



**The European Sea Ports Organisation (ESPO) and the Federation of European Private Port Companies and Terminals (FEPORT) call for an EU wide mandatory tax exemption for onshore power supply (OPS) in the compromise text on the revised Energy Taxation Directive**

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**The European Sea Ports Organisation (ESPO) and the Federation of European Private Port Companies and Terminals (FEPORT)** fully support the European Green Deal ambition. For the two European associations, it is important that a reviewed energy taxation policy is based on the polluter pays principle, effectively reduces shipping and port emissions, and helps accelerating the energy transition of the shipping sector.

Considering the Commission proposal and the compromise text on the table in the Council, ESPO and FEPORT fear that the new Energy Taxation Directive (ETD) is not delivering on **boosting the use of onshore power supply (OPS)** which is identified as a major priority in the new Alternative Fuels Infrastructure Regulation (AFIR).

According to AFIR, by 2030, container and passenger ships above 5000 gross tonnes must connect to OPS while at berth for at least two hours and TEN-T core and comprehensive ports should therefore be equipped to provide it each year for at least 90% of the port calls.

**Now is time to walk the talk by developing policies that stimulate the use of OPS. Agreeing on an EU wide exemption of taxation for electricity provided to ships at berth is an essential pillar of such policy and a crucial condition to encourage ships to use OPS, as soon as it is installed.**

The ETD Commission proposal from 2021 gives Member States the option to give a total or partial tax exemption to electricity directly supplied to vessels berthed in ports. Currently, Member States have to ask the Commission to apply such an exemption and if authorisation is given it counts for six years. Even if the Commission proposal is making a modest step in the good direction by eliminating this burdensome procedure for the Member States, it is a missed opportunity not to turn the option into an EU wide mandatory and permanent exemption for OPS.

**We therefore call for a mandatory and permanent EU wide tax exemption for onshore power supply** which would help deliver the priorities set in AFIR. By applying the tax exemption on the EU level, the

ETD would ensure a level playing field between the different Member States, giving shipping lines a clear signal and making the use of OPS more competitive.

**European ports and terminals look forward to continuing working with the European Commission and the EU Member States to ensure an effective Energy Taxation policy that stimulates the decarbonisation of the maritime sector without distorting the playing field level among Member States and between the EU and its neighbours. ESPO, FEPORT and their members remain fully available to discuss how the proposal can deliver this.**



*The European Sea Ports Organisation (ESPO) represents the port authorities, port associations and port administrations of the seaports of 22 Member States of the European Union including Norway at political level. ESPO has also observer members in Albania, Iceland, Israel, Montenegro, Ukraine and the United Kingdom. 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 organisations. ESPO was created in 1993.*



*FEPORT represents the interests of 2,290 private seaport companies and operators who perform cargo handling and logistics related activities in the seaports of the European Union, Norway and Turkey. FEPORT members employ around 400,000 port workers and have invested in the last ten years over EUR 70 billion to enhance the attractiveness and competitiveness of European seaports.*