

Sustainable maritime fuels (FuelEU Maritime Initiative)

2021/0210(COD) - 14/07/2021 - Legislative proposal

PURPOSE: to propose an EU common framework on the use of renewable and low-carbon fuels in maritime transport (FuelEU).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in the context of fuel transition to renewable and low carbon fuels and substitute sources of energy, it is essential to ensure the proper functioning of and fair competition in the EU maritime transport market regarding marine fuels, which account for a substantial share of ship operators' costs.

Differences in marine fuel prices can have a significant impact on the economic performance of ship operators. At the same time, the price differential between conventional fossil-based marine fuels and low-carbon renewable fuels remains high.

In order to achieve significant reductions in CO₂ emissions from international shipping, measures are needed to ensure that the penetration of low-carbon renewable fuels in the marine fuel market takes place under fair competition in the EU shipping market.

The European Green Deal launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. The '[European Climate Law](#)' has made the EU's climate neutrality target by 2050 legally binding.

The Commission has presented a **complementary and interconnected set of proposals as part of the 2030 Climate and Energy 'Fit for 55' package** to achieve the greenhouse gas emission reduction target of **at least 55% compared to 1990**. This 'Fit for 55' legislative package is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies will need to make their contribution.

CONTENT: the Commission proposes the **FuelEU Maritime Initiative** which aims to establish a **common EU regulatory framework** to increase the share of renewable and low-carbon fuels in the fuel mix of international maritime transport without creating barriers to the single market.

In particular, the proposed Regulation:

- lays down rules to reduce the greenhouse gas intensity of energy used on-board by ships arriving at, within or departing from ports under the jurisdiction of a EU Member State, to promote the harmonious development and consistent use of renewable and low-carbon fuels across the Union, without introducing barriers to the single market to promote the reduction of greenhouse gas emissions from maritime transport;
- establishes requirements for the use of on-shore power supply or zero-emission energy at berth for specific ship types and lists possible exceptions;

- lays down the conditions to the issue a FuelEU certificate of compliance;
- encourages the use of sustainable maritime fuels and zero-emission technologies by imposing a maximum limit on the greenhouse gas content of the energy used by ships calling at European ports
- obliges passenger ships and container ships to use on-shore power in ports under the jurisdiction of a Member State, unless they can demonstrate that they use an alternative zero-emission technology;
- establishes common principles for monitoring compliance: the regulation builds on the existing system of monitoring, verification and reporting of greenhouse gas emissions from the sector;
- establishes the requirement for ships to carry a valid FuelEU compliance certificate and sets out the conditions for issuing a FuelEU certificate of compliance;
- establishes the penalties to be incurred if compliance has not been achieved;
- requires the Commission to report to the European Parliament and the Council on the application of this Regulation, at least every five years.

Budgetary implications

Expected costs of EUR 500 000 are related to IT services, IT system development and the pooling of ships for compliance.