

Input for Inception Impact Assessment FuelEU Maritime - Green European Maritime Space

24 April 2020

Members of the Dutch Platform Sustainable Biofuels welcome a European initiative to accelerate the uptake of sustainable alternative fuels and power in maritime transport, either for inland and shortsea shipping or seagoing vessels.

In the Netherlands the volume of international bunkering for shipping outnumbers the volume of transport fuels deployed on Dutch national territory. This can be considered an atypical position within Europa. The Dutch maritime sector has therefore a considerable interest in the development of an EU intervention for deploying renewable fuels in shipping.

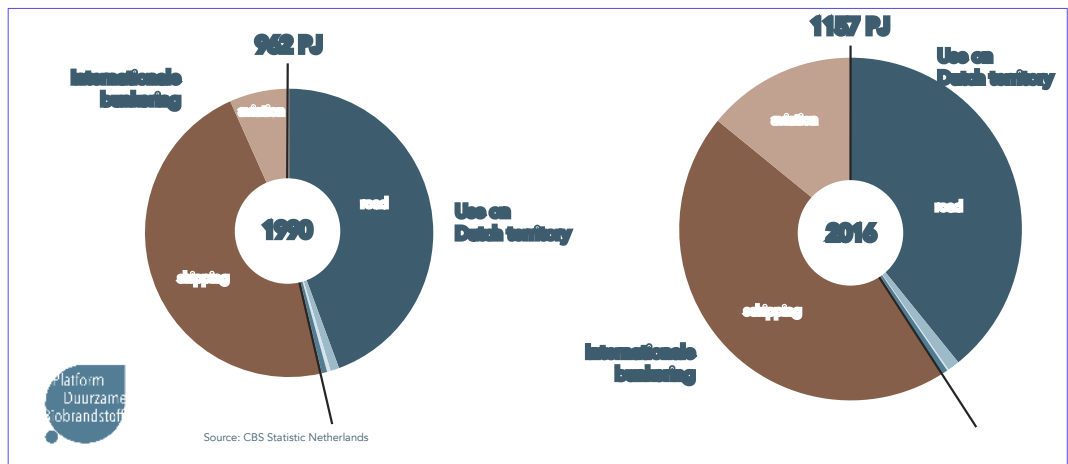


Figure 1 NL international bunkering outnumbers the transport fuels on Dutch territory

Within Europe, the Netherlands represent with nearly 28% the largest volume of fuels bunkering for maritime shipping.

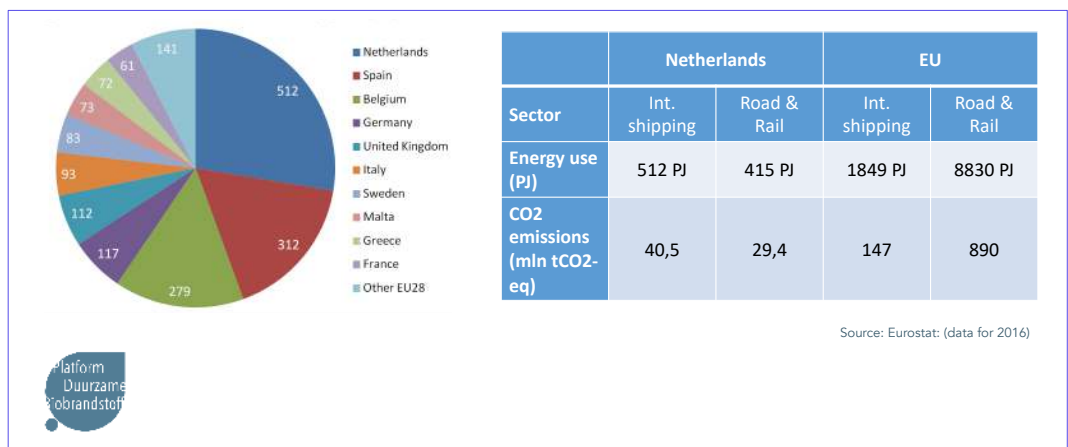


Figure 2 Energy in the EU international shipping sector

The Dutch sector is therefore actively looking for ways to reduce the fossil carbons in the fuels used. Stakeholders in a recent consultation (December 2019), commissioned by the Dutch Ministry

of Infrastructure and Water Management, considered EU-regulation to reduce GHG-emissions in shipping a very supportive option for accelerating deployment of renewable fuels in shipping.

As maritime shipping is predominantly an international sector, stakeholders agree that an international approach to emission reduction is preferable, to ensure a level playing field between different countries and ports. The stakeholders expressed also a concern that if policy measures would lead to increasing fuel prices in some ports, 'fuel flight' would occur by ship owners shifting to bunkering cheaper fuels in other (foreign) ports. (in the Inception Impact Assessment this 'carbon leakage' impact is addressed as well). Reaching either a mandate or obligation under the supervision of IMO or with IMO-front-running regions, is generally considered as the way to go. Still, stakeholders also considered the EU-scale as an appropriate level of analysis for the drafting and introduction of regional policies regulating the maritime sector.

