



Decarbonizing the Baltic Sea Region: Taking stock of the legal framework in Germany

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Workshop I 31.03.2023

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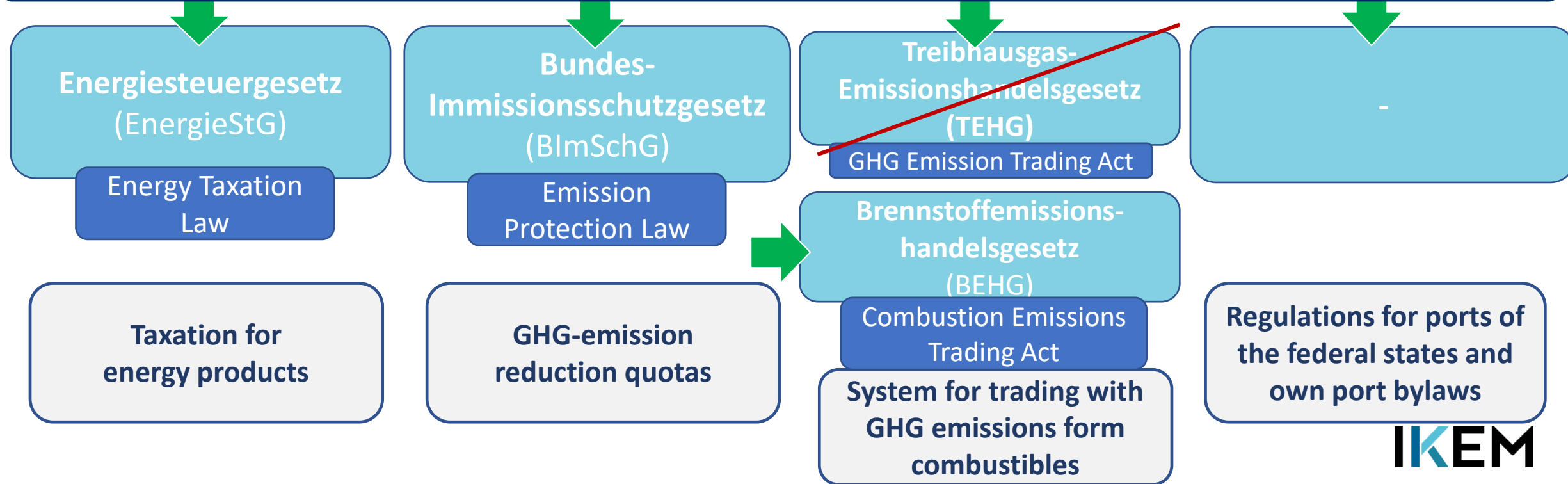
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1. The European Context
2. German Legal Framework
 - Energy Taxation Law
 - Emission Protection Law
 - Combustion Emissions Trading Act
3. The way forward
4. Conclusions

German Legal Framework: Overview



German legal framework for the promotion of alternative fuels: Overview



Energiesteuergesetz (EnergieStG) – Energy Taxation Law

Establishes the rules for the taxation of energy products

- ➔ classification of energy products (art. 1 para 1 EnergieStG)
- ➔ amount of the energy tax (art. 2 para 1-3 EnergieStG)

Energy products are for example:

- Petrol, oils (gas oils, lubricating oils, heating oils, etc.), liquid gases
- Some bioproducts when used for heating or as fuel, inter alia, methanol when not synthetic origin and used in heating or as fuel

Taxed products are mainly fossil fuels

Hydrogen and ammonia not listed as energy products

Energy tax rises ➔ produced, placed on the market or in specific cases used for heating or as fuel – not if exemptions (art. 8 para. 1 EnergieStG)

Tax exemptions ➔ requires permission (art. 24 EnergieStG)

