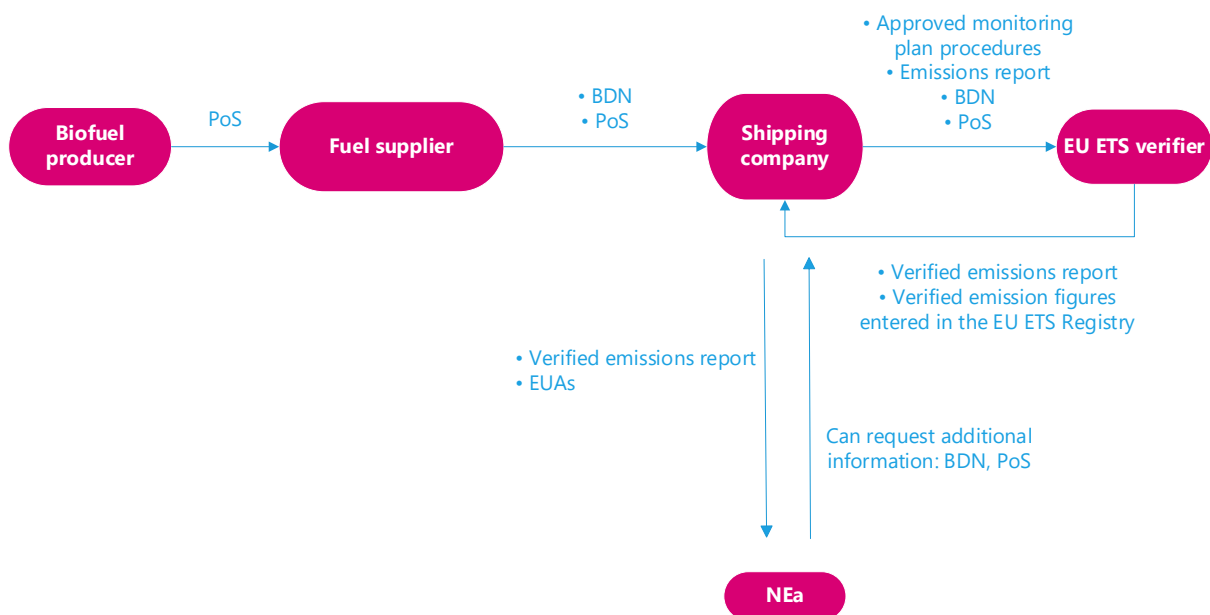


Newsletter ETS Maritime – biofuels and zero-rating

Zero-rating of CO₂ emissions from biomass

Shipping companies, if they meet the necessary monitoring and reporting requirements, can claim a zero-rating of CO₂ emissions from sustainable biomass under the EU ETS for the biofuels they have used. This approach reduces the reported emissions and, consequently, lowers the surrender obligation. To qualify for this zero-emission claim, shipping companies must demonstrate that the biofuel complies with the monitoring and reporting procedures set out in [Regulation 2015/757](#) (the Monitoring, Reporting and Verification Regulation, or **MRV**) and in [Regulation 2018/2001](#) (the Renewable Energy Directive, or **RED-II**). This compliance is basically demonstrated through a Proof of Sustainability (**PoS**). In the scheme below, the workflow to claim a zero-rating of the biofuels used is depicted:



Issues with receiving the Proof of Sustainability

The Netherlands has implemented the RED-II using the opt-in for fuel deliveries to the maritime sector. When fuel suppliers supply sustainable fuels, they can generate renewable energy units (**HBEs**) if they submit a PoS to the Dutch Emissions Authority (**NEa**). To zero-rate the CO₂ emissions from sustainable biomass in marine bunker fuels, shipping companies must make the PoS available to the verifier and (if requested) to the NEa. However, when bunkering in the Netherlands, the PoS is already issued to the NEa by the fuel supplier to obtain its HBEs under the RED-II opt-in for maritime in the Netherlands, as required under the Ministerial Regulation ‘energy for transport’. A PoS can only be issued once for a batch of fuels, which is why it is no longer available to a shipping company for its EU ETS reporting.

