



## Feedback of the ART Fuels Forum to the Inception Impact Assessment of the FuelEU Maritime Initiative

### INTRODUCTION

The ART Fuels Forum (AFF) would like to provide feedback to the consultation launched by the European Commission on the Inception Impact Assessment of the FuelEU Maritime Initiative (lead DG MOVE.D1).

This document has been elaborated by the Maritime Group of the ART Fuels Forum.

### SPECIFIC COMMENTS

- ART Fuels Forum welcomes the FuelEU Maritime initiative which aims at reducing emissions from maritime transport by ramping up the production, deployment and uptake of sustainable alternative fuels.
- ART Fuels Forum recalls the statement that the CO<sub>2</sub>-emissions to or from ports of the European Economic Area (EEA) need to be curbed down quickly to contribute to a climate-neutral Europe in 2050 as the CO<sub>2</sub>-emissions in 2018 are still approx..30% above 1990 levels.
- ART Fuels Forum wants to highlight that next to European action also international action is essential. If international shipping was a country, it would rank 9th when regarding the volume of CO<sub>2</sub>-emissions (see graph at end), stressing the urgency to reduce the climate impact, both at EU and international level

## SPECIFIC COMMENTS

- ART Fuels Forum wants to emphasize that the maritime sector is a sector with specific characteristics, which deviate from other transport sectors, like the road sector or the aviation sector. This will require the development of a specific, sector-oriented policy and technology approach. While similarity can be found in measures undertaken in the international aviation sector, it is important to note that the maritime sector has much more fuel options but at the same time experiences limited price flexibility.
- This demands for support and deployment for specific sustainable low carbon fuels production technologies. Also, an open and explorative approach is required to widen the scope for a sustainable feedstock base for both biobased and synthetic fuels. We want to add that the legislative bodies can develop design parameters to secure the desired CO<sub>2</sub>-performance and sustainability levels, to prevent market penetration of low-performing sustainable fuels.
- ART Fuels Forum wants to highlight that the European sustainable alternative fuels industry is capable to quickly provide production capacity and fuels in volume that have drop-in characteristics with high energy density, or that require limited adaptation to existing engine configurations. Already today (blends of) renewable fuels are being deployed in existing vessels. Industry has several technology pathways available at commercial and near commercial level available and new pathways under development to step up to provide sustainable fuels to the maritime sector This enables the potential for early ramp up of deployment and uptake. This requires a supportive legislative framework that allows bridging the price gap to sustainable fuels with high climate impact as long as their climate impact costs are not covered in the fuel price.
- ART Fuels Forum sees it therefore as essential that Europe establishes now a mandate for the use of renewable and/or low-carbon alternative fuels that climbs over time. It would be advised to connect this to a mandate to operate any ship and vessel in the EEA with a cap for a maximum well-to-wake carbon intensity per unit of energy (similar to the Fuel quality Directive). This could overcome the problem of carbon leakage. Also, the deployment of market-based mechanisms, such as auctions or volume based tendering needs to be explored.
- Art Fuels Forum strongly believes that it is important, in order to overcome the problem of predictability and non-action of investors, that a regulatory timeframe towards 2050 is needed, also given the long lifetime of internationally operating vessels, with a clear and concrete trajectory towards 2030.

## SUPPORTIVE DATA TO THE RECOMMENDATIONS

ART Fuels Forum finds it important to provide some numerical context to the recommendation to rapidly increase the share of renewable energy and low carbon alternative fuels and energy carriers to substantial levels in order to reduce the amount of fossil fuels needed. Below are some alternative options that the European Commission could explore:

