Brussels, 8 December 2022

#### Scene setter

You are meeting at Shell to discuss Fit for 55 files - ReFuelEU Aviation, AFIR, FuelEU Maritime.

Shell had set their own target to become a Net Zero Emissions energy business by 2050. To that end, they are scaling up investment in renewable power, hydrogen, sustainable aviation fuels (SAF) and nature based solutions.

In Aviation Shell aims to have at least 10% of their global aviation fuel sales as sustainable aviation fuels by 2030. In 2021, they announced plans to build one of Europe's biggest biofuels facilities at our Energy and Chemicals Park Rotterdam and are exploring several synthetic aviation fuels projects in Germany and Sweden as well as a waste to jet project in Rotterdam.

Shell is one of the biggest European operators of private and publicly accessible recharging points and also one of the biggest electric mobility service providers (EMSP). Shell aims at becoming a major producer of renewable hydrogen.

They aim to grow Shell's global network of EV charging points from 80,000 points today to 500,000 in 2025 and to develop hydrogen powered freight corridor, which will cover 1200 kilometres by 2025 and 150 hydrogen refuelling stations for trucks in Europe by 2030.

In NL, Shell has taken the final investment decision to build Holland Hydrogen I, which will be Europe's largest renewable hydrogen plant once operational in 2025. In another project and together with its consortium partners, Shell announced in February 2020 one of the largest renewables-based hydrogen projects in Europe, the NortH2 project [see more in background].

### **Objectives**

- Present the developments of the Fit for 55 files in negotiations and ensure Shell's support to the initiatives,
- Show appreciation for Shell active participation in the European Sustainable Shipping Forum, in particular in its subgroup on Sustainable Alternative Power for Ships (ESSF SAPS) and future contribution under the Renewable and Low Carbon Fuels Industrial Alliance (RLCF Alliance)

# **Speaking points**

### Road transport/AFIR

- Road transport needs to fully decarbonise by 2050. With the just agreed CO2
  emission standards for cars and the upcoming proposal on CO2 emission
  standards for trucks, Europe paves the way for a rapid decarbonisation of the
  vehicle fleet.
- Sufficient electric recharging and hydrogen refuelling infrastructure for both light and heavy-duty vehicles needs to be available.

# [AFIR]

- Our proposal on a regulation for alternative fuels infrastructure (AFIR) aims at ensuring sufficient publicly accessible infrastructure. While the general principle of shifting from a directive to a regulation and the introduction of mandatory deployment targets is supported by both co-legislators, there are differences in terms of ambition level.
- In particular on hydrogen the Council has significantly reduced the COM's ambition by only agreeing to mandate a network along the TEN-T core network by 2030 and by removing the targets proposed by the Commission on TEN-T comprehensive and in urban nodes. I hope that Council can show some flexibility in the running trilogues to better accommodate the needs of the sector. I also hope that we can conclude the process in spring next year.
- Moreover, we are in the process of negotiating the revision of the Energy Performance of Buildings Directive, which sees to further installation of charging points in important parts of the building stock, under the lead of DG ENER.

### [On Shell's plans]

- I follow with great interest how Shell and other companies are meeting the challenge of shifting to zero-emission vehicles, by not only equipping their petrol stations with electric rechargers but by engaging fully in the evolving e-mobility market, both as an operator of publicly accessible and private infrastructure as well as an E-mobility service provider.
- I also appreciate the great effort Shell is making on green hydrogen production and building up of hydrogen refuelling infrastructure. Hydrogen will play a major role in the future decarbonisation of the transport sector. We are taking action to accelerate the market in the context of RePowerEU as well as through our RefuelEU aviation and FuelEU maritime proposals that complement the revision of the Renewable Energy Directive. They will prepare the ground particularly for the use of hydrogen derived synthetic fuels in those sectors.

# **ReFuel Aviation**

### [Decarbonisation]

- Greening aviation will be the sector's licence to grow. While we invest in development of zero-emission aircraft and related infrastructure, we need to explore already today the possibilities offered by efficient aircraft operated with the use of sustainable aviation fuels (SAF).
- We well know that SAF have a huge potential to significantly decarbonise aviation already in the near future, while relying on existing infrastructure. The ReFuelEU Aviation initiative will ramp up production and use of SAF in European air transport.
- We all agree on the importance for the aviation decarbonisation for the conclusion of the ReFuelEU Aviation proposal. I welcome the support of Shell to this proposal. We recognise the clear commitment and political will shown by the CZ Presidency and the Parliament and their readiness to negotiate.
- You well know the position of the Commission on this file. The Council and the Parliament positions are not too far apart and the negotiations are closing all the technical points leaving space for the more political ones.

