

FuelEU Maritime – Sustainable maritime fuels

In July 2021, the European Commission presented its 'fit for 55' package of legislative proposals aimed at ensuring that the EU-27 will achieve the targets set in the European Green Deal, the Climate Law and the Paris Agreement. The package includes the FuelEU Maritime proposal, which aims to stimulate demand for clean fuels and help to cut carbon emissions within the maritime sector. Following a vote by the Committee on Transport and Tourism, the Parliament is expected to vote on its position on the proposal during its October II session.

Background

In line with the Paris Agreement on reaching climate neutrality by 2050, and the 2019 European Green Deal, in July 2021 the EU adopted the European Climate Law, which made the goals of keeping the global temperature increase to well below 2°C and pursuing efforts to keep it to 1.5°C legally binding. The law also set a new EU target for 2030 of reducing greenhouse gas (GHG) emissions by at least 55 % compared to 1990 levels, which would require contributions from all sectors of the economy, including transport. EU maritime transport moves 77 % of external trade and 35 % of all trade by value among the EU countries, while around 9% of the traffic is estimated to be between ports within the same EU country. In 2018, shipping generated 2.9% of global anthropogenic CO₂ emissions. In the EU, ships generated 13.5% of all GHG emissions from transport in 2018 (compared to 71% from road transport and 14.4% from aviation).

European Commission proposal

To support the uptake of sustainable maritime fuels, the <u>proposal</u> introduces limits on carbon intensity of the energy used on board ships and mandates the use of onshore power supply (OPS) in EU ports. Reductions of annual average GHG intensity of energy used on board ships would start from 2025 with a 2 % cut compared to a 2020 baseline, increasing to 6% in 2030, 13% in 2035, 26% in 2040, 59% in 2045 and 75% in 2050. These requirements would apply to all of the energy used in or between EU ports. They would also apply to 50% of the energy used by ships arriving at or departing from EU ports on voyages to third countries, and would apply to commercial vessels above 5000 gross tonnes. According to the proposal, freight and passenger ships staying at EU ports for more than two hours would have to connect to OPS and use this for all energy needs while at berth, unless they use zero-emission technologies or are in an emergency situation.

European Parliament position

Parliament's TRAN committee adopted its <u>report</u> on the proposal on 3 October 2022. While keeping the Commission's proposed cuts for 2025 and 2030, the report introduces higher cuts to GHG intensity of energy used on board ships than proposed by the Commission from 2035 onwards – 20% as of 2035, 38 % from 2040, 64 % as of 2045 and 80% as of 2050. It also introduces a target of 2 % for the use of renewable fuels of non-biological origin from 2030. A dedicated Ocean Fund should be established to improve the energy efficiency of ships and support investment aimed at helping decarbonise maritime transport. The Council adopted its <u>position</u> for negotiations in June 2022. The report has been tabled for the October II plenary session, when Parliament is expected to vote on a decision to start negotiations with the Council on the final wording of the rules.

First-reading report: <u>2021/0210(COD)</u>; Committee responsible: TRAN; Rapporteur: Jörgen Warborn (EPP, Sweden). For further information see our 'EU Legislation in progress' briefing.



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