

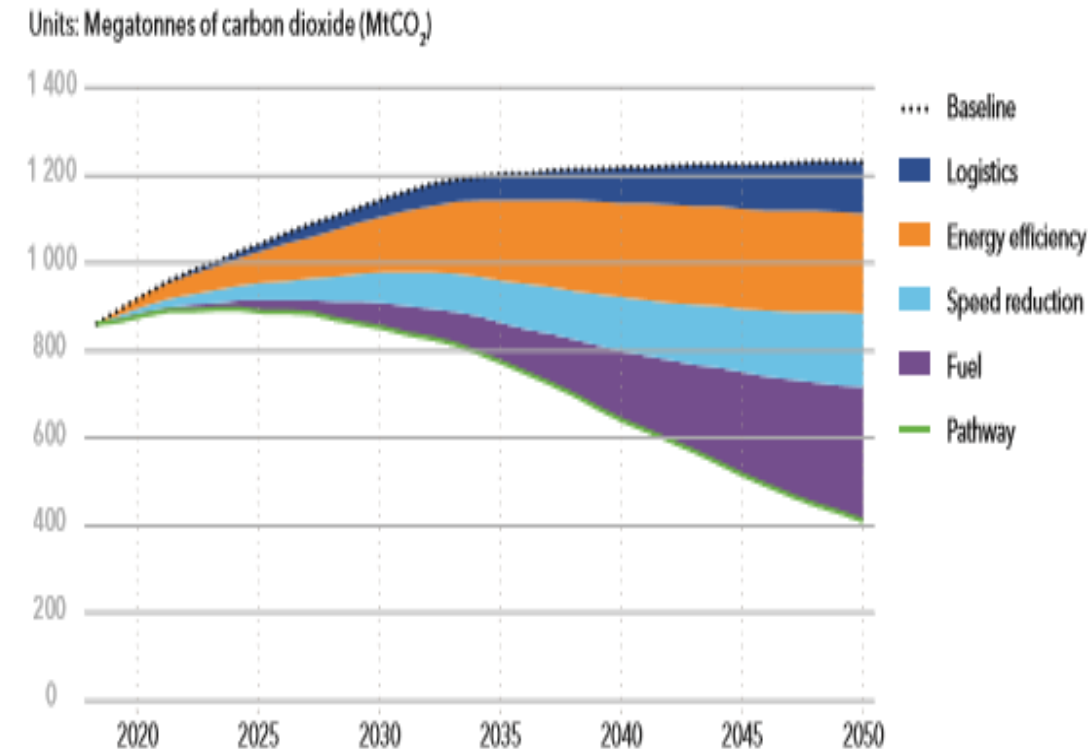
SUSTAINABLE & SMART MOBILITY STRATEGY

Maritime aspects in 'Fit for 55' package



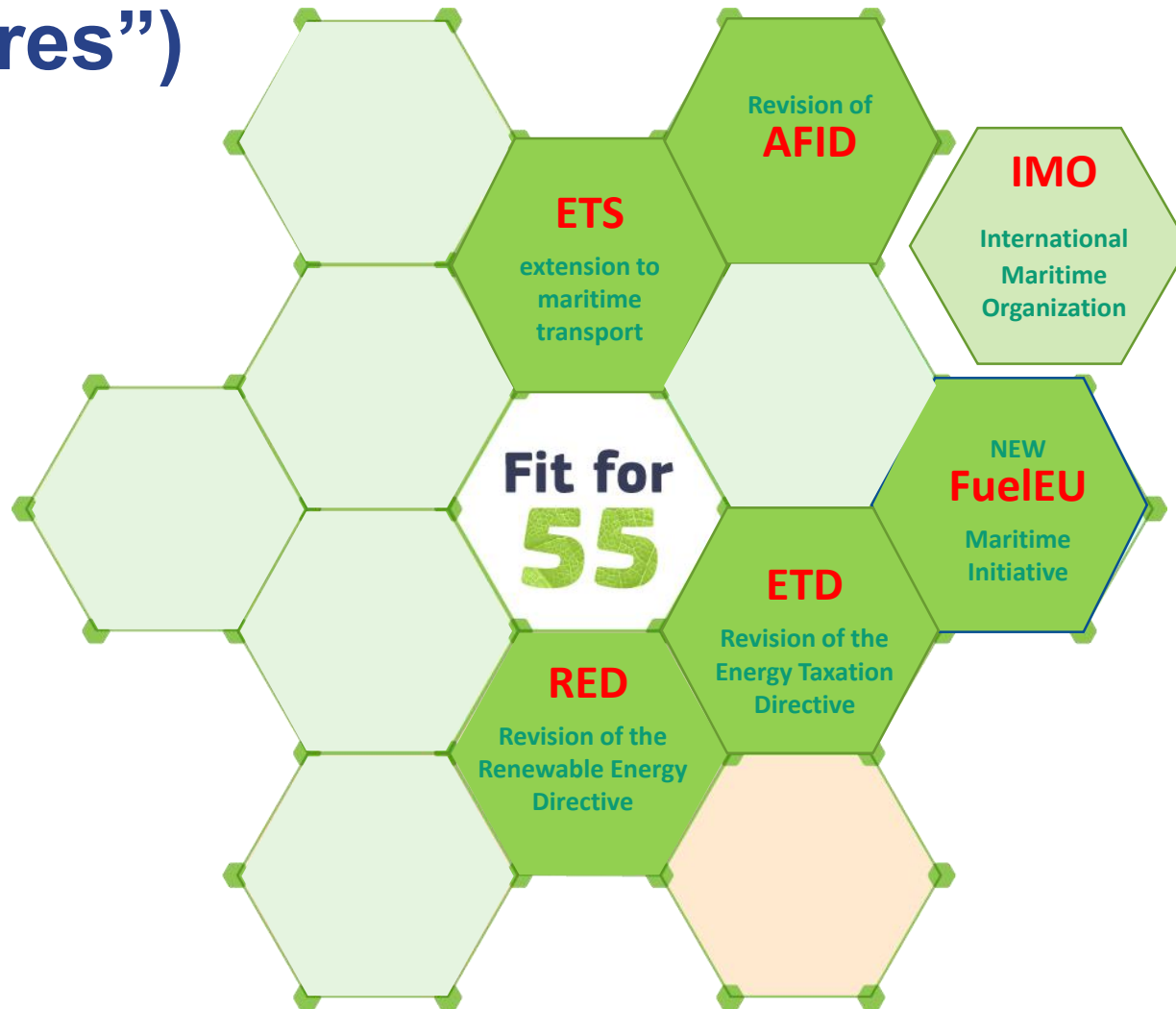
Key objectives

- Ensure maritime transport **contributes** to EU climate efforts and to the **Paris Agreement commitments** → **reduce maritime emissions by around 90%**
- Abating maritime emissions requires:
 - Improving energy efficiency → **using less fuel**
 - Using renewable and low carbon fuels → **using cleaner fuels**
- A **'basket of measures'** to address various obstacles
- **Coordination** at global level



DNV-GL (2019) | Maritime
Forecast to 2050

Initiatives that concern waterborne transport (“basket of measures”)



MARITIME



FuelEU Maritime Regulation



Challenges

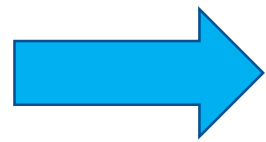
- To reach the climate targets in 2050, maritime sector should use close to 90% of renewable and low-carbon fuels. **Today: fossil fuels over 99% of the fuel mix**
- Not a single technological option for the large variety of ship types and trades. Operators are trapped in a **“wait-and-see attitude”**
- **Coordination failure between supply, distribution and demand.** Need to address all relevant aspects – fuel production (Renewable Energy Directive); fuel distribution (Alternative Fuel Infrastructure Regulation) and fuel demand – to break the chicken-and-egg issue
- **Obligations must be imposed on demand** not only to promote investments in supply and distribution, but also to avoid carbon leakage
