



Update on new Commission initiative FuelEU Maritime

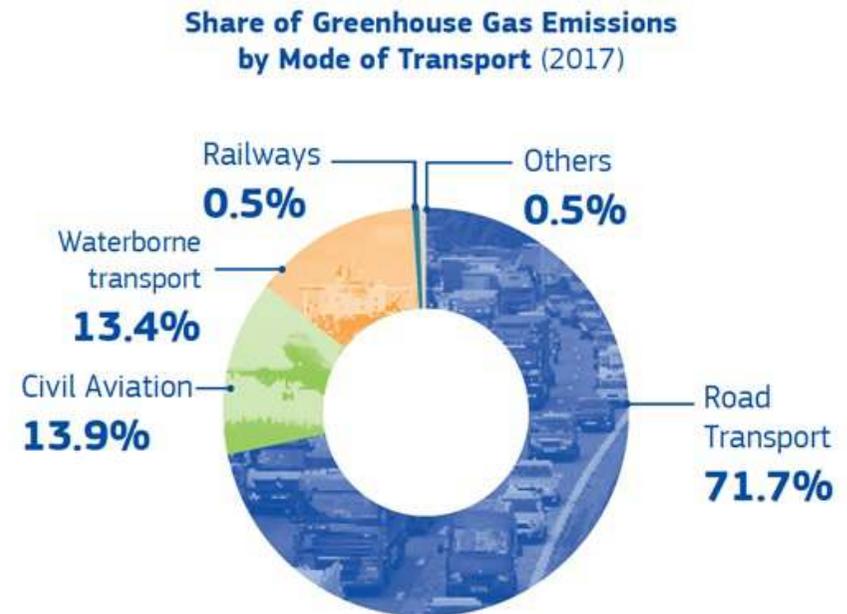
Workshop on Renewable Fuels in Maritime Shipping with the ART Fuels Forum and the Dutch Platform on Sustainable Biofuels

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Green Deal and transport

- Transport accounts for a **quarter of the EU's GHG emissions** and these continue to grow.
- The Green Deal seeks a **90% reduction** in these emissions by **2050**.
- Waterborne contribute to **13,4% of the transport emissions**, resulting predominantly from international maritime transport.



Source: Statistical pocketbook 2019

Tackling transport emissions

“Transport emissions require a basket of measures, including the EU Emissions Trading System. Bringing transport emissions down in line with our climate neutrality objectives will require a comprehensive and ambitious set of policies for sustainable mobility. We need to ensure more rapid development of alternative fuels for aviation and shipping and lead markets for those fuels will need to be established in the next years.”

Answers to the European Parliament by F. Timmermans

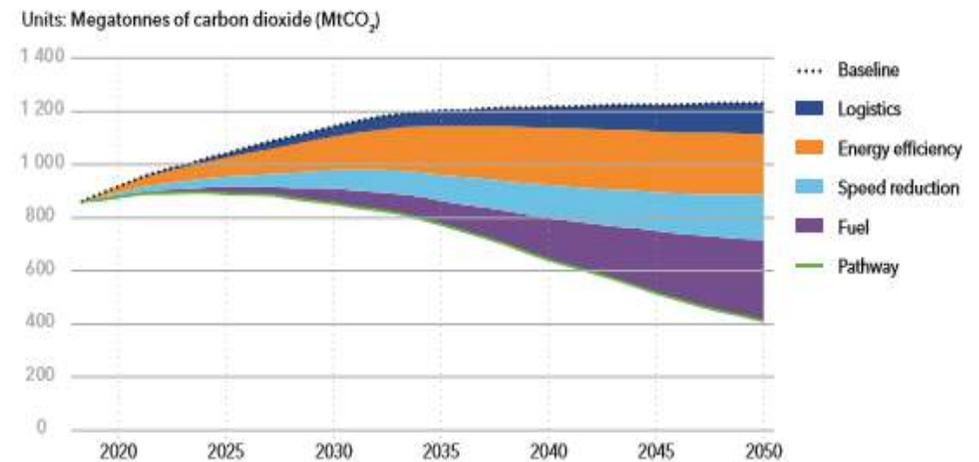
=> The concept of ‘basket of measures’ is particularly important for maritime as it implies that different instruments need to be put in place to address different issues.

Ways to reduce maritime emissions

Meeting the climate targets would require a combination of options to effectively reduce emissions.

These include among others:

