



EUROPEAN SEA PORTS ORGANISATION ASBL / VZW
ORGANISATION DES PORTS MARITIMES EUROPEENS ASBL / VZW

Position of the European Sea Ports Organisation on the proposed directive on deployment of alternative fuels infrastructure

November 2013

In January 2013, the Commission launched a proposal for a Directive on the deployment of alternative fuels infrastructure. The Commission proposal:

- promotes the development of shore side electricity facilities given that these are cost effective and have environmental benefits (*Article 4, paragraph 4*)
- introduces a strict obligation for all core TEN-T ports to deploy certain LNG refueling infrastructure by 2020. The aim of this proposal is to accelerate the provision of LNG bunkering infrastructure. (*Article 6, paragraph 1*)

On 4 November the TRAN committee of the European Parliament will be discussing the draft report of Mr Carlo Fidanza and the additional amendments. The vote is scheduled for 26 November.

With this paper, the European Sea Ports Organisation (ESPO) aims at expressing its support for the proposal and the draft report of the rapporteur. ESPO believes however that the amendments 244, 246 and 247 on article 4 and amendments 300 and 302 on article 6 will not achieve the expected results.

ESPO welcomes the draft report of Mr Carlo Fidanza

In his draft report, the rapporteur attempts to make the obligation for ports regarding LNG more realistic, without undermining the rationale of the Commission proposal, namely to encourage the provision of LNG bunkering facilities in ports. His text makes reference to the market realities and to a sufficient network of refueling points that needs to be deployed by 2020.

At the same time the draft report leaves untouched the Commission proposal regarding shore side electricity, which is pragmatic by making specific reference to the analysis of environmental and cost related considerations on a case by case basis.

ESPO opposes the amendments 244, 246 and 247

Contrary to this, the amendments 244, 246 and 247 submitted by the TRAN members introduce a strict obligation for ports to provide shore side electricity on their berths.

ESPO fully acknowledges the challenge of improving local air quality in ports and overall environmental performance of shipping. Shore side electricity is in that respect an important part of the mix of potential solutions. **ESPO therefore believes that its use should be actively encouraged, where appropriate.**

However, it is certain that **shore side electricity cannot be considered as an “one size fits all” type of solution and needs to be evaluated on a case by case basis.** ESPO therefore believes that a radical obligation for ports to deploy infrastructure for shore side electricity, without taking into account the local situation, the geographical location, the needs and the type of port and ship traffic, is not the right way to go.

ESPO supports amendment 48 by the rapporteur

LNG appears at the moment to be the most promising medium term solution in improving the environmental performance of shipping. Between other environmental benefits (e.g. NO_x, PM, CO₂ emission reduction), LNG is considered currently as the best solution to decrease the sulphur content in maritime fuels, on obligation to be met as from January 2015 in the Sulphur Emission Control Areas. As such, **ESPO agrees with the Commission’s intention to give a clear message to the industry for deploying LNG refueling infrastructure.**

ESPO shares the goal of developing a sufficient network of LNG infrastructure and agrees on linking it to the Trans-European Transport (TEN-T) Core Network and its supporting mechanisms. However, ESPO believes that the deployment of bunkering infrastructure for LNG needs to take current market realities into account so that there are not investments in non-used or under used facilities. **Flexibility, taking into account existing bunkering realities and distances between core TEN-T ports is needed while establishing the network of refueling points.**

Therefore, **ESPO supports the rapporteurs proposal that clearly contributes to achieving the goal of deploying a sufficient network of LNG infrastructure while taking into account the current bunkering market realities.**

Contrary to this, ESPO cannot support amendment 300 that maintains the strict obligation of the Commission’s proposal and amendment 302 that even imposes a stricter timeframe for the application of such an obligation in 2018 instead of 2020.

In summary, the European Sea Ports Organisation:

- **Supports the text in the EC proposal regarding the provision of shore side electricity, while strongly opposes amendments 244, 246 and 247 (Article 4, paragraph 4).**
- **Strongly supports amendment 48 by rapporteur Fidanza regarding the deployment of LNG infrastructure (Article 6, paragraph 1), while opposes amendments 300 and 302.**

Background: The use of shore side electricity should be supported, where appropriate

Shipping is the most energy efficient mode of transport as regards carbon emissions per tonne/kilometer transported. However, ship exhaust emissions (e.g. SO_x, NO_x and PM) can cause severe problems both regionally and especially locally in ports that are situated near residential areas. EU port authorities are well aware of their role and responsibility to improve ambient air quality in port areas. In fact, air quality has been identified as the top environmental priority of the sector in 2013¹. With the ESPO Green Guide² ports are committed to work through a structured approach towards improving air quality. As part of the mix of potential responses the provision of shore side electricity and that of LNG as ship fuel are being considered and implemented in ports.

