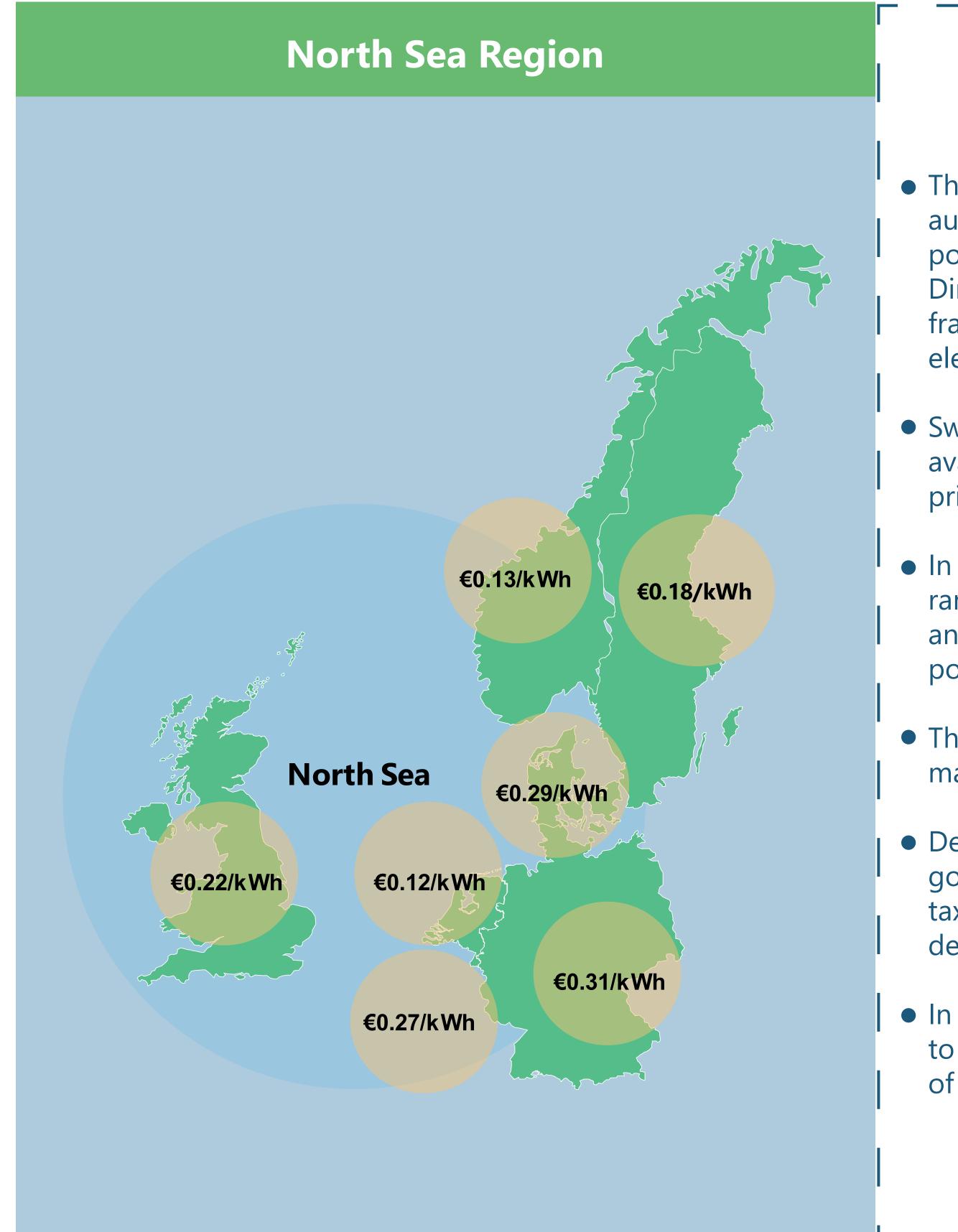


Electricity Prices and Their Impact on Shore Power Development in the North Sea Region

Introduction

Shore Power is actively gaining popularity around the world as countries are finding ways to de-carbonize the maritime industry. This technology allows ships to turn off their on-board engines and get external electric power from the shore where they are berthed. Shore power is becoming equally popular at both commercial and non-commercial ports across Europe, prominently in the North Sea region, making the maritime industry sustainable and environment friendly.



Key Points

- The Member States can ask the European Council for authorization to apply a reduced tax rate to shore-side power in accordance with Article 19 of Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity.
- Sweden, Denmark, the Netherlands, and Germany have availed this to offer tax exemption in the electricity prices for shore to ship power systems.
- In terms of in-service shore power facilities Norway ranks on top, followed by the Netherlands, Sweden, and Germany as potentially strong regions for shore power market.
- The Netherlands is one of the potential shore power markets for Onshore power supply for cargo vessels.
- Despite the high electricity tariffs in Germany, the government has offered other incentives in terms of tax exemptions and fundings to promote the deployment of shore power.
- In the UK shore power has not flourished as compared to other states due to its high electricity prices and lack of incentives.