



**Position of the European Sea Ports Organisation
on the public consultation with regard to Evaluation of the EU framework
for taxation of energy products and electricity**

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Under the Alternative Fuels Infrastructure Directive, Onshore Power Supply (OPS) shall be installed as a priority in ports of the TEN-T Core Network, and in other ports, by the end 2025 unless there is no demand and the costs are disproportionate to the benefits, including environmental benefits.

ESPO welcomes that the Evaluation and Fitness Check Roadmap of the Commission on the evaluation of the Energy Taxation Directive (2017) makes a reference to an exemption on OPS. ESPO believes that a permanent tax exemption for the use of shore-side electricity would put it on an equal footing with electricity generated on board of ships which is produced from the combustion of tax exempted fuels. It would take away a great disadvantage of using OPS and would contribute to leveling the playing field. Additionally, the uptake of OPS would contribute to further improving air quality and achieving the EU climate targets.

Currently, OPS can be tax exempt for a limited period of time after Member States having gone through a long process as laid down Article 19 of Directive 2003/96 (Energy Taxation Directive). Member States can be authorised to apply a reduced rate of taxation. To that end, the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce any exemptions or reductions for specific policy considerations. A Member State wishing to introduce such a measure shall inform the Commission accordingly and shall also provide the Commission with all relevant and necessary information.

The Commission shall examine the request and within three months of receiving all relevant and necessary information, shall either present a proposal for the authorisation of such a measure by the Council or, alternatively, shall inform the Council of the reasons why it has not proposed the authorisation of such a measure. The authorisations referred to in paragraph 1 shall be granted for a maximum period of 6 years, with the possibility of renewal.

ESPO believes that a permanent exemption would have a large impact on the uptake of OPS in ports. It would level the playing field with electricity generated on board produced from the combustion of tax exempted fuels and would be in line with the EU air quality and climate legislation.

The European Sea Ports Organisation (ESPO) represents the port authorities, port associations and port administrations of the seaports of 23 Member States of the European Union and Norway at political level. ESPO has also observer members in Iceland, Israel and Ukraine. ESPO is the principal interface between the European seaport authorities and the European institutions. In addition to representing the interests of European ports, ESPO is a knowledge network which brings together professionals from the port sector and national port organizations. ESPO was created in 1993.