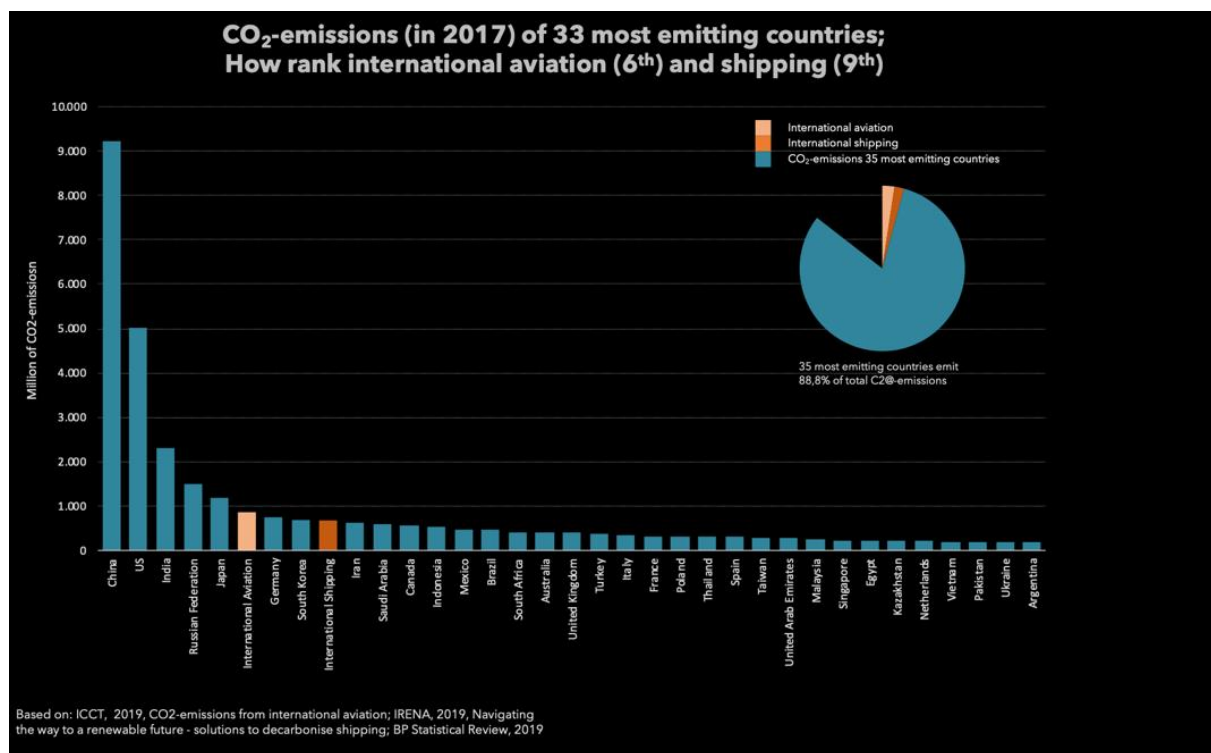
## SUPPORTIVE DATA TO THE RECOMMENDATIONS

- Option A: set - similar to RED2 - a target of 14% of renewable energy for all Ship traffic to or from ports in the European Economic Area for the year 2030. 14% would equal about 260 PJ of renewable energy (see details of calculation below)
- Option B: set a more ambitious target for 2030: to ensure that emissions in 2030 are back at 1990 level so that a trajectory is started towards further climate neutrality. The IIA mentions 2018 CO<sub>2</sub> emission levels 32% above 1990 (UNFCCC data). Reaching 1990 levels in 2030 would then mean replacement of fossil by renewables of 470 PJ.
- Option C: instead of setting obligations for renewable energy, the European Commission could explore setting volumetric limits for the use of fossil fuels in 2030 that equals the above CO<sub>2</sub>-result. The advantage of this is that if shipping volumes grow, all additional mobility needs need to be fulfilled by renewables and/or low-carbon alternatives and/or efficiency improvements.

The data used in above calculations are based on the following numbers:

- 2018 CO<sub>2</sub>-emissions are stated in IIA to be 138 million tonnes of CO<sub>2</sub>-emissions.
- Considering 75 gCO<sub>2</sub> per MJ fossil fuel (tank-to-wheel) this equals 1,840 PJ fossil fuel
- 14% renewable energy thus equals 260 PJ
- 25% renewable fuels equals 470 PJ

**Figure:** Ranking on CO<sub>2</sub>-emissions if international shipping would be a country (Studio GearUp for ART Fuels Forum)



## SUPPORTIVE DATA TO THE RECOMMENDATIONS

## ABOUT ART FUELS FORUM

The Alternative and Renewable Transportation (ART) Fuels Forum, financed by the European Commission, brings together more than 100 high-profile experts representing leading demand and supply Industries in the area of ART Fuels. It is a single policy and proven technology forum aiming at producing evidence-based opinions and conveying the collective interest of the ART Fuels industry towards informing European decision-makers and officials. The Forum supports the production and the utilization of sustainable advanced liquid and gaseous fuels towards decarbonization of key transport sectors: automotive, aviation and maritime and promotes the widespread market deployment of these fuels.

[www.artfuelsforum.eu](http://www.artfuelsforum.eu)

DISCLAIMER - The above position paper/recommendation/statement has been drafted by the assigned working group of the Alternative & Renewable Transport Fuels Forum (ART Fuels Forum) after exchange of opinions and internal consultation among the Forum members. The content of the Position paper does not necessarily reflect the views of all members of the ART Fuels Forum, but is a synthesis of the main positions. The positions, recommendations and statements listed above are those of the members of the ART Fuels Forum and do not necessarily reflect either the official position of the Commission or the complete position of the members of the ART Fuels Forum.

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