# [Upcoming trilogue]

- MS will need to show their flexibilities to reach compromise with the Parliament.
   There are 3 key political items remaining open:
  - <u>Harmonised EU-level SAF targets</u>: The Council's proposal to allow Member States to introduce higher e-fuel national targets is against the very core objective of the proposal. We are persuaded that a patchwork of national measures would distort well-integrated European aviation market for airlines and airports.
    - It may lead to higher ticket prices and SAF shortages in certain regions as well as concentrate the most advanced SAFs in privileged regions of the EU. The Parliament's positions reinforces the harmonised EU approach.
  - Environmental integrity of eligible SAF feedstock: Both legislators extend the scope of eligible feedstock, albeit with different scope and safeguards. We understand for Parliament is very important to introduce a reference to green Hydrogen regarding notably infrastructure, while from the Council General Approach there is an appetite to open the scheme to low-carbon fuels, notably for low-carbon e-fuels, on top of a large number of bio-feedsctocks.
    - While seeking technology neutral approach and supporting mainly advanced biofuels and e-fuels produced from green hydrogen, the two co-legislators will have to discuss very soon on the level of ambition and whether low-carbon fuels may play a role even if it is only for a transitional phase.
  - Well-functioning anti-tankering: Some flexibility could be carefully introduced where operational challenges are demonstrated. However, the proposed exemptions in the Council position for all flights under 1200km open the door to circumvention of the blending mandate and undermines the level playing field in the internal market. The position of the Parliament is much stricter.

- Level playing field have been at the core of the proposal and still remains the priority for the negotiations. In particular as concerns preserving feasible level of SAF targets with a harmonised European approach.
- I remain confident that reaching an agreement under the CZ Presidency is within reach. The industry awaits for the political agreement on this file to bring the market with the certainty they need to start investing in more sustainable fuels for aviation.

# [Renewable Low Carbon Fuel Alliance]

- The Alliance is a key flanking measure to the FuelEU Maritime and ReFuelEU
  Aviation initiatives. Its ultimate objective is to ensure that aviation and waterborne
  transport have sufficient access to renewable and low carbon fuels, while taking
  into account the future use of these fuels in road transport.
- The Alliance endorsed the Work Plan for 2022-23 on 12 July at its 1st General Assembly, which defines Alliance objectives and priorities. The first Roundtables took place on the 21<sup>st</sup> and 22<sup>nd</sup> of November in the Commission building. We observed a real dedication of all stakeholders participating stakeholders.
- I am very happy to see that Shell took part in the first two roundtables on namely "The availability of feedstocks, synergies among sectors and the so-called "Just Transition" and "Production pathways and value chain – Aviation". The Alliance will identify and address the opportunities and market barriers, including access to feedstock and finance, and support developing a pipeline of R&I and industrial projects.

### [Shell's plan for and actions on SAF]

- I welcome Shell's ambitious plan to distribute at least 10% of their global aviation fuel as sustainable aviation fuel (SAF) by 2030. This goes beyond even the Parliament proposal and would help to kick-start the industry in Europe.
- I am also looking forward to seeing Shell's synthetic fuel projects in Germany, Sweden and Rotterdam come to life. As you know, RefuelEU Aviation introduced sub-targets for synthetic fuels in order to send a signal to the market and stakeholders to bring investment and start production scale-up.
- Even though it wasn't in the Commission proposal, we support the idea of ETS SAF Allowances that would help to cover the price gap between SAF (in particular advanced biofuels and synthetic fuels) and fossil fuel kerosene during the first years of the mandate.

#### **FuelEU Maritime**

- The FuelEU Maritime Regulation promotes the use of renewable, low carbon fuels and low carbon intensive energy options.
- To make it happen, a variety of different fuels and energy conversion systems can compete as potential solutions for different ship types, operating profiles, routes, etc.
- Irrespectively of the sustainable fuel options selected by the market, we need a regulatory framework that incentivises decarbonisation and reduces the price gap between fossil fuels and more expensive sustainable options.

