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## **Marine Guidance Note – electrical installations – guidance for safe design, installation and operation of lithium-ion batteries**

**Department for Transport – Maritime and Coastguard Agency**

**RPC rating: validated**

### **Description of proposal**

The Maritime and Coastguard Agency (MCA) published the Marine Guidance Note (MGN) in order to inform “*designers, builders, owners and crew of vessels fitted with lithium-ion batteries of common unknown hazards associated with these batteries.*” MGN provides high level guidance on topics including battery system design, battery storage & transportation battery installation, operations & procedures, battery maintenance and disassembly and disposal.

It responds to requests from industry on appropriate guidance for the use of such batteries in the wake of some highly publicised safety incidents.

### **Impacts of proposal**

The assessment states that MGN can have an impact on: ship-owners, ship operators, masters and officers of ships, ship designers, shipbuilders of vessels fitted with or intended to be fitted with lithium-ion batteries.

The assessment also states that vessels operating commercially are already subject to domestic and international safety standards and that MGN will only recommend which of the existing risk mitigation measures are compatible with the lithium-ion technology. Therefore, MGN will not in itself impose costs additional to current requirements. Furthermore, the guidance is not prescriptive but only gives recommendations, which should be factored into a design.

The MCA states that it is possible that adapting risk mitigation measures to MGN’s recommendation might generate a cost to business but does not assess this as it would depend on the systems which are already in place. This information is not available. For the reasons listed in the previous paragraph, MCA’s assumption that

these costs would be outweighed by the safety benefits of the use of the guidance seems reasonable.

The BIT assessment lists a number of benefits associated with the new guidance which broadly include reduction in accidents related to lithium-ion batteries, reduction of environmental impact of the batteries and lower operating costs for users. The Department has not estimated these benefits.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero. This will be a qualifying regulatory provision that will score under the Business Impact Target.

### Quality of submission

The MCA presented a proportionate analysis of the likely impacts of this measure. The case for publishing MGN was strengthened by the fact that it was supported by the industry. The BIT assessment provides examples of positive feedback collected during consultation which very specifically point to the need for a document of this kind.

### Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	Zero
Business net present value	Zero

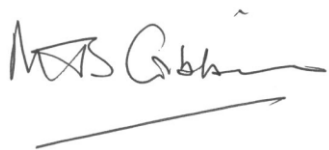
### RPC assessment

Classification	Qualifying regulatory provision (IN)
EANCB – RPC validated <sup>1</sup>	Zero
Business Impact Target (BIT) Score <sup>1</sup>	Zero
Small and micro business assessment	Not required (fast track low-cost regulation)

<sup>1</sup> For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.

Opinion: EANDCB validation  
Origin: domestic  
RPC reference number: RPC-3595(1)-DFT-MCA  
Date of implementation: 28 April 2016

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**Michael Gibbons CBE**, Chairman