II

(Non-legislative acts)

DECISIONS

COUNCIL IMPLEMENTING DECISION (EU) 2021/921

of 7 June 2021

authorising the Netherlands to apply a reduced rate of taxation to electricity supplied directly to vessels at berth in a port

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity ([1]), and in particular Article 19 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) By letter of 10 August 2020, the Netherlands requested authorisation to apply a reduced rate of taxation to electricity that is supplied directly to maritime and inland waterway vessels at berth in a port ('shore-side electricity') pursuant to Article 19 of Directive 2003/96/EC.

(2) With the reduced rate of taxation that it intends to apply, the Netherlands aims to further promote the deployment and use of shore-side electricity. The use of such electricity is considered to be an environmentally less harmful way to satisfy the electricity needs of vessels at berth in a port than the burning of bunker fuels by those vessels.

(3) Insofar as the use of shore-side electricity avoids emissions of air pollutants resulting from the burning of bunker fuels by vessels at berth, it contributes to improving the local air quality in port cities and to reducing noise. In particular, under the specific conditions of the electricity generation structure in the Netherlands, the use of shore-side electricity instead of electricity generated by burning bunker fuels is expected to reduce CO_2 emissions, other air pollutants and noise. The measure is therefore expected to contribute to the environmental, health and climate policy objectives of the Union.

(4) Allowing the Netherlands to apply a reduced rate of taxation to shore-side electricity does not go beyond what is necessary to increase the use of such electricity, since on-board generation of electricity will remain a more competitive alternative in most cases. For the same reason, and because of the currently relatively low degree of market penetration of the technology, the measure is unlikely to lead to significant distortions in competition during its lifetime and will thus not negatively affect the proper functioning of the internal market.

(5) Each authorisation granted under Article 19(2) of Directive 2003/96/EC is to be strictly limited in time. In order to ensure that the authorisation period is sufficiently long so as not to discourage the relevant economic operators from making the necessary investments, it is appropriate to grant the authorisation from 1 July 2021 until 30 June 2027. However, the authorisation should cease to apply from the date of application of any general

([1]) OJ L 283, 31.10.2003, p. 51.

provisions on tax advantages for shore-side electricity adopted by the Council under Article 113 or any other relevant provision of the Treaty on the Functioning of the European Union, should such provisions become applicable prior to 30 June 2027.

(6) This Decision is without prejudice to the application of Union rules regarding State aid,

HAS ADOPTED THIS DECISION:

Article 1

The Netherlands is authorised to apply a reduced rate of taxation to electricity supplied directly to shore-side electricity installations for vessels, other than private pleasure craft, at berth in a port, provided that the minimum levels of taxation referred to in Article 10 of Directive 2003/96/EC are respected.

Article 2

This Decision shall apply from 1 July 2021 until 30 June 2027.

However, should the Council, acting on the basis of Article 113 or any other relevant provision of the Treaty on the Functioning of the European Union, provide for general rules on tax advantages for shore-side electricity, this Decision shall cease to apply as of the day on which those general rules become applicable.

Article 3

This Decision is addressed to the Kingdom of the Netherlands.

Done at Luxembourg, 7 June 2021.

For the Council
The President
F. VAN DUNEM