### [Marine Bunker Fuels for the Energy Transition ]

- Our proposal is technology-neutral, supporting a goal-based approach. However, some fuel options and production pathways are more effective than others. Advanced waste-based biofuels or Renewable Fuels of Non-Biologic Origin (RFNBOs) are amongst these.
- In applying a Life Cycle, Well-to-Wake, methodology for assessing the energy used onboard ships, the FuelEU Maritime proposal establishes a framework that, together with ETS extension to maritime, allows to gradually reduce the competitiveness gap between low carbon and fossil fuels.
- Biofuels will play a role, especially in the first 10 years, for 2025 and 2030, where only 2 and 6% greenhouse gas intensity reduction is required, and where "drop-in" fuel options may allow the existing fleet to find flexible fuel solutions to comply with FuelEU. Notwithstanding this, the availability of biofuels will depend on a variety of factors, and the competition for limited feedstock means that biofuels will not be a "silver bullet" for maritime transport, especially in the medium-to-long term.
- Renewable Fuels of Non-Biological Origin (RFNBOs) will play an important role in the future marine bunker fuel mix. Irrespective of the synthetic fuel product, the possibility to combine renewable electricity/ green hydrogen, with captured carbon, to produce a wide variety of fuel options will allow both short-sea shipping and deep-sea shipping to deploy the most adequate combinations of fuel and energy conversion system. Green methanol, synthetic methane or e-ammonia, will become the future "renewable energy" carriers for zero-carbon shipping
- RFNBOs have been intensely discussed in the context, both in the Council and European Parliament. Whilst the Council introduced a multiplier to reward operators that use such fuels, the Parliament also added a sub-target for all operators to use 2% of RFNBOs as from 2030. We are concerned about the subtarget in particular, because this goes against the technology neutrality of the Regulation. It puts in a difficult situation the large majority of the fleet which can only use "e-diesel" as a blendable solution. I can see a multiplier which gives incentives to use RNFBOs where they make sense, more appropriate and market driven solution. I would be very interested in hearing your views on this.
- Looking in particular to the role of green hydrogen for the uptake of RFNBOs, I appreciate the effort Shell is making on green hydrogen production. This will become a key building block in the production of future renewable synthetic fuels.

[Fuel Availability, Standardisation and Certification]

- Fuel availability, standardisation and certification are key elements for the success of the FuelEU. We need to ensure the range and the quality, safety and sustainability certification of fuel products purchased by operators.
- Feedstock diversity, renewable electricity, production and distribution of green hydrogen, are all contributing to fuel availability. To some extent, there will be geographical constraints, and new distribution chains will have to be established at global level.

- Standardisation of fuel quality, safety procedures, including distribution infrastructure, interoperability and interconnectivity, is another dimension for the deployment and safe use of renewable and low carbon fuels. This will require both engagement of international standardisation bodies and, of government and industry experts, at global level.
- Finally, fuel certification is needed to reassure the operators of the sustainability characteristics of any given fuel product or blend of products. Such certification should cover feedstock origins and production processes, but also distribution, blending and bunkering. The certification framework, as defined in our FuelEU Maritime proposal, can operate internationally through the involvement of Fuel Certification companies (already operating in aviation along similar principles under ICAO-CORSIA scheme).
- The European Sustainable Shipping Forum, where I also have to thank Shell for its active participation, will work further on the implementation of the FuelEU Maritime proposal, including GHG fuel certification. We will count on you experience and knowledge of the sector.

# **Defensive Points**

### Road/AFIR

Why is the Alternative Fuels Infrastructure Regulation proposal not including targets for the development of hydrogen refuelling points for maritime transport?

- Targets for Hydrogen refuelling infrastructure in ports were, not considered in the AFIR proposal. It is understood that zero-emission powertrains using fuels such as ammonia, hydrogen and electricity are being developed and tested in the shipping sector. However, at this stage only very few vessels are in operation. In addition, the modelling done in support of the impact assessment accompanying the FuelEU maritime initiative only shows a negligible share of those fuels in shipping until 2035. The Sustainable and Smart Mobility Strategy of the Commission notes 2030 as the milestone by when zero-emission sea-going vessels should become more widely available to the market. A review clause at the end of 2026 under the AFIR proposal is well suited to ensure that the market situation can be reviewed and on that basis the Commission can decide to propose further targets for ports.
- For hydrogen, the policy options include mandates for hydrogen refuelling stations in urban nodes. Those can be installed in multimodal hubs such as ports and serve different transport modes at those locations. Furthermore, more detailed provisions can be better introduced into the revised NPF requirements ensuring the development of alternative fuels on TEN-T corridors for inland waterways and short sea shipping.

