



# SUSTAINABLE & SMART MOBILITY STRATEGY

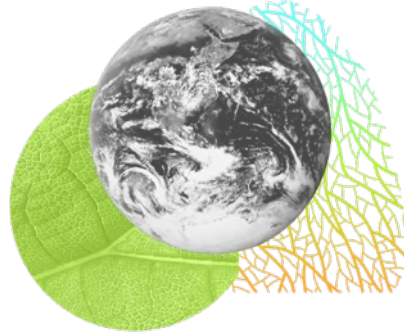
## Updates on FuelEU Regulation



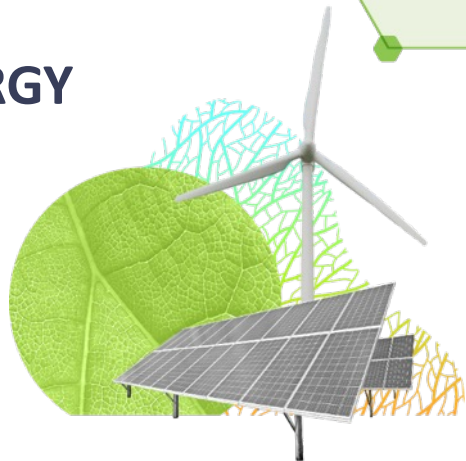
ISCC Technical Stakeholder Meeting – Sustainable Marine Fuels,  
18 January 2023

