The roll out of onshore power supply in Europe and its challenges ahead of the 2030 deadline

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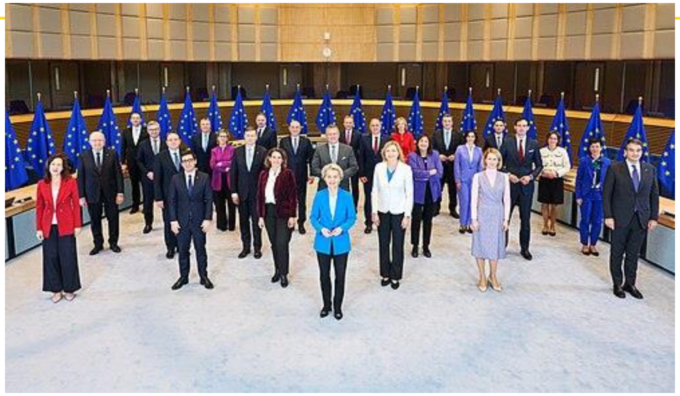
Interferry 2025 Conference - Sorrento

EU: From Commission Von der Leyen I to Von der Leyen VDL II



Commission
VDL I
« Green Deal »

Commission
VDL II
« Clean Industrial Deal »

Clean Industrial Deal
Decarbonisation +
competitiveness

Reform budget?
New MFF?

Resilience/Defence

- Covid => Next Generation/EU RRF
- War in Ukraine => RePower EU
- US IRA => NZIA
- Red Sea
- Tariffs Trump administration
- …

Simplification
« Omnibus Packages »

Relevant EU files for ferry and ferry ports

- Implementation of the Fit for 55 (Green Deal): **OPS** and EU-ETS
- IMO Net Zero Framework: hope on an agreement! (alignement EU-ETS)
- Maritime Industrial Strategy : encourage shipbuilding in Europe (ferry?)
- EU Ports Strategy (=> competitiveness of Europe's ports)
- EU Tourism Strategy : stress role of ports and ferries in connecting regions, people and cultures.
- EU Budget: New Multi Annual Financial Framework: new CEF (profile ports as cross border entities)
- …

AFIR - OPS requirements by 2030 (Article 9)

Type of vessels above 5000 gross tonnes	average **annual number of port calls** of ships moored at the **quayside (>2h)**, averaged over last 3 years
seagoing **container** ships	above **100**
seagoing **ro-ro passenger** ships	above **40**
seagoing high-speed **passenger** crafts	above **40**
seagoing **passenger** ships (other than seagoing ro-ro passenger ships and seagoing high-speed passenger crafts) = *cruise ships*	above **25**

are equipped to provide each year shore-side electricity supply **for at least 90% of the total number of port calls** [from ships] that are moored at the quayside at the maritime port concerned *(TEN-T core and compr)*

- From 2035: in non-AFIR ports with OPS available at the visited quayside, the ship has to connect to OPS

+ **Article 11** – Relative light requirements ("an appropriate number") to supply **LNG** in maritime ports
In TEN-T *core* maritime ports, **by 31 December 2024**
Member States cooperation with other MS to ensure sufficient coverage. Deployment driven by market demand.

OPS requirements in ports by 2030: challenges

- Scope AFIR is very large (almost no prioritisation possible)
- Massive investments in ports (bigger ports more than 100 million EUR)
- Stakeholder alignment: complex projects involving energy providers, grid operators, port authorities, terminal operators and shipping lines.
- Difficult to get shipping lines engaged to use before 2030 – no business case
- Overinvestments signalled (too much power installed)
- Market has delays (equipment)
- Small market with limited service providers
- Case by case approach needed, terminal setups always different.
- Grid Capacity will be challenging / timing grid expansions - first come first serve principle
- Operational difficulties
- OPEX (not clear)
- Price/business model? Who pays what?
- Tax exemption not yet EU mandated
- Reviewing AFIR: adding new segments, new obligations, while current (ambitious) scope under development??

Some concluding remarks

- **Ports do more than before:** This new role is not coming *instead of* the traditional role of ports as transport and logistic hubs but comes *on top:* EU, national and local governments must **recognise**, both financially and non financially, this new set of roles of the ports

- **Climate, geopolitical and geo-economic challenges come together: disruptions and conflicting needs?**

- **Both the public and commercial role of a port is gaining in importance: conundrum**

- **Role of ports more strategic and critical: public (general interest role) is increasing**

- **Huge investment needs: more difficult risky investments: return on investment often low and slow ⇔ <u>EU transport budget envelopes at risk tbc mid July)</u>!**

- **Competitiveness** of Europe's ports at stake: competitiveness vis-à-vis other modes and vis à vis neighbouring non-EU countries at risk. **Level playing Field!**

- **Climate is a global challenge + ports function in a global context** ⇔ risks/limits of regional policies => importance of global solution (IMO)

Some concluding remarks (2)

- Becoming a sustainable energy hub: **both big and small ports** have this potential: This new role as sustainable energy hub can lead to **a revalorisation of port-city relations (maritime capitals)**

- **Diversity:** Port authority must **have the tools** (port governance) to develop their own strategy (on one size fits all): not all ports will play a role in the energy transition of their surrounding economies

- **Give ports the space: 1. Need to build acceptance for new infrastructure**: permitting must be eased: ports are partners in green transition, not game stoppers, 2**. disruptions** imply need for more space (buffer)

- **New business (earning) model for ports needed?**

- Uncertain development of technologies + geopolitical and geo-economic instability **make it difficult to make future-proof choices => resilience and flexibility (target based)**

- **Focus on implementation needed: need for long time perspectives: no start- stop, avoid U-turns**

- **Policy makers have to take coherent approach (DGs must work together – avoid incoherences, overlaps, contradictions) => Opportunity in EU Port Strategy**

No ports, no ferries

Let's work together

Thank you

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