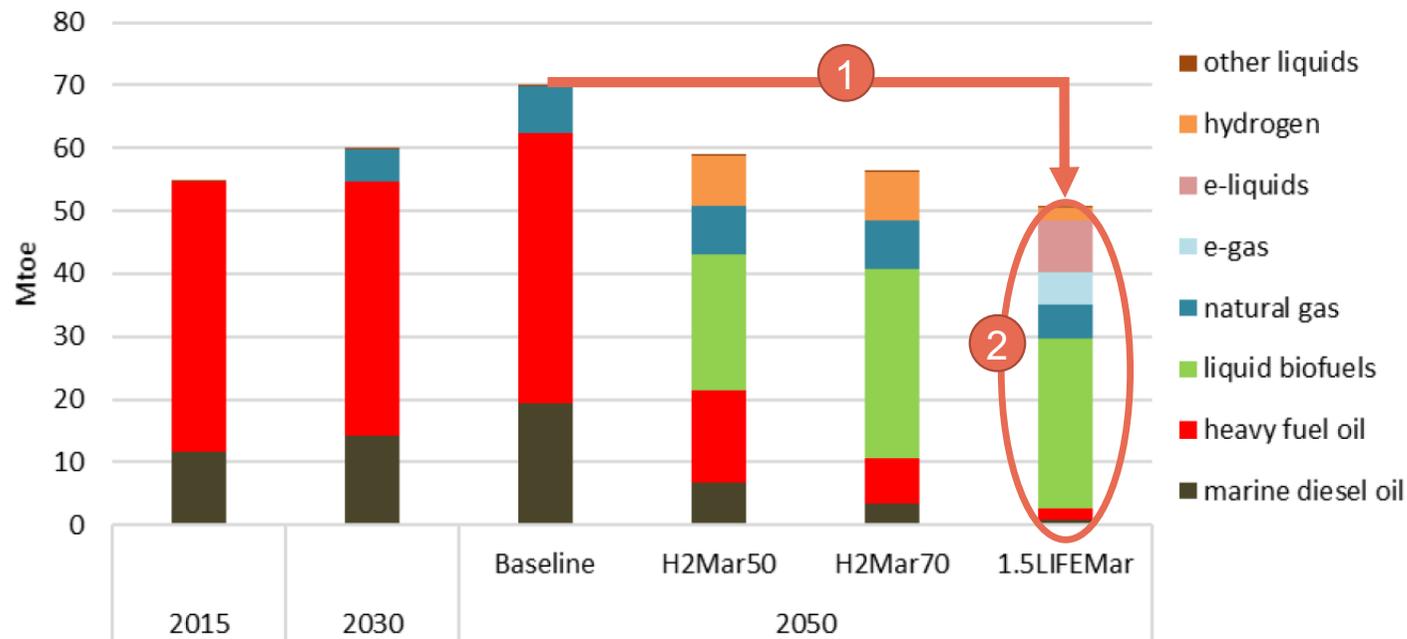
- Energy efficiency (covering logistics, design, technical improvements and operations)
- Greater use of sustainable alternative fuels of energy



DNV-GL (2019) | Maritime Forecast to 2050

Ambition: decarbonising the maritime fuel mix

Figure 54: EU international maritime fuel mix in the Baseline and decarbonisation variants



Two main take-aways on the pathway to carbon neutrality:

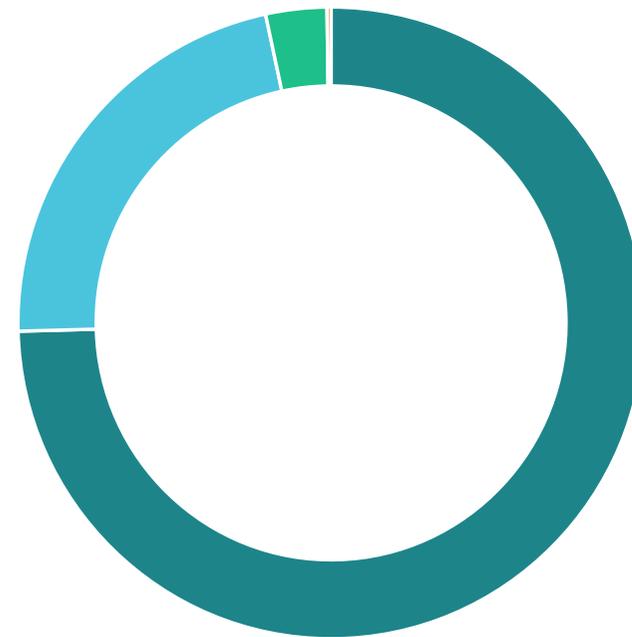
1. Reduction of energy used (energy efficiency)
2. A **substantial** change of the fuel mix

Source: PRIMES.

Problem: low to negligible penetration of AFs

- In total, the fleet monitored under the EU MRV system consumed more than 44 million tonnes of fuel in 2018
- Despite the existing framework for their promotion and the limited use by some industry pioneers, alternative fuels (even technologically mature options) were only a small fraction of the fuels consumed in 2018

Fuel mix under MRV



■ HFO ■ Lighter oil products (MGO, MDO, etc.) ■ LNG ■ Other alternatives

Identified barriers → Objectives

- Lack of predictability and high risk of investment choices → **Enhance predictability, facilitate planning of investments and prevent a 'wait and see' attitude**
- Technological aspects and price factors → **Stimulate production on a larger scale and reduce the price gap**
- Interdependency issue → **Boost demand from ship operators to bunker alternative fuels or connect to the electric grid while at berth and solve the interdependency issue**
- Carbon leakage potential and split incentives → **Avoid carbon leakage**

Summary of the feedback on IIA

- 81 responses.
- Positive response overall albeit comments pointing in different directions; in particular regarding what fuels and technologies provide the best pathway.
- Responses by shipowners, ports, suppliers of marine fuels, gas and energy, engine manufacturers, NGO, citizens.
- Majority supports support measures and goal-based measures over prescriptive measures. Also positive attitudes towards support measures.

Measure	Support	Opposition
Goal-based	21	0
Prescriptive	5	13
Blending mandate	5	6
Support	29	2

Summary of the feedback on IIA

- 6 organizations also mention the efforts to establish a MED-ECA as an additional interdependency that is not mentioned in the IIA.
- 21 stakeholders explicitly mention supporting a well-to-wake approach to GHG emissions.
- 15 stakeholders emphasized the need to keep an open approach to fuels and technologies.
- 26 stakeholders mention the preference and/or need for coordination at IMO and international level.
- 7 stakeholders raise challenges related to COVID-19.

Next steps for the initiative

- Open public consultation has been launched and remains open until 10 September.
- Targeted survey questionnaire to be shared in July/August.
- Refining of the policy options.
- Impact assessment to be finalized in early Autumn.
- The objective remains to finalise the possible legislative proposal by the end of the year.

Sustainable alternative fuels for shipping



<https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12312-FuelEU-Maritime->