European solutions

The European Commission is developing the Union Database (**UDB**), which should enable the use of the PoS by both the fuel supplier and the end user of the fuel, in this case the shipping company. The UDB should become a reliable system that supports parallel claims of renewable energy while preventing companies from double claiming in multiple greenhouse gas schemes. However, this functionality of system will be operational from 2026 at the earliest. Currently, the European Commission is working on an interim solution while the UDB is not yet operational. However, this

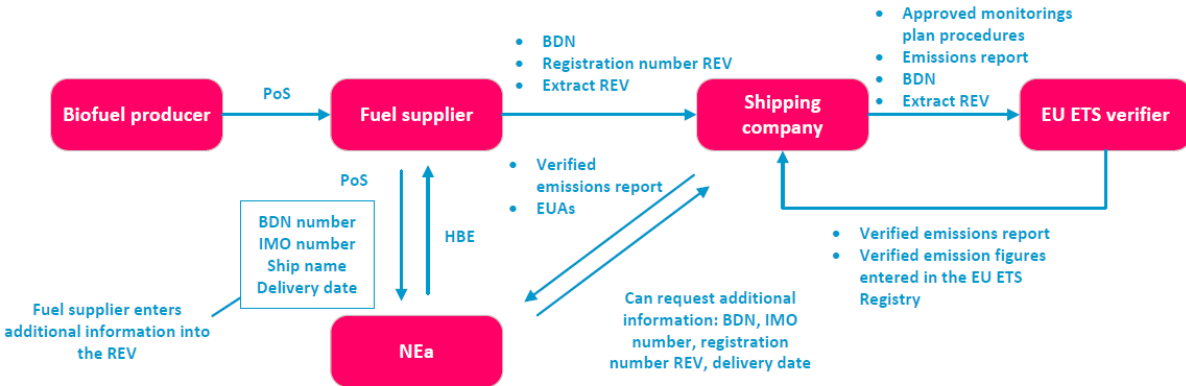
solution would only be applicable from the reporting year 2025. For the reporting year 2024, there is no European interim solution that enables the parallel claim of renewable energy. That is why an interim national solution is proposed for the reporting year 2024.

Temporary measure to enable the zero-rating of biofuels in the EU ETS for 2024

For the 2024 annual emissions reporting, the Ministry of Infrastructure and Water Management (**IenW**) will amend the Ministerial regulation (“Regeling handel in emissierechten”) to enable the NEa to implement a temporary measure that allows parallel claims of sustainable fuels by both fuel suppliers under the national mandate and shipping companies under the EU ETS until the European interim solution is implemented. This temporary solution is intended for cases where the shipping company is unable to obtain a PoS from their fuel supplier, in case of bunkering in the Netherlands, because the fuel supplier surrenders the PoS to the Nea in order to receive HBE’s. The temporary measure is valid with retrospective effect from 1 January 2024. Once the European interim solution is implemented, this national temporary solution will be withdrawn. The amendments to the Ministerial regulation are not in force yet, but the aim is that they will be in the short term.

Practical solution

The NEa maintains a national registry (Register Energie voor Vervoer; **REV**) where fuel suppliers report sustainable fuel supplied in the Netherlands for the annual obligation renewable energy for transport. In this registry, fuel suppliers give reference to the PoS. For parallel claims, fuel suppliers now have to add relevant information for each registration, such as the specific delivery date, the recipient of the fuel (IMO number, ship name) and the Bunker Delivery Note (**BDN**) number. This allows the NEa to link the PoS from the fuel delivered to the fuel purchased, mirroring the functionality that will be provided by the UDB once it is operational. Fuel suppliers have to retrieve extracts from their fuel registrations in the REV and provide them to the shipping companies. Then, the shipping companies are required to supply additional evidence to the verifier (and if requested) to the NEa, such as the BDN, extracts from the fuel registrations in the REV and the fuel registration number. The temporary solution will be legally secured in the amended “Regeling handel in emissierechten”. In the scheme below, the temporary solution that enables the parallel claim of renewable energy is depicted:



Practical information for shipping companies

Shipping companies should consider the following practical steps for the national interim solution:

1. Your fuel supplier needs to register the relevant information in the REV. The NEa has informed fuel suppliers about what information is needed and should be delivered to the shipping companies.
2. Ask your fuel supplier to provide you with information from the REV regarding the fuel delivery including: the name and IMO number of the ship, the BDN, the date of delivery and the energy content of the delivery in GJ.
3. Draft the emissions and specify the amount of zero rated biofuels.
4. Submit the information under 2 and 3 to your verifier.
5. Submit your approved emissions report to Thetis-MRV.

Questions

In case of any questions you can contact NEa under info@emissionauthority.nl.