Ricardo Batista, DG-MOVE

CLIMATE



ENERGY

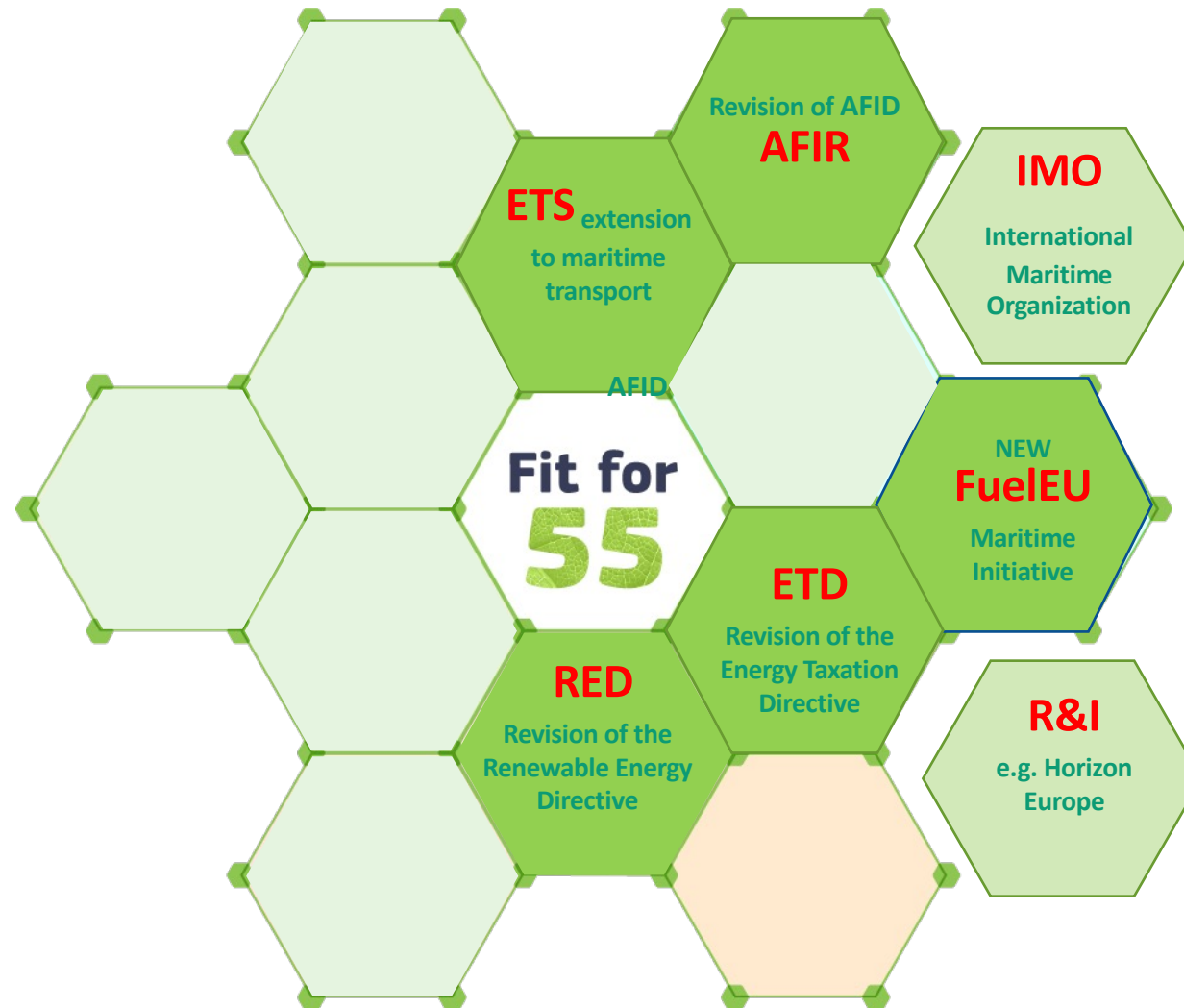


TRANSPORT



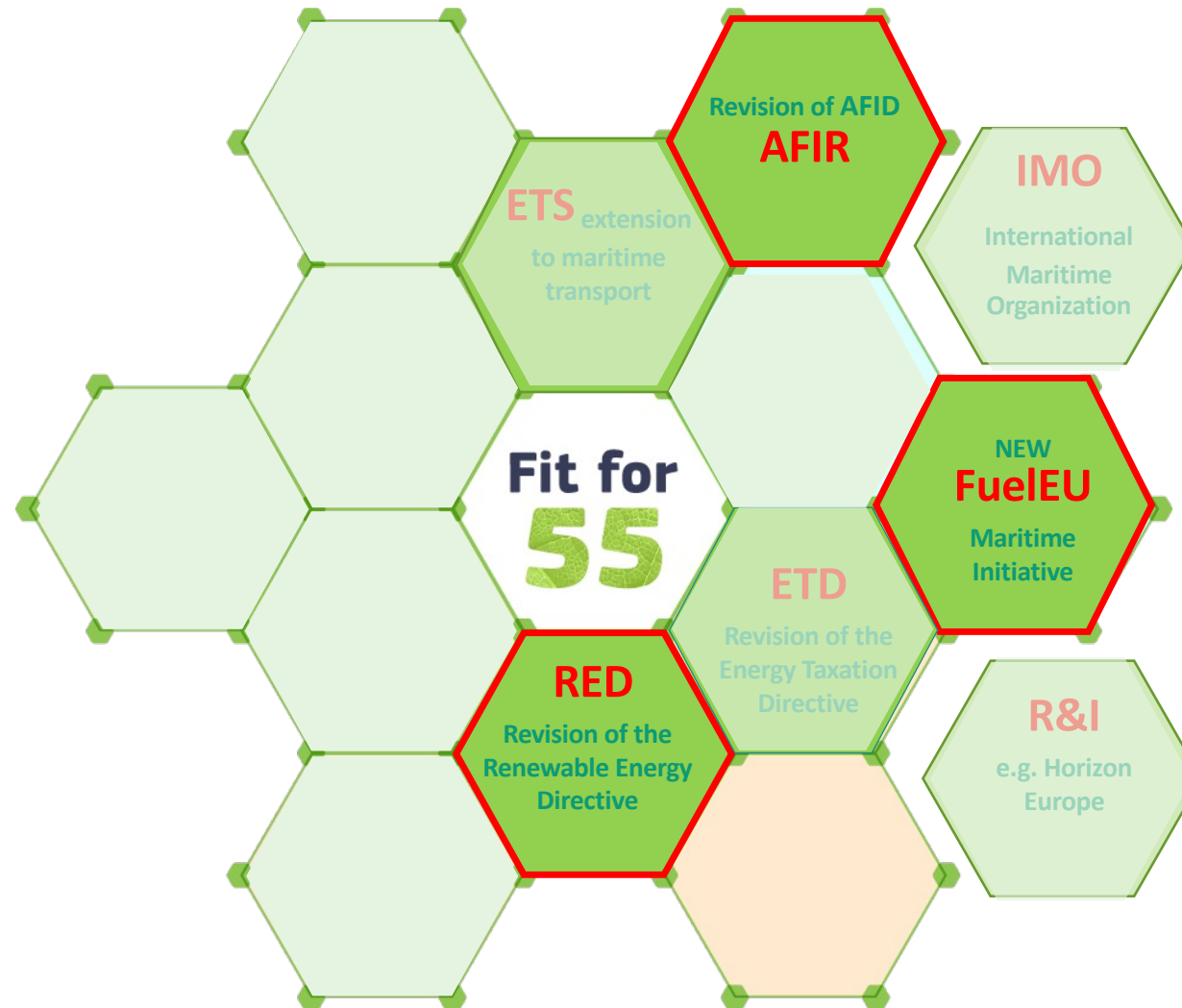
TAXATION AND TRADE





MARITIME

- Presentation focused on the different negotiation aspects on FuelEU
- Negotiations started with CZ Pcy ongoing under SE Pcy
- **Public info presented**



**MARITIME**

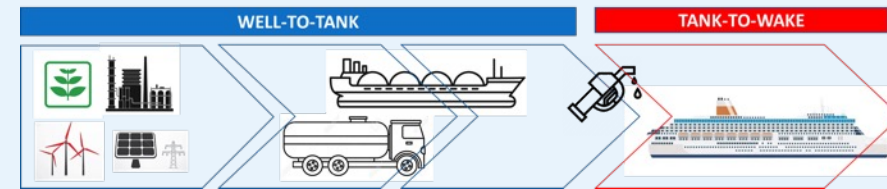
## FuelEU in a “nutshell”

- Focus on **fuel** and on **demand** – **promotion of uptake of renewable and low-carbon fuels** for maritime transport – complement to Energy Efficiency
- **Technology-neutral approach**: maritime operators will need to use an increasing proportion of zero and low carbon sustainable fuels, without obligation to use a specific technology
- **Establishes** limits on the yearly average GHG intensity of the energy used on-board (**CO<sub>2</sub>eq/MJ**)

2025	2030	2035	2040	2045	2050
-2%	-6%	-13%	-26%	-59%	-75%

- **Scope**: ships above 5000 GT, intra-EU traffic + 50% international, EU ports (same as for ETS)
- **Additional requirement for Zero-Emission at berth** (OPS and alternative zero-emission technologies) - compulsory as of 2030 for container and passenger vessels (some exemptions up to 2035)

- Inclusion of CO<sub>2</sub>, methane and nitrous oxide on a full Well-to-Wake calculation: allows fair comparison of fuels