# Why is the EU still promoting LNG as fuel for shipping, which does not provide a long-term solution to decarbonisation?

- We do not believe in a scenario where the entire maritime sector will use only one technology, at least for another couple of decades. This is not necessarily bad, since what matters is the origin of the fuel rather than the technology that uses it. Fuel oil, LNG and even Hydrogen can be bad for climate if they come from a fossil path, but the same technologies, used with sustainable biofuel and biogas, synthetic fuels or renewable Hydrogen and Ammonia, have a much more favourable impact.
- Fossil LNG is only a transitional fuel with very modest GHG gains, but it has the great advantage of dramatically abating air pollution and being immediately available for both coastal and ocean travel.
- Looking ahead, LNG-fuelled ships could gradually decarbonise by using increasing amounts of bio-methane produced from waste, some share of hydrogen, and, later, synthetic gas. They can also be retrofitted to use ammonia.
- We must also recognise that zero-emission fuel options, like hydrogen or ammonia, have not yet been fully tested for maritime transport. We should not wait another decade before introducing cleaner technologies. A transition fuel like conventional LNG can help bridge the gap.

# Biofuels should be used in the full potential of their feedstock availability, including biofuels form food and feed crops?

In case the use of crop-based biofuels was promoted in the maritime sector, there
would be a significant increase in their demand, which would increase the
pressure on land and could lead to the extension of agricultural land into highcarbon stock areas (forests, wetlands and peatland). This extension would
accordingly result to additional greenhouse gas emissions and risks to the
biodiversity.

# Will the Commission remain committed to IMO or prioritise regional GHG measures after Fit for 55?

- We cannot afford to wait if we are to meet our climate targets, which is why we are taking action at EU level now already. However, we are convinced that combatting climate change requires international cooperation and a global response. This is why we remain committed to supporting progress at the International Maritime Organization. Our objective is to advance discussions on mid-term decarbonisation measures, i.e. setting a standard for fuels or energy used onboard ships and putting a price on carbon emissions. This is a clear priority in our Sustainable and Smart Mobility Strategy.
- Our ambition is also to continue "pushing the bar higher" at global level while leading by example. Experience has shown that regional action can actually speed up climate action either in third countries or at international level.
- Similarly to our objectives at the EU level, also globally we must ensure an effective and fair transition, addressing disproportionally negative impacts on States and developing countries in particular.

### **ReFuelEU Aviation**

# What are the key points in ReFuelEU Aviation negotiations and the COM position?

As concerns the Council's amendments, we have three main priorities:

- Harmonised EU-level SAF targets: The Council's proposal to allow Member States
  to introduce higher e-fuel national targets is against the very core objective of the
  proposal. A patchwork of national measures would distort well-integrated
  European aviation market for airlines and airports. It may lead to higher ticket
  prices and SAF shortages in certain regions. We welcome that the Parliament's
  opinion reinforces harmonised EU approach.
- Well-functioning anti-tankering. Some flexibility could be carefully introduced where operational challenges are demonstrated. However, the proposed exemptions in the Council position open the door to circumvention of the blending mandate and undermining the level playing field in the internal market. The position of the Parliament is much stricter and preferred.
- Environmental integrity of eligible SAF feedstock: Both legislators extend the scope of eligible feedstock, albeit with different scope and safeguards. While seeking technology neutral approach, the regulation should promote primarily advanced biofuels and e-fuels produced from green hydrogen, which have

greatest GHG and scalability potential, and seek consistency with Renewable Energy Directive.

# As concerns Parliament's amendments:

- Level of ambition (SAF targets): the increase in the level of ambition should not be
  a trade-off with environmental integrity. The SAF targets should remain at feasible
  level, which can be delivered by the energy sector and that can be absorbed by
  the aviation sector and the end consumer without creating undue or
  disproportionate costs, and to preserve level playing field and connectivity.
- Flexibility mechanism: we share the objectives of enabling flexibility in the transition period in the fuel supply, while we aim to kick start the currently nonexistent SAF production and gradually replace kerosene with SAF all across the EU. We can explore further mechanisms to support the industry in the transition. We should ensure that any possible measures contributes to the ReFuelEU Aviation objectives in terms of environmental integrity and preserving level playing field.