Art. 27 para. 1 EnergieStG

Tax exemption for specific fossil fuels (oils) used in commercial shipping

Fall-back clause classification in art. 1 para. 3 EnergieStG

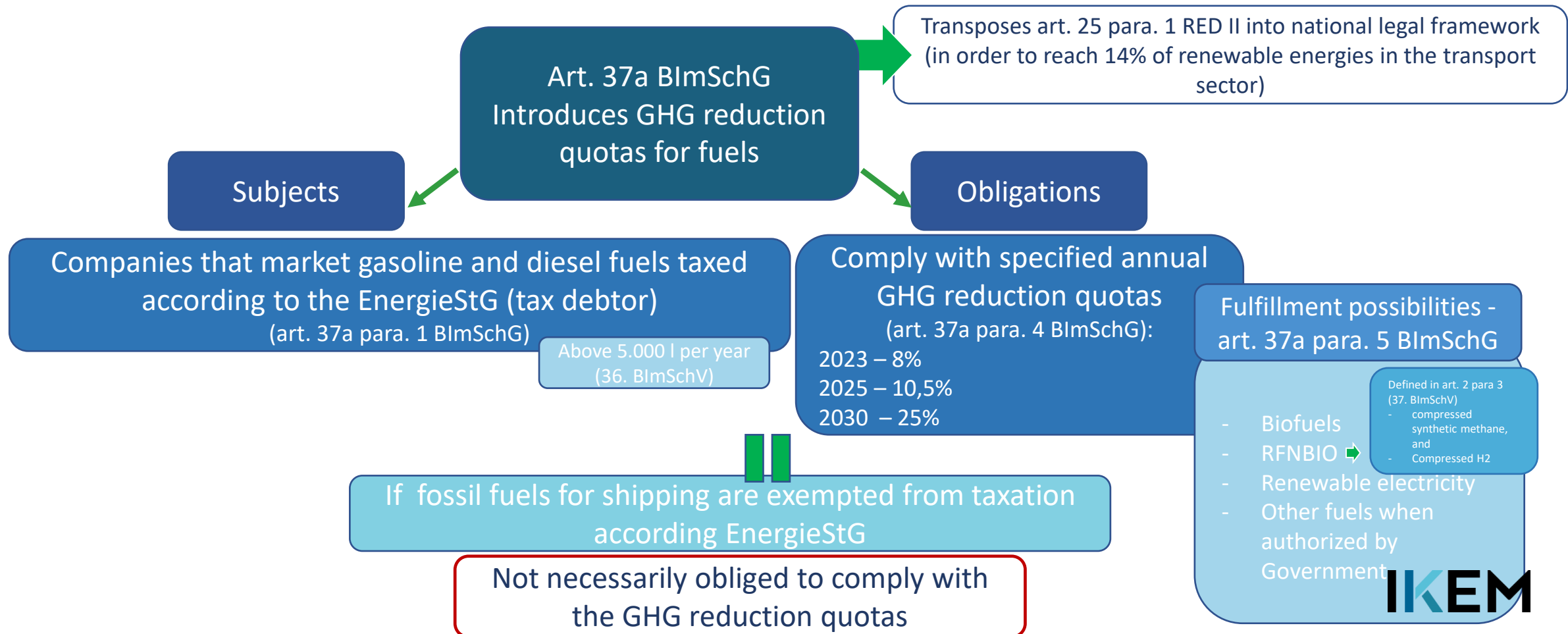
other products than the listed when used as fuel or for heating

Fall-back clause taxation in art. 2 para. 4 and art. 22 EnergieStG

other energy products than the listed when used as fuel or for heating

Hydrogen and ammonia ➔ Only if used in **combustion engines** and not in fuel cells (DV Energieerzeugung)

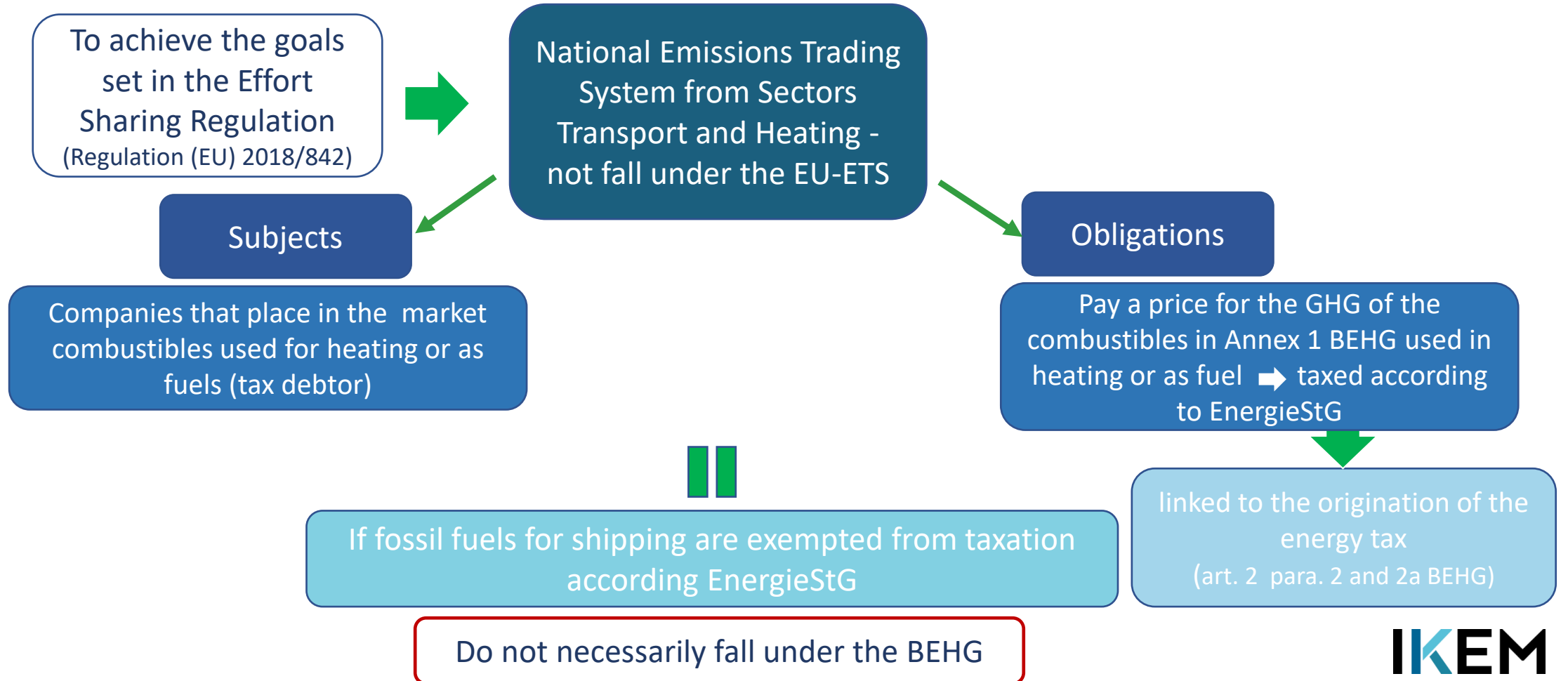
Bundes-Immissionsschutzgesetz (BImSchG) – Emission Protection Law