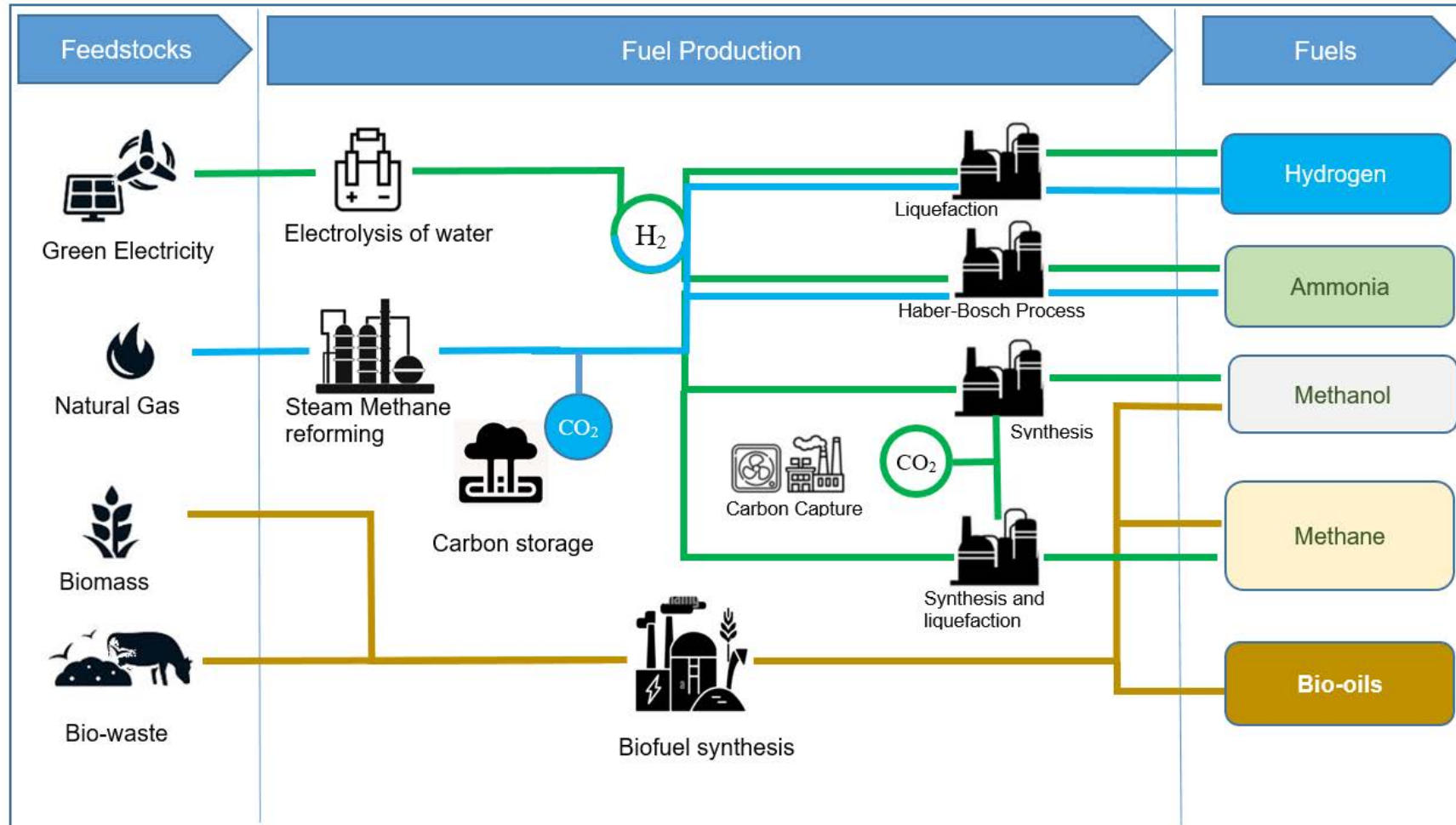


$$GHGe [gCO_{2eq}] = (WtT (fuel, electricity) + TtW (combustion, slip))$$

- **Flexibility mechanism** via banking and borrowing: surpluses and (small) deficits can be carried over to the next year
- Voluntary and open **pooling mechanism** to reward/incentivise overachievers and encourage the rapid deployment of the most advanced options
- **Non-compliance** – deterrent financial penalty
- Monitoring and Reporting is based on **MRV approach**, with some additional data (e.g. calculation of Compliance Balance)