# Why does the COM want to prevent Member States from adopting more ambitious SAF targets at national level?

- SAF targets must be harmonised across the EU market to avoid a patchwork of national measures. A patchwork would mean that only part of the aviation industry would decarbonise, whereas we need all citizens to have access to more sustainable aviation. Decarbonised aviation should not be only for the lucky few.
- In addition, differing targets across the continent would create harmful distortions for the aviation sector and affect ticket prices for certain regions. Airlines would also face administrative complexity.
- We often notice that "more ambitious" targets of some Member States are accompanied by more relaxed sustainability requirements. In our proposal, quality prevails over quantity. There should be no room for trade-offs.
- Finally, a clear EU-level target will send a stronger signal to industry and will better incentivise SAF production than would a patchwork of national initiatives.

# How does the COM see the idea of SAF allowances under ETS to bridge the price gap?

- The SAF blending mandate will provide producers with market certainty, allowing
  to kick-start investment into SAF capacities and achieve economies of scale.
  Moreover, other proposals in the Fit-for-55 package will increase costs of fossils
  fuels contributing to further reducing the price gap between fossil fuels and SAF.
- Nevertheless, in the coming years we can expect a high price gap to continue in particular for advanced biofuels and e-fuels, impacting the competitiveness of aviation. Therefore the proposal of the Parliament on the SAF allowances under the EU ETS is an interesting one. It would allow to narrow the price gap and accelerate the uptake of SAF, in particular e-fuels. Perhaps it should be targeted towards advanced biofuels and e-fuels, i.e. the most promising technologies in terms of GHG reductions and overall sustainability.

### **FuelEU Maritime**

#### **RFNBOs**

FuelEU needs to incentivise the fuel options that are more likely to decarbonize shipping. Shouldn't the sub-targets for RFNBOs be introduced in order to make operators opt for these fuels?

- Technology neutrality underpins the FuelEU Maritime proposal. A RFNBO sub-target departs from the principle, to the extent that it forces a technologyspecific production pathway for certain fuel products.
- A RFNBO sub-target would seriously constrain operators, who would be "cornered" to use the most expensive "e-diesel" as drop-in option into the existing ships. The total cost of ownership and the cost of compliance would significantly increase, to the extent that these operators will be out of business. This is particularly relevant as the majority of the fleet, in 2030, will still be based on conventional diesel-based systems.
- Furthermore, I have serious doubts about the technical feasibility of producing necessary quantities of "e-diesel", in particular in terms of ramping up production facilities and availability of necessary installed renewable electrical power. Adding to the lack of renewable electricity, also the lack of available sustainable carbon sources for e-diesel production would further underline the problem associated with such a measure.
- Finally, an RFNBO sub-target would ensure fuel suppliers a fixed demand with no incentive to drive down fuel cost in a competitive context.

# What role do you see for hydrogen in reducing shipping emissions?

- On shorter distances and in ports, lower energy density is sufficient, already opening additional decarbonisation and zero-pollution pathways (e.g. hydrogen and electrification). However, currently, these solutions remain limited to very specific market segments (such as short-distance ferries) with relatively low power requirements and the ability to bunker frequently. For other types of operations, a higher energy density is required – but neither electricity nor hydrogen yet offer this.
- Hydrogen and hydrogen-based fuels (synthetic liquid or gaseous fuels, such as synthetic LNG, or ammonia) will however certainly play a role in the longer terms as primary sources of energy or as blends. Hydrogen is seen as a stepping stone to the production of synthetic "drop-in" fuels, which can be used with existing technology and infrastructure.
- Changes to infrastructure and energy conversion equipment (engines / machinery on board) are also important to consider. Technologies such as hydrogen or ammonia would require a dedicated infrastructure for distribution.

# Why do the maritime and aviation proposals have different approaches?

Maritime and aviation differ substantially in two important aspects:

- There is a much greater variety of clean fuels and technology in maritime than there is in aviation. Different technologies in maritime are suited to different types of ships and businesses. It would be impossible to adopt in maritime a prescriptive approach identifying only two or three fuels to be used. A goal-based approach that leaves the choice of technologies to operators is necessary in maritime.
- Contrary to airplanes, ships can cover very large distances on a single tank. This
  means that obligations to supply only clean fuel in EU ports would not guarantee
  actual use of those fuels. Ships would bunker cheaper fuel outside the EU,
  generating carbon leakage.