- **Long lead times** for fuel supply chains and fleet renewal: need for immediate, yet gradual action

Goals

- **Complement ETS** by specifically addressing the technology issue related to fuels, which may not be sufficiently incentivized by the ETS price signals in the short-medium term
- Provide **regulatory predictability**
- EU supports **global measures** at IMO, where discussions are beginning. The EU submission to IMO on a low GHG fuel standard reflects the proposal. Proposal on guidelines on well-to-wake GHG emission is also coherent with the FuelEU Maritime approach

Proposed approach (I)

- Focus on **fuel** and on **demand** (but other aspects are covered elsewhere!)
- **Technology-neutral approach:** maritime operators will need to use an increasing proportion of zero and low carbon sustainable fuels, without obligation to use a specific technology



Article 4 sets limits on the **yearly average GHG intensity of the energy used on-board** (CO₂eq/MJ)

Maritime targets on the limits on greenhouse gas intensity of the energy used on-board compared to 2020



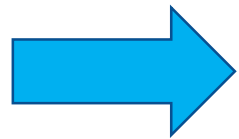
- Inclusion of **CO₂, methane and nitrous oxide** on a full **well-to-wake** calculation: allows fair comparison of fuels and is in line with the approach proposed in IMO
- Obligation on **yearly average** instead of single voyage: provides flexibility

Proposed approach (II)

