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## Feedback from: BP PLC

### Feedback reference

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### Submitted by

BP Brussels Office

### User type

Company/business organisation

### Organisation

BP PLC

### Organisation size

Large (250 or more)

### Transparency register number

3394026642-58 (<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=3394026642-58&locale=en>).

### Country of origin

United Kingdom

### Initiative

CO2 emissions from shipping – encouraging the use of low-carbon fuels ([http://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12312-CO2-emissions-from-shipping-encouraging-the-use-of-low-carbon-fuels\\_en](http://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12312-CO2-emissions-from-shipping-encouraging-the-use-of-low-carbon-fuels_en)).

bp welcomes the Commission's FuelEU Maritime proposal to introduce a GHG intensity reduction target for the energy used on ships.

Whilst some maritime journeys are possible with battery electric vehicles, the vast majority of deep-sea shipping is going to require a more energy dense alternative to fossil fuel. Biofuels, synthetic liquid fuels created from electricity and gaseous fuels such as hydrogen or biogas are all possible sustainable marine fuels and alternatives to traditional fossil bunkers but will require appropriate regulatory support. BP welcomes well-designed, stable and long-term policy frameworks to incentivize and support investment in sustainable marine fuels.

Although economy wide carbon pricing is the most economically efficient means to achieve long term climate goals in the long-term, in the shorter-term it is unlikely that economy-wide carbon prices will drive change in sectors with high abatement costs such as shipping and direct regulation will likely be the most effective way to drive reductions in marine emissions. We encourage greater ambition for mechanisms that effectively drive abatement of emissions in the shipping sector. bp has joined the Getting to Zero Coalition under the Global Maritime Forum which is committed to getting commercially viable deep sea zero emission vessels powered by zero emission fuels into operation by 2030.

Recommendations for areas for policymaker consideration with regard to the proposed regulation:

- We encourage greater ambition in the GHG intensity reduction targets set under the proposal.
- To ensure the effectiveness of the proposal, further consideration should be provided to niche vessels, such as LNG powered steam turbine vessels which make up approximately 1/3 of the global LNG fleet, that, by virtue of their design & specification, may face challenges to safe operations arising from projected compliance options.
- With regards to Article 5 of the proposal related to the use of energy at berth, until the shoreside electricity grid is fully decarbonised, the proposal may create an opportunity for distortion in the market as the GHG intensity used to generate the onshore power may be great than that generated onboard.

For international sectors such as shipping, regulation at the global level through the IMO is critical, but this should not prevent regional action going further or faster in a way that builds upon existing internationally agreed principles or policies, minimises carbon leakage and seeks to reintegrate policies into IMO legislation as ambition levels coalesce.

We encourage the continuous review and alignment of EU regulation to ongoing IMO legislative developments where the discussions on carbon pricing and other decarbonisation mechanisms are progressing much faster than anticipated and will continue to develop in parallel with the EU's 2030 legislative proposals.

Key points:

- We support the Commission's underlying approach of tackling GHG emissions from the maritime shipping sector and the well-to-wake emissions intensity standard as the right approach to reducing GHG emissions.
- We support a higher GHG intensity target, potentially more aligned to the 13% GHG reduction target in transport under the proposed RED III.
- We support EU seeking alignment of regulations at IMO level.

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