Due to the significance of local air quality for ports, ESPO has been long supporting the promotion of shore side electricity, also through the dedicated working group under the umbrella of the World Ports Climate Initiative (WPCI)³. In addition, ESPO has been calling since 2010⁴ for a tax exemption for shore side provided electricity under the revision of the 2003/96/EC Taxation Directive in order to give a fairer chance to development projects in this field.

Over time and as a result of different feasibility studies in ports, it has become clear that shore side electricity can contribute to better air quality but cannot be put forward as the unique and best solution in all cases.

In that respect, ESPO believes that the environmental benefits and cost-effectiveness of introducing shore side electricity should be evaluated on a case by case basis. There should be no obligation to ports for providing shore side electricity for the following reasons:

- **Shore side electricity makes sense when the port's berths are located close to urban areas.** Shore power does not eliminate emissions from propulsion and auxiliary engines during approach or departure manoeuvres.
- **The regional environmental benefits of shore side electricity depend on the way that the electricity provided through the grid is generated.** If the electricity is generated in fossil-fuelled power stations, which generate emissions, the benefit from replacing the ship emissions by power plant emissions (through the shore side electricity provision) is limited.

¹ Port Performance Dashboard 2013

http://www.espo.be/images/stories/Publications/studies_reports_surveys/espo_dashboard_2013%20final.pdf

² http://www.espo.be/images/stories/Publications/codes_of_practice/espo_green%20guide_october%202012_final.pdf

³ www.onshorepowersupply.org

⁴ http://www.espo.be/images/stories/policy_papers/policy_papers2010/2010-03-30Positionpaperonthetaxation.pdf

- Moreover, since 2010, ships at berth in European ports are obliged to use fuel with 0,1 % sulphur content. In parallel, vessels using LNG as fuel emit practically zero SOx and particles and achieve up to 90% NOx emissions reduction. **The environmental added value of shore side electricity needs to be carefully evaluated with an eye on the present and future developments as regards the fuel used on board.**
- Feasibility studies in ports indicate that **shore side electricity mainly makes sense for regular traffic on dedicated berths used by the same type of vessels (e.g. ferries)**. In multipurpose docks used by different types of vessels, investments in shore power are very high and not always justified by significant emission reductions.
- In addition, for safety reasons, **certain types of ships would be excluded from using shore side electricity** (e.g. tankers carrying flammable products are subject to strict safety standards that would be incompatible with external electricity provision).
- The amount of electricity supplied depends on the auxiliary engine power of the vessel and the time it stays at berth. When planning the establishment of shore side electricity the developer should aim to address the need for high peak capacity (e.g. if different large cruise ships are at berth at the same time). This would often require an upgrade of the electricity grid due to high demands. In addition, it results in a big amount of **unused capacity during the big majority of times when the demand is low or normal.**
- To make any shore side electricity project a success it is important to actively engage all relevant stakeholders, namely port authorities, terminal operators, shipping lines and electricity providers. Therefore, **it does not make sense to introduce an obligation to any single category of stakeholders.**
- Shore power is a solution that generally represents a very large investment for ports and that has no return through savings in fuel consumption. When successful, it is **mainly driven with the aim of serving the public interest and requires co-investment of public money.**

⇒ *For all the above reasons, ESPO supports the Commission approach (Article 4, paragraph 4) in view of promoting the provision of shore side electricity, where appropriate, namely when it is cost-effective and leads to environmental benefits. ESPO opposes amendments 244, 246 and 247 that introduce an obligation to ports to provide shore side electricity.*

Since 1993, ESPO represents the port authorities, port associations and port administrations of the seaports of the Member States of the European Union and Norway. ESPO has also observer members in several neighbouring countries to the EU. ESPO ensures that seaports have a clear voice in the European Union. The organisation promotes the common interests of its members

throughout Europe and is also engaged in dialogue with European stakeholders in the Port and Maritime sector.

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