

Advisory: EU Emissions Trading System (ETS)

Dear Valued Customer

The EU Emissions Trading System (EU ETS) will be extended to the maritime sector from 1st January 2024. As a result of this compliance-based carbon pricing measure, vessel owners and operators, will be required to purchase Emission Unit Allowances (EUA) annually to cover CO2 emissions, as part of the ‘cap and trade’ principle introduced by this new regulation.

The extension of the existing system to the maritime industry would include all emissions from ships calling at an EU port for voyages within the EU as well as 50% of the emissions from voyages starting or ending outside of the EU, also included are emissions that occur when ships are at berth in EU ports

The introduction of ETS for shipping will be progressive, which means that shipping companies will be required to submit allowances equivalent to a portion of their emissions according to the following schedule:

- In 2024, companies must submit allowances for 40% of their verified emissions.
- In 2025, companies must submit allowances for 70% of their verified emissions.
- From 2026 onwards, companies must submit allowances for all their verified emissions.

The EU ETS is a key component of the EU drive to combat climate change and reduce greenhouse gas (GHG) emissions and is industry wide.

The EU ETS will add substantial additional operating costs to our services, and as a result of same, Ellerman City Liners will need to implement a new ETS surcharge in order to cover this additional exposure. This surcharge will be published on a monthly basis in order to allow for any fluctuation in the price of EUA’s. Indicative prices for this surcharge will be as follows:

Services	Dry (TEU)	Reefer (TEU)
iPex (Gdynia to/from Teesport, Tilbury)	€ 25.00	€ 37.50
iNex (Cadiz, Setubal, Aveiro, Bilbao to/from Tilbury, Teesport, Rotterdam)	€ 35.00	€ 52.50
USX (Klaipeda, Gdynia, Gothenburg, Bremerhaven, Felixstowe, Antwerp, Le Havre to/from all US East Coast Ports)	€ 37.00	€ 56.00
USX + iNex (Cadiz, Setubal, Aveiro, Bilbao to/from all US East Coast Ports)	€ 72.00	€ 108.50
iNex + iPex (Cadiz, Setubal, Aveiro, Bilbao to/from Gdynia)	€ 60.00	€ 90.00
USX + Feeder (Any Port to/from all US East Coast Ports not called directly on USX/iNEX/iPex services)	€ 72.00	€ 108.50
iNex + Feeder (Any Port to/from Cadiz, Setubal, Aveiro, Bilbao not called directly on iNex / Ipex / USX service)	€ 60.00	€ 90.00

The above prices are based on EUA price of Euro 80. The final surcharge for January 2024 on Monday 15th December 2023.

More detailed information on this topic can be found on:

[Reducing emissions from the shipping sector \(europa.eu\)](https://europa.eu)

Kind Regards

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