### **Background**

# Shell's plans for charging infrastructure for e-mobility and hydrogen

Shell is one of the biggest European operators of private and publicly accessible recharging points and also one of the biggest electric mobility service providers (EMSP). Currently, Shell operates around 90,000 recharging points for electric cars at Shell petrol stations as well as on private depots and retail facilities. Shell has set a target to operate over 500,000 recharging points by 2025. As an EMSP, Shell currently offers access to over 300,000 additional publicly accessible recharging points through roaming.

On hydrogen, Shell has opened around 50 hydrogen stations for light duty vehicles with construction approved for 50 more. With respect to heavy duty vehicles, Shell signed an agreement with Daimler Truck AG in 2021 with the aim to build 150 decarbonised hydrogen refuelling stations to supply around 5,000 Mercedes-Benz heavy-duty hydrogen trucks by 2030. This builds on both companies involvement in H2A a mobility consortium that intends to roll out hydrogen truck infrastructure across Europe by 2030. In the Netherlands, Shell deployed its first hydrogen filling point for up to 20 hydrogen buses on behalf of the Public Transport Agency Groningen Drenthe.

### Shell's plans for clean energy, incl. renewable hydrogen production

Shell aims at becoming a major producer of renewable hydrogen. Shell is part of several major projects that aim to showcase the viability of hydrogen for industry. At the Shell Rhineland Refinery in Wesseling, Germany, Shell built one of the largest hydrogen electrolysers which has a peak capacity of 10 megawatts and produces 1,300 tonnes of hydrogen per year. In addition, the same consortium has been awarded an EU grant for the development of a 100 MW electrolyser. The project is subject to a final investment decision, expected later in 2022.

In NL, Shell has taken the final investment decision to build Holland Hydrogen I, which will be Europe's largest renewable hydrogen plant once operational in 2025. The 200MW electrolyser will be constructed on the Tweede Maasvlakte in the port of Rotterdam and will produce up to 60,000 kilograms of renewable hydrogen per day. The renewable power for the electrolyser will come from the offshore wind farm Hollandse Kust (noord), which is partly owned by Shell. In another project and

together with its consortium partners, Shell announced in February 2020 one of the largest renewables-based hydrogen projects in Europe, the NortH2 project. The project envisages the construction of large-scale wind farms in the North Sea, which can gradually grow to 10 gigawatts capacity by 2040. The first turbines could be ready in 2027 and will be used for renewable hydrogen production that will mainly be used to supply the industrial sector. The plan provides for a large electrolyser in the Eemshaven seaport that will convert wind energy into decarbonised hydrogen.

### AFIR trilogue. State of play

Council agreed on a GA on AFIR on June 2, keeping the fleet based target as proposed by COM. The GA also introduced some flexibility with regards to the distance based targets and a phase in of targets of HDV. With respect to hydrogen the GA only foresees mandatory targets on the TEN-T core network reducing the minimum number of stations by 2030 to approx. 230 instead of around 750 in the COM proposal.

EP voted on AFIR in plenary on October 19. EP proposes higher fleet based targets at least for the initial phase of market uptake, higher distance based targets for both LDV and HDV recharging infrastructure and higher and earlier targets for hydrogen infrastructure as in COM proposal.

Trilogue started on Oct 27 with a second trilogue scheduled for Dec 13. The most critical articles relate to the level of ambition for electric recharging and hydrogen refuelling stations, the operation of recharging points and monitoring and reporting mechanisms. Those three aspects will be addressed under SE PRES while progress under CZ PRES is expected on all other articles.

### FuelEU trilogue. State of play

Council agreed on a GA on FuelEU on June 2, keeping largely the Commission proposal with respect to the technology-neutrality principle and to the ambition in terms of GHG intensity reduction targets, but adding a few relevant elements relative to governance, including a requirement for a more robust central FuelEU database. Council introduced multiplier to reward early adopters of RFNBO fuels.

EP voted on AFIR in plenary on October 19. EP proposes more ambitious GHG reduction targets as from 2035, multiplier and sub-target for RFNBOs and creation of an Ocean Fund to administer the revenues form remedial penalties.

Trilogue started on Oct 27 with a second trilogue scheduled for Dec 8. The most critical articles relate to the level of ambition in terms of GHG intensity reduction, subtarget for RFNBOs and management of remedial penalties revenues. These will be dealt with already under the SE presidency.