German Legal Framework: Combustion Emissions Trading Act

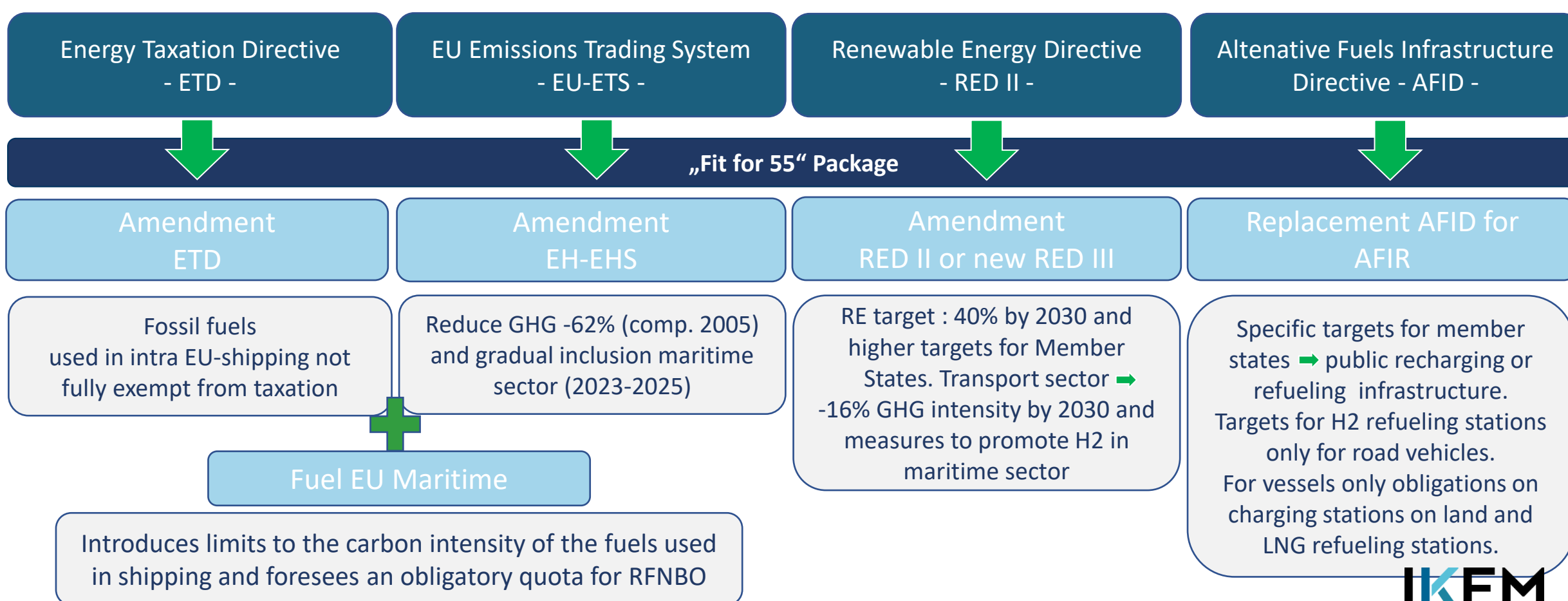


Brennstoffemissionshandelsgesetz (BEHG) - Combustion Emissions Trading Act



German Legal Framework: The way forward

The way forward: legal acts at EU level



- The current German legal framework allows fossil fuels used in shipping and their GHG emissions to escape any kind of pricing – does not incentive their abandonment.
- If used in combustion engines renewable fuels like hydrogen and ammonia would be taxed and would not fall under the tax exemption possibility when used in shipping – does not incentive their adoption.
- Only hydrogen is explicitly mentioned in the German legal framework as a RFNBO, but not so ammonia – investment insecurity.
- In all the current legal framework does not foster the adoption of alternative fuels for shipping whatsoever.

Necessity of proposed legal acts to be adopted at European level so the situation on the adoption of alternative fuels in shipping in the Member States and with it in the Baltic Sea Region can be pushed forward.

Thank you for your attention!



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