



Ships to pay the symbolic sum of 0.05 euro cents per kWh in tax when turning off their auxiliary engines and connecting to the power grid

## Puertos del Estado is seeking to provide exemption from electricity tax for moored vessels

- The measure will help improve air quality in port cities.

11-10-2018 (Ministry of Public Works). The European Council has authorised Spain to reduce the tax levied on electrical power in the case of moored vessels. Accordingly, the tax, which was set at the general rate of 5% of the amount invoiced, is to be lowered to the minimum and will be subject to a new tax base, i.e. the symbolic sum of 0.05 euro cents per kWh for ships and boats that turn off their auxiliary engines and connect to the general power grid when moored. This reduction in the tax on electricity has been championed by Puertos del Estado and is one of the various initiatives envisioned under the “OPS MASTER PLAN for Spanish ports” project, which is funded by the EU and coordinated by the Spanish public body.

The project aims to set up an electrical connection for ships berthed at various Spanish ports. It has been set a budget of 6 million euros and will receive an EU subsidy of 1.5 million euros. The project will require the installation of electrical equipment and the adaptation of various fleets that dock at the ports at which this pilot scheme is to be implemented: Canary Islands, Pasaia and Palma de Mallorca. Information on the partnership and on the progress of the pilots and technical studies for the project will be made available via the website <http://poweratberth.eu>.

By lowering this special tax, the overriding aim is to promote the use of electrical power in port, as it is widely believed to be more environmental friendly for moored vessels to use electrical power when moored, rather than burning liquid fuels to meet their power needs.



# Press release

By cutting down on noise pollution and the emission of atmospheric pollutants caused by the combustion of liquid fuels on board moored vessels, **the use of electrical power in port will help improve local air quality in port cities.** Moreover, due to the specific structure of the power generation system in Spain, that use of electricity supplied by the onshore grid ahead of liquid fuel burned on board ships is expected to help reduce CO2 emissions. As a result, **the measure should help Spain achieve its EU objectives relating to the environment, health and climate.**

**The authorised 'quasi-elimination' of the electricity tax on moored vessels is a hugely important step forward in championing this alternative to fossil fuels in the maritime sector.** The new measure is currently being analysed by all EU Member States in accordance with Directive 94/2004, which calls on the transportation system to have an infrastructure that allows for mobility with more sustainable energies (electricity, hydrogen and natural gas).

**The Council's authorisation for Spain to lower the electricity tax comes on top of numerous other administrative, technical and financial measures envisioned in the project.** These measures and the experiences gained through the pilot initiatives will help us draw up a master plan to promote this new technology, which will ultimately improve air quality at port cities while eliminating the noise pollution of auxiliary engines and help combat global warming.