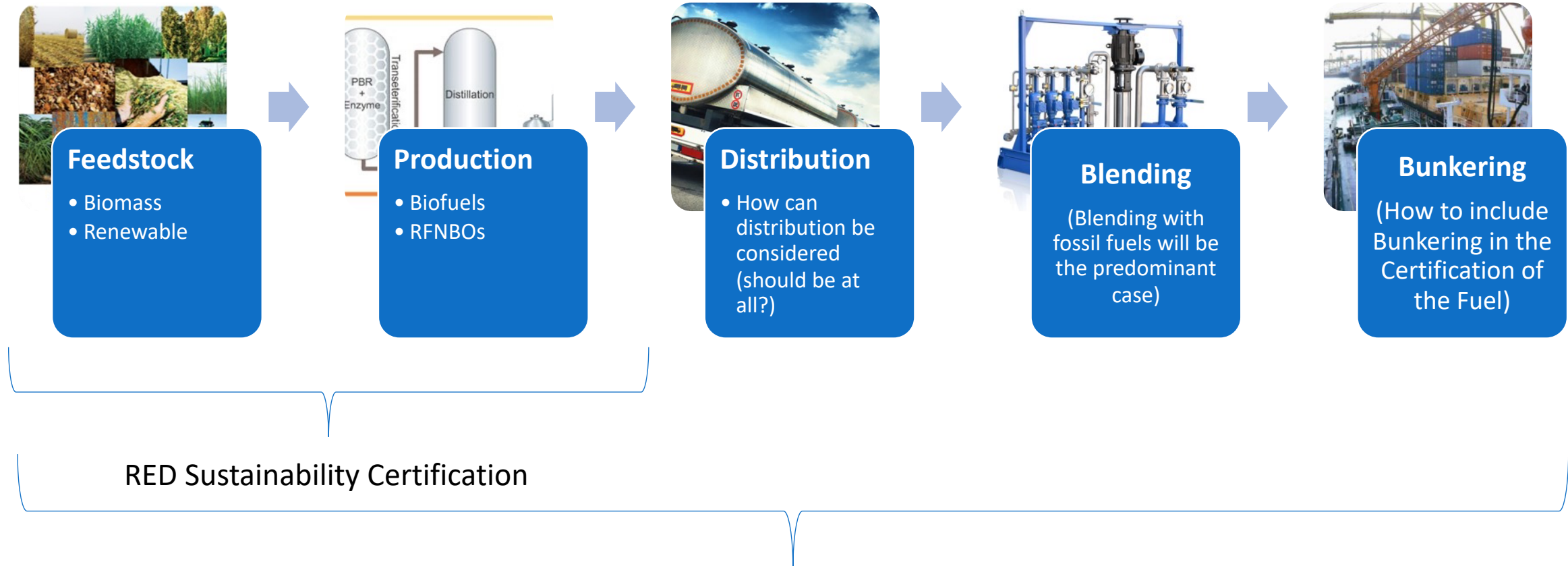
## Technology Neutral Approach

Why we need it?



## Perspective/Looking ahead on Fuel Certification for Shipping

Several Challenges to address



 Council GA 2<sup>nd</sup> June 2022 EP amendments as adopted in Plenary on 19<sup>th</sup> October 2022

- Negotiations ongoing with co-legislators – 1<sup>st</sup> Trilogue 27 October 2022
- Work under CZ Presidency allowed significant advances in the limited time available.
- Under SE Presidency - Technical meetings have already started (weekly meetings) with Political Trilogues scheduled with a view to conclude work in March 2022.



Ongoing Negotiations - Key Selected Topics under discussion

Scope

- Geographical
- Ship Size
- Possible future review (Article 28)

Charterers/  
Operators

- Passing of “remedial penalty” obligations to Operators, through mandatory clause to be included in Chartering Party agreements

Exemptions

- Small PSOs/PSC; OR connectivity
- Ice Class/ Navigation in Ice
- Transshipment ports

Governance

- FuelEU compliance data base
- Additional Checks by MS
- Role of Administering State

GHG Targets

- GHG targets for 2035/40/45/50 under discussion
- EP higher ambition targets

Fuel Certification

- Possibility to certify actual “upstream”/TtW emission factors for “other fuels” (fossil fuels)

RFNBOs

- Multiplier to reward use of RFNBOs
- Sub-target (EP) of 2% from 2030

Flexibility Mech.

- Validity of compliance surplus
- Pooling of RFNBO “quota”

Article 5

- Zero Emission Tech/ Annex-III
- Exemptions
- AFIR/non-AFIR ports

Remedial Penalties

- New penalty in case of “RFNBO” non-compliance
- Reformulation of Article 20

Fuel Suppliers

- Passing of “remedial penalty” to FS upon failure to comply with contract supply obligations

Review Clause

- Substantial additions

## Implementation

## 2023

- **Negotiation** still ongoing (process expected to conclude in Spring 2023)
- **Technical elements for implementation** – started work at Expert Group ESSF Sustainable Power for Ships
  1. **Zero Emission Technologies**
  2. **GHG Marine Fuel Certification**
  3. **Engine (slippage) certification**
  4. **FuelEU Monitoring/ Reporting/ Verification instruments**
- RLCF Alliance – Round Table on Maritime Transport - [Renewable and Low-Carbon Fuels Value Chain Industrial Alliance \(europa.eu\)](https://europa.eu)

## 2024

- Implementing and Delegated Acts Adopted (**Secondary legislation**)
  - Zero Emission Tech
  - OPS
  - Monitoring, Reporting, Verification, Accreditation
  - Others
- **FuelEU database** development and launch (European Maritime Safety Agency – EMSA)

## 2025

- January 2025 – Entry into Force of the Regulation



Thank You!

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