- **Targets** are established in 5-year intervals **from 2025 until 2050**: regulatory predictability
- **Scope**: ships above 5000 GT, intra-EU traffic + 50% international, EU ports (same as for ETS)
- Flexibility mechanism via **banking and borrowing**: surpluses and (small) deficits can be carried over to the next year
- **Voluntary and open pooling** mechanism to reward/incentivise overachievers and encourage the rapid deployment of the most advanced options, in particular zero emission technologies
- Ships not meeting GHG limits would pay **deterrent financial penalty**. Revenues used for development of RLF in the maritime sector
- **Monitoring is based on MRV** and its electronic system (THETIS MRV) – ‘report only once’ approach
- **Responsible entity**: the same in charge of duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM code)

Proposed approach (III)

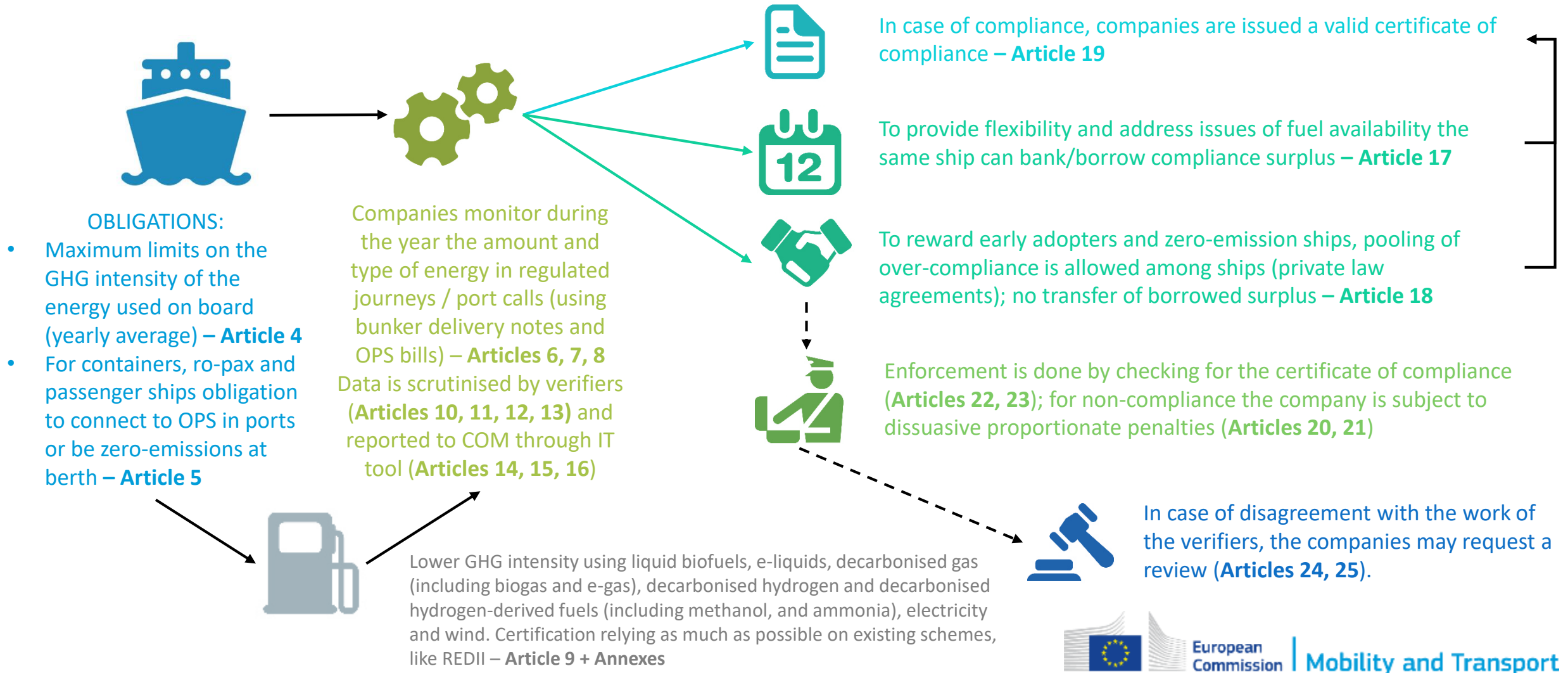
- Mature technology for **onshore power supply (OPS) in ports** is already available
- Effects on **air quality** much more relevant in port areas



Article 5 sets the additional requirement to use **onshore power supply (OPS) or zero-emission technology** in ports as of 2030

- OPS requirement applies to **container and passenger vessels** (taking into account high energy demand and technical feasibility)
- Ships not meeting OPS obligation would pay **deterrent financial penalty**

How would FuelEU work?



Thank you for your attention!

- Link to proposal and accompanying documents:
https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12312-CO2-emissions-from-shipping-encouraging-the-use-of-low-carbon-fuels_en



[Here for more information](#)