



GIE's answer to the European Commission's Public Consultation on: "Including maritime transport emissions in the EU's greenhouse gas reduction commitment"

Context

The European Commission has started a public consultation to collect opinions from stakeholders and experts in the field of shipping and climate change with a view to getting additional information on the shape of a possible Commission proposal. The consultation paper provides the following context for this consultation:

"Addressing the reduction of greenhouse gas emission from global shipping should take place through the International Maritime Organisation (IMO) and this will always be the ultimate goal of the EU. While energy efficiency requirements for certain categories of new ships have been set by the IMO through the energy efficiency design index (EEDI), no international regulation aiming to reduce GHG emissions from existing ships has been adopted to date.

According to Directive 2009/29/EC (the revised EU ETS Directive) and Decision No 406/2009/EC (the Effort Sharing Decision), the EU should include the GHG emissions of the maritime sector in its 20% overall GHG reduction commitment in the event that no agreement including these emissions in reduction commitments has been reached at the international level by 31 December 2011. In order to decide how to proceed in developing such a proposal in 2012 and to have a clear understanding on the impact of these possible proposals, the European Commission wishes to supplement the input which it has received through 3 stakeholder meetings in the framework of the European Climate Change Programme and through the High Level Group on Shipping Emissions through this internet consultation.

The Commission is analysing the impact of policy options for a possible EU action. These policy options have been derived from the second IMO greenhouse gas study 2009 and the 2009 report on the technical support for European action to reducing greenhouse gas emissions from international maritime transport led by CE Delft. These policy options also take into account the progress made within the IMO, especially regarding the adoption of the EEDI.

As presented during the third stakeholder meeting of the European Climate Change Program, the following policy options are considered for the purpose of the impact assessment:

- *a compensation fund*
- *an emission trading system (ETS)*
- *a tax on fuel or on emissions*
- *a mandatory emission reduction per ship*

This consultation has been prepared by the Commission services for consultation purposes. It is addressed to stakeholders and experts in the field of shipping and climate change with a view to getting additional information on the shape of a possible Commission proposal. It does not in any way prejudge, or constitute the announcement of, any position on the part of the Commission on the issues covered."



Online Questionnaire and answers

The questions addressed by this Public Consultation are specifically related to the maritime industry; therefore, GIE would like to express its views on the role of Natural Gas (LNG and CNG) as an alternative fuel for maritime transport under the **General comments** section of the consultation:

General Comments:

Please feel free to give any additional comments (max. 2000 characters)

The use of Natural Gas as a fuel offers an excellent opportunity for a step-change in the reduction of emissions from the maritime transport sector. Replacement of fuel oils by LNG offers the cleanest, most efficient and versatile solution, while fully in line with European objectives regarding a lower carbon energy mix. Moreover, LNG can over the longer term be associated with a renewable energy source, biomethane.

The number of LNG regasification terminals in the EU has rapidly increased and many new terminals are under construction or being planned allowing the development of a wider use of LNG as a maritime fuel. Currently, some terminals in the EU already offer services to use LNG as a transport fuel. However additional investment in secondary distribution infrastructure will be required. GLE strongly supports the development of an adequate “green shipping” infrastructure.

A long operations experience has shown that LNG can be safely produced, transported, unloaded and stocked near the relevant markets. A number of countries have already gained considerable experience in using LNG as a transport fuel for shipping.

The potential for LNG as a shipping fuel is huge due to its superior environmental performance compared to other bunker fuels, especially regarding NOx and PM. Short Sea Ships and ships with fixed routes seem at present the best candidates to be fuelled by LNG because the bunkering locations needed are fewer and they can be gathered to big ports.

LNG prices are becoming attractive compared to other bunker fuels. Over the last years, the continuing widening of the price differentials between petroleum fuels and LNG strongly indicates that switching fuels to LNG for ship owners may make economic sense.

GLE welcomes the planned Commission action to include maritime emissions into the existing EU reduction commitments and further supports a fiscal and policy framework that recognizes the superior environmental benefits of LNG as a fuel.