How to guarantee green H2 uptake in EU shipping

Recommendation 1:
Mandate a 6% green Hydrogen (-based fuel) use in EU shipping by 2030 under the draft FuelEU Maritime Regulation. The goal of FuelEU Maritime regulation is to create demand for alternative marine fuels for shipping. The draft legislation is currently under negotiations in the EU Council and EU Parliament.

- ~800,000 tonnes guaranteed H2 demand from EU shipping by 2030
- ~8.6 GW Electrolyser capacity will be required for EU shipping alone
- ~2 million TOE/2030 dependence reduction on Russian oil & gas

Recommendation 2:
Advance EC proposed regulatory targets by 5 years and set 2050 as the sunset date for the last use of GHG emitting fuels

- ~480 million tonnes extra GHG saved by 2050
- Paris Agreement Full decarbonisation by 2050

Recommendation 3:
Apply a multiplier of 5 to the use of green H2(-based fuels) in shipping under the FuelEU Maritime Regulation. Multiplier functions like a "discount" system allowing the use of each tonne of green H2(based fuels) count 5 times towards achieving the regulatory targets. In practice, this helps to fully bridge the cost-gap between green H2(based fuels) and fossil fuels. Multiplier should only apply to volumes used above the sub-quota in order to provide additional incentives to shipowners/operators to switch to green H2-based fuels.

Cost of compliance using green H2

- without Multiplier of 5
- with Multiplier of 5

- Cost of green H2 (ammonia)
- Cost of HFO/VLSFO
Europe has a sizeable ship bunkering market. Currently 99+% are of fossil origin. If the EU mandates a 6% green e-fuel mandate under FuelEU Maritime, this would represent a total of about **800 000 tonnes** of green H2 market for shipping alone by 2030. This is compared to 20 MT currently aimed for all applications.