

Heavy-duty vehicles CO2 standards:

EU must support clean affordable fuels for shipping instead of creating artificial demand for biofuels and RFNBOs for trucks via the introduction of CCF

The EU recently adopted the 'Fit for 55' package that introduces the new ambitious measures for Europe to reduce emissions by at least 55% by 2030 and become carbon neutral by 2050. Shipping will contribute for the first time to the EU climate targets being part of the EU ETS and the FuelEU Maritime law. The IMO also reached last July a historic agreement for GHG emissions from international shipping to reach net-zero by 2050.

European shipowners welcomed the increased climate ambition of the 'Fit for 55' package and recognised that shipping should contribute its fair share at EU level as well. 'Fit for 55' introduces a carbon pricing mechanism and a fuel standard for shipping. In order for the shipping industry to meet its ambitious decarbonisation targets, clean fuels must be made available in the market in sufficient quantities and at an affordable price.

Although all sectors of the European economy need access to clean fuels and energy sources, the European shipping industry is concerned about calls to provide further incentives for the use of additional quantities of biofuels and RFNBOs in heavy-duty road transport by introducing the so-called Carbon Correction Factor (CCF). It is noteworthy that the direct use of hydrogen in fuel cells falls outside the scope of CCF and is defined as zero-emission vehicle technology under the CO2 standards for heavy-duty vehicles.

We believe that the introduction of CCF will generate an artificial demand for these fuels in road transport where other alternatives exist and will divert crucial quantities away from shipping and other hard-to-abate sectors, which have no other alternatives to decarbonise.

Sustainable and scalable renewable fuels are key to decarbonise the shipping industry, but the current lack of availability risks blocking the decarbonisation of the sector. To reach the Paris Agreement's 1.5°C target, maritime transport services need an immense effort to develop fuel production capacity.

We therefore urge the co-legislators to oppose unnecessary additional incentives such as CCF into the CO2 standards for heavy-duty vehicles and to provide legal and investment certainty by prioritising shipping.



Background information

European co-legislators are currently revising the CO2 emission standards for new heavy-duty vehicles under which vehicle manufacturers have to reduce average fleet emissions of their new sales by -45% in 2030, -65% in 2035, and -90% in 2040. Zero-emission trucks and buses are defined as battery electric, hydrogen fuel cell, or hydrogen combustion vehicles.

About ECSA

<u>ECSA</u> represents 20 national shipowners' associations based in the EU and Norway. European shipowners control 39.5% of the global commercial fleet, contribute 149 billion euros per year to the EU GDP and provide 2 million Europeans with careers both on board and ashore. ECSA strives for a regulatory environment that fosters the international competitiveness of European shipping, to the benefit of the EU.

For more information contact:

Luisa Puccio – <u>luisa.puccio@ecsa.eu</u> +32 2 510 61 28