

Sustainable maritime fuels (FuelEU Maritime Initiative)

2021/0210(COD) - 22/09/2023 - Final act

PURPOSE: to increase the demand for and consistent use of renewable and low-carbon fuels and to reduce greenhouse gas emissions from the maritime sector, while ensuring the smooth flow of maritime traffic and avoiding distortions in the internal market.

LEGISLATIVE ACT: Regulation (EU) 2023/1805 of the European Parliament and of the Council on the use of renewable and low-carbon fuels in maritime transport and amending Directive 2009/16/EC.

CONTENT: the main objective of the FuelEU maritime initiative, as a key part of the EU's Fit for 55 package, is to **increase the demand for and consistent use of renewable and low-carbon fuels and reduce the greenhouse gas emissions from the shipping sector**, while ensuring the smooth operation of maritime traffic and avoiding distortions in the internal market.

The new legislation aims to put maritime transport on the trajectory of the EU's climate targets for 2030 and 2050 and should play a fundamental role in delivering on the European climate law.

The new regulation includes the following key provisions:

Limiting the GHG intensity of energy used on board a ship

The Regulation contains measures to ensure that the greenhouse gas intensity of fuels used by the shipping sector will gradually decrease over time, by **2% in 2025 to as much as 80% by 2050**.

The Regulation will apply in a non-discriminatory manner to ships regardless of their flag. It will apply to ships with a **gross tonnage (GT) above 5 000**, but should not apply to warships, naval auxiliaries, fish-catching or fish-processing ships, wooden ships of a primitive build, ships not propelled by mechanical means, or government ships used for non-commercial purposes. The Regulation provides for **time limited exceptions** for the specific treatment of the outermost regions, small islands, and areas economically highly dependent on their connectivity.

Incentives for the use of renewable fuels of non-biological origin

The Regulation introduces a set of measures to ensure support for the use of sustainable non-biological renewable fuels, including the possibility of applying a **multiplier** until the end of 2033 to double-count energy from non-biological renewable fuels.

In addition, a sub-target of **2%** renewable non-biofuels will apply from 2034 if, after monitoring the market, the Commission indicates that the share of renewable non-biofuels in bunker fuels used by ships falling within the scope of the Regulation is less than 1% in 2031.

On-shore power supply

The Regulation requires passenger ships and container ships to use on-shore power supply for all electricity needs while moored at the quayside in major EU ports as of 2030, with a view to mitigating air pollution in ports, which are often close to densely populated areas.

Certification and monitoring

A robust certification and monitoring of fuels is essential to achieve the objectives of this Regulation and guarantee the environmental integrity of the renewable and low-carbon fuels that are expected to be deployed in the maritime sector. Such certification will be undertaken by means of a transparent and non-discriminatory procedure.

No later than 31 August 2024, companies will have to submit to the verifiers a **monitoring plan** for each of their ships, indicating the method chosen to monitor and report the quantity, type and emission factor of energy used on board the ships, as well as other relevant information.

Verification activities will be carried out by **verifiers**. Verification should ensure the accuracy and completeness of monitoring and reporting by companies, as well as compliance with the regulation.

Fossil fuels will be excluded from the Regulation's certification process.

The Commission will develop, ensure the functioning of and update an **electronic database** for the monitoring of compliance with this Regulation.

Compliance grouping

The Regulation introduces a voluntary pooling mechanism, under which ships will be allowed to pool their compliance balance with one or more other ships, with the pool – as a whole - having to meet the greenhouse gas intensity limits on average.

FuelEU penalties

The revenue generated from the regulation's implementation ('FuelEU penalties') should be used for projects in support of the maritime sector's decarbonisation with an enhanced transparency mechanism.

ENTRY INTO FORCE: 12.10.2023.

APPLICATION: from 1.1.2025.