

ECSCA policy paper on the EU ETS Fund & commercial operator

ECSCA welcomes

- The reference to financing the decarbonisation of the sector under the innovation fund, including through the carbon contracts for difference in Recitals 33 & 35.
- Recital 20 about the 'polluter pays' principle and the recognition of the role of the commercial operator in covering the costs.

ECSCA is concerned about

- The lack of a legally binding article to earmark revenues for the energy transition of shipping.
- The pass-through of the costs to the commercial operator is left to the market to decide.

ECSCA recommends

- A sector-dedicated fund with earmarking of revenues for shipping. This fund should aim at:
 - ✓ Stabilising the carbon price
 - ✓ Bridging the price gap between conventional and clean fuels
 - ✓ Supporting R&D and innovation projects for low- and zero-carbon fuels and propulsion technologies
- The introduction of a legally binding requirement to pass through the costs from the shipping companies to the commercial operators in the context of a contractual agreement.