Several suggestions have been given for international alignment on measures for supporting renewable marine fuels, being:

- A global IMO mandate on fuel suppliers, or possibly on the European level or included in Emission Control Areas regulation.
- Decrease carbon intensity through fuel standards.
- A CO₂ levy on fossil shipping fuels and sector fund to support innovation or deployment of renewable shipping fuels.

The report of the stakeholder consultation can be found here:

<https://platformduurzamebiobrandstoffen.nl/infotheek-item/pdb-navigant-stakeholders-view-on-renewable-fuels-in-maritime-sector/>

In a 2018-study commissioned by the Dutch Platform, E4tech has reviewed the use of alternative energy carriers and fuels, including fossil fuel and low-carbon fuel options for the short and medium term in shipping. Biofuels were found to provide large reductions in GHG and non-GHG emissions, offering a range of solutions for decarbonisation in the short and longer term. Biofuels especially offer GHG-reduction solutions for existing vessels, new vessels have other options.

The biofuels analysed were hydro-treated vegetable oil (HVO – including from waste oils and fats), FAME, straight vegetable oil (SVO), ethanol (both conventional and advanced production processes), bio-methanol, bio-LNG, Fischer-Tropsch diesel (FT-diesel) and Upgraded Pyrolysis Oil (UPO). These biofuels were qualitatively analysed on their GHG reduction potential, readiness of production, cost and compatibility with the current vessel fleet in each shipping sector.

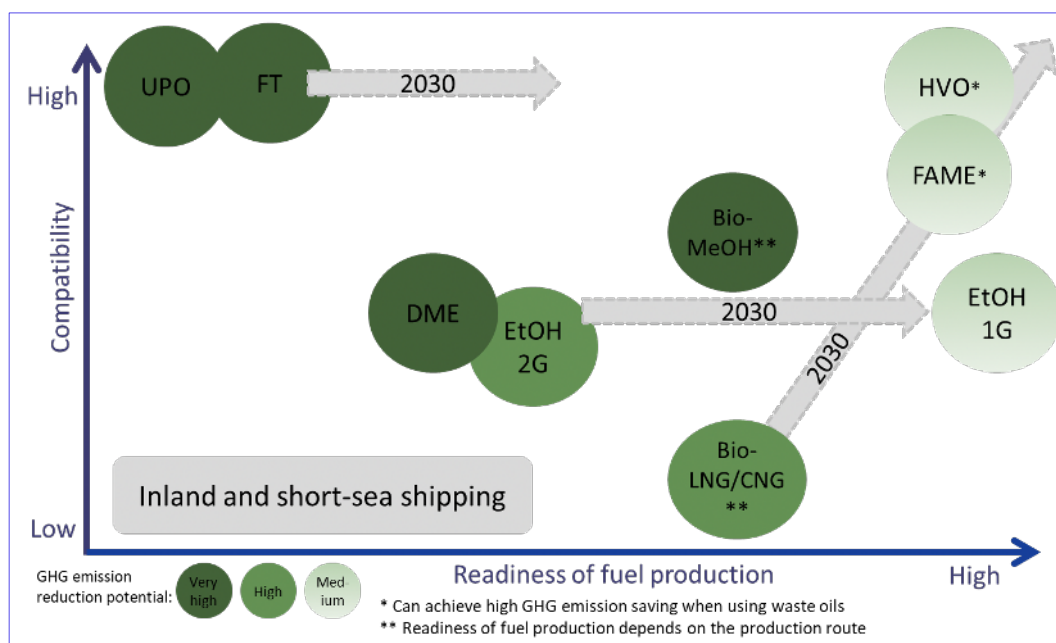


Figure 3 Summary of the attractiveness of biofuels in the short-sea and inland shipping sectors

The full report can be found in on the Platform website:

<https://platformduurzamebiobrandstoffen.nl/infotheek-item/masterplan-for-co2-reduction-in-dutch-shipping-sector-biofuels-for-shipping/>

The Dutch Platform Sustainable Biofuels sees biofuels as an option that can be deployed now, delivering a cost-competitive low carbon fuel option for shipping containing no (or only limited) sulphur. However, a 'dedicated' marine low carbon fuel has not yet been developed.

To the Platform important criteria for developing cost-competitive renewable fuel options for shipping are:

- Fuels on basis of a sustainable feedstock base
- Price competitive conversion
- Compatibility with existing engines (adjusted engines)
- New engines / new vessels have other options
- Integration with biorefinery concepts that serve multiple markets, to further reduce costs and to stimulate the green transition of the Dutch petrochemical cluster
- Development to e-Refinery and electrochemical fuels

For the longer term, Dutch Platform Sustainable Biofuels would also recommend to look at pathways for demonstrating and scaling-up electrofuels.

When assessing the policy options in the impact assessment, the Dutch Platform would advise to include activities to mobilize increased amounts of sustainable feedstock, be it biomass, green electricity and green hydrogen. With the right sustainability design parameters, it is possible to mobilise sustainable biomass feedstocks for marine fuels. However, sustainable feedstock mobilisation needs an action.