

## FUEL EU MARITIME - SUSTAINABLE MARITIME FUELS - Q4 2020

[ TABLED ]

>  FIT FOR 55 PACKAGE UNDER THE EUROPEAN GREEN DEAL

JD<sub>21</sub> JD<sub>22</sub> NL

### CONTENT

In 2018, International Maritime Organisation (IMO), the United Nations' body regulating international shipping, adopted an Initial Strategy for international shipping that seeks to reduce greenhouse gas (GHG) emissions from international shipping and phase them out as soon as possible in this century. The aim is to reduce average carbon intensity (CO<sub>2</sub> per tonne-mile) by at least 40% by 2030 and by 70 % in 2050, as well as to cut total emissions by at least 50% by 2050, compared to 2008. To meet the 2050 demands, shipping has to undergo a global transition to alternative fuels and energy sources. All alternative fuels known today have certain limitations, many solutions are not mature yet and there is no obvious 'one fuel' choice for the global fleet. The decarbonisation will require major efforts, investments and time. With the current state of IMO regulation, the 2050 targets will not be met.

The European Commission, in the European Green Deal Communication affirmed its focus on the production and deployment of sustainable alternative transport fuels for the different transport modes.

In its resolution on the European Green Deal, the European Parliament called for measures to move away from the use of heavy fuel oil and for urgent investments in research into new technologies to decarbonise the shipping sector, and in the development of zero-emission and green ships.

In its 2018 resolution on the deployment of infrastructure for alternative fuels, the Parliament called on the Commission to support the decarbonisation of the maritime and shipping sector with a clear focus on innovation, digitisation and adaptation of ports and ships. It also supported the deployment of shore-side energy supply at both inland and maritime ports.

On 14 July 2021, the European Commission presented the FuelEU maritime proposal within its Fit for 55 package, accompanied with an impact assessment. The proposed regulation introduces increasingly stringent limits on carbon intensity of the energy used by vessels from 2025, which should oblige them to use alternative fuels

. It applies to commercial vessels of 5 000 gross tonnes and above, regardless of their flag (fishing ships are exempted). It covers all energy used on board when the ship is at an EU port and on voyages between EU ports, and 50% of the energy used on voyages departing from or arriving to an EU port. From January 2030, container ships and passenger ships at EU ports will also have to connect to onshore power supply (OPS) and use it for all energy needs while at berth, with some exceptions.

Annual average carbon intensity has to decrease by 2% in 2025 and by 6 % in 2030 and then further by 5-year periods till 2050, when carbon intensity should be 75% compared to the 2020 base year. All GHG emissions that a given fuel generates have to be taken into account (full lifecycle), not just those used by the ship. The responsibility for compliance lies with the shipping company, as the Commission wishes to create demand which might otherwise not materialise. The proposal introduces common principles for monitoring, reporting, verification and accreditation, different from and additional to the existing EU MRV system. It also outlines harmonised penalties for non-compliance with the requirements on both the carbon intensity content and the connection to onshore electricity.

In Council, the proposal was analysed by the Working Party on Shipping. The Slovenian Presidency then sent a first version of its compromise text to Member States, comprising only technical and editorial changes. This text was adopted as a progress report by the Transport Council meeting on 9 December 2021. Council emphasis has been on fully assessing its contribution to emissions reductions and on the impacts of the changes proposed on the sector and its competitiveness. Member States called for an assessment of the cumulative impacts of the proposals on ETS, ReFuelEU Aviation, FuelEU Maritime and on energy taxation.

In the European Parliament, the Committee on transport and tourism (TRAN) takes the lead on the file with rapporteur Jörgen Warborn (EPP, Sweden). The Committee on Environment, public health and food safety (ENVI, rapporteur Tiemo Wölken, S&D, Germany) and the Committee on Industry, research and energy (ITRE, rapporteur Rasmus Andresen, Greens/EFA, Germany) are both associated.

On 4 April 2022, the TRAN rapporteur put forward his draft report, where he supported the level of ambition proposed by the Commission as well as the ship type and geographical scope, but warns that the added significant costs will be passed on to consumers. He proposed a review clause that would allow to fully align the EU rules with future international ones, suggests to give ship operators the possibility to use the certified actual value of emissions (not just the default reference values) and to limit the obligation to provide OPS to big TEN-T ports (and not all EU ports). He also supports a permanent tax exemption on electricity supplied through OPS.

The TRAN committee adopted its report 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 ship 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. Parliament adopted the report in Plenary on 19 October 2022.

The Council adopted its position for negotiations in June 2022.

## References:

- EP Legislative Observatory, [Procedure file on Sustainable maritime fuels \(FuelEU Maritime Initiative\). 'Fit for 55 package'](#), 2021/0210(COD)
- European Commission, [Proposal for a regulation on the use of renewable and low-carbon fuels in maritime transport and amending Directive 2009/16/EC](#), COM(2021) 562
- European Commission, [Impact assessment accompanying the proposal for a regulation on the use of renewable and low-carbon fuels in maritime transport](#), SWD(2021) 635
- Council, [Outcome of the Transport, Telecommunications and Energy Council \(Transport\) meeting of 9 December 2021](#)
- European Economic and Social Committee, [FuelEU Maritime Opinion](#), 8 December 2021
- European Parliament, [Committee on Transport and Tourism draft report on the Proposal for a regulation on the use of renewable and low-carbon fuels in maritime transport and amending Directive 2009/16/EC](#), 2021/0210(COD)

## Further reading:

- European Parliament, EPRS, [Decarbonising maritime transport: The EU perspective](#), Briefing, October 2020
- European Parliament, EPRS, [Monitoring, reporting and verification of CO2 emissions from maritime transport](#), Briefing, October 2020
- European Parliament, EPRS, [Sustainable maritime fuels - 'Fit for 55' package: the FuelEU Maritime proposal](#), Briefing, April 2022

Author: Jaan Soone, Members' Research Service, [legislative-train@europarl.europa.eu](mailto:legislative-train@europarl.europa.eu)

As of 15 December 2022.



RAPPORTEUR  
**Jörgen WARBORN**  
INTA - BUDG - TRAN



RAPPORTEUR – ASSOCIATED COMMITTEE(S)  
**Rasmus ANDRESEN**  
BUDG - ECON - IMCO - ITRE



RAPporteur – ASSOCIATED COMMITTEE(S)

**Tiemo WÖLKEN**

ENVI - JURI