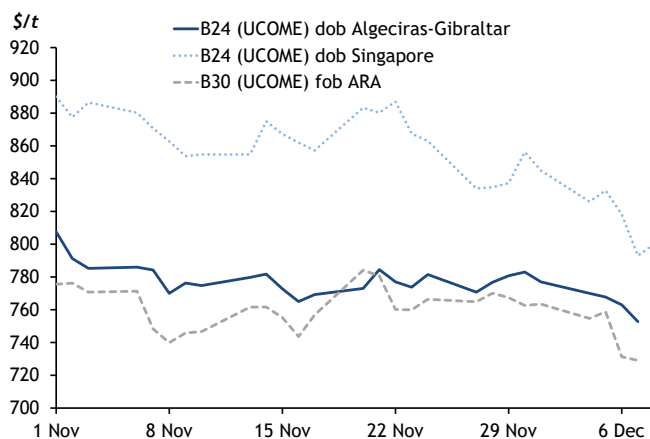
Argus has launched the first delivered-on-board (dob) marine biodiesel blend spot assessment in the west Mediterranean bunkering hub of Algeciras and Gibraltar. B24 dob Algeciras-Gibraltar comprises 24pc used cooking oil methyl ester (Ucome) and 76pc very-low sulphur fuel oil (VLSFO). This spot price assessment is based on reported deals, bids and offers and is published daily in the Argus Marine Fuels and Argus Biofuels reports.

Why is this price needed by the market?

Demand for marine biodiesel blends such as B24 is rising ahead of the EU emissions trading system (ETS) and IMO’s Carbon Intensity Indicator (CII) rating regulations, which will both come into effect from 2024.

The introduction of the EU ETS into the maritime industry from 2024 will add costs based on CO2 emissions from combustion of bunker fuel on a tank to wake basis. The EU ETS allows a zero carbon emission factor for biofuels meaning that shipowners can bunker marine biodiesel blends such as B24 to reduce EU ETS costs. [Learn more here](#)

Argus marine biodiesel, VLSFO price comparison



Bunkering B24 can also improve the CII rating of a vessel, which is a measure of the vessel’s energy efficiency, rated from A to E. Vessels with a low rating are then subjected to a correction plan and non-compliance may result in financial penalties. Bunkering marine biodiesel blends such as B24 can improve the CII rating of a vessel and therefore delay the need for vessel investment. This is attractive for shipowners that want to keep older vessels operational or delay newbuild decisions.

The combination of EU ETS and CII both coming into effect in 2024 has led to increased demand for marine biodiesel in the Mediterranean region and an increased number of suppliers offering these blends for bunkering in the region, providing liquidity that Argus can price.

Why is Argus pricing B24 and not B30 in the Mediterranean?

Supply and demand has concentrated around B24 because of International Maritime Organisation (IMO) guidelines for carrying bulk blends of biofuels and conventional bunker fuels.

When the conventional fossil component of the blend is equal to or higher than 75pc, it is subject to Marpol Annex I oil tanker regulations. But if the biofuel component of the blend exceeds 25pc, it is subject to Marpol Annex II chemical tanker regulations.

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Limiting the marine biodiesel blend to 24pc for seagoing barges in the Mediterranean means that supplies can be delivered to vessels by oil tankers as well as more specialised chemical tankers. This reduces exposure to higher costs that may be associated with chemical tankers and reduces logistical complications because of barge shortages or delays. Companies blend to 24pc to ensure that blends remain under the 25pc threshold.

This does not apply to the Amsterdam-Rotterdam-Antwerp (ARA) area as supply vessels there are considered river-going barges.

How does Argus assess this price?

The B24 dob Algeciras-Gibraltar price is assessed on market feedback, including deals, bids and offers obtained from market participants on both the buyer and seller sides. This includes shipowners, bunker fuel suppliers, ship charterers, traders and brokers.

Methodology: B24 dob Algeciras-Gibraltar

- B24 marine biodiesel and VLSFO blend meeting ISO 8217
- Used cooking oil methyl ester meeting EN14214 (24pc) and 0.5pcS 380cst fuel oil (76pc)
- **Currency/unit:** US dollars/tonne
- **Timing:** delivery 3-14 days forward of the day of assessment
- **Location:** dob Algeciras-Gibraltar
- **Size:** minimum 200t
- **Certification:** biodiesel must be accompanied with RED-compliant certification issued by a European Commission-approved auditing body.
- **Assessment time:** 17:30 London time

How can these prices be used?

Contracts: Companies can use this price in term contracts, spot contracts and in contract negotiations with bunker suppliers. The price can also be used for internal transfer within organisations.

Optimisation: Shipowners can use this price to determine the cost benefit of bunkering B24 to reduce EU ETS and improve a vessel's CII score. Refiners, traders and bunker suppliers selling marine biodiesel can identify shortages/oversupply to manage production and maximise profits and margins.

Risk management: Companies buying Ucome and VLSFO for blending can use this independent index for mark-to-market valuations.

Analysis: Marine biodiesel prices can be used to monitor the evolving premium to conventional bunkers and as an input to price forecasts. This price can also be compared with *Argus* marine biodiesel prices in northwest Europe and Singapore to determine competitiveness.

For more information

Read more about EU ETS key prices:

B24 (UCOME Ucome & VLSFO) dob Algeciras-Gibraltar, B30 (Advanced Fame o & VLSFO) dob ARA, B100 (Advanced Fame o & VLSFO) dob ARA, B30 (UCOME Ucome & VLSFO) fob ARA and EU ETS-traded CO₂. These prices are published on the *Argus Marine Fuels* and *Argus Biofuels*, markets reports.

Get in touch

For general queries and to talk to one of our experts, contact marinefuels@argusmedia.com or BiofuelsEditorial@argusmedia.com. To speak to our team about subscribing to these services, please contact oil-products@argusmedia.com

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