



Council of the  
European Union

Brussels, 15 June 2015  
(OR. en)

9498/15

---

**Interinstitutional File:**  
**2015/0106 (NLE)**

---

FISC 57  
ENER 231  
ECOFIN 429

## **LEGISLATIVE ACTS AND OTHER INSTRUMENTS**

---

Subject: COUNCIL IMPLEMENTING DECISION authorising Denmark to apply a reduced rate of taxation on electricity directly provided to vessels at berth in a port, in accordance with Article 19 of Directive 2003/96/EC

---

**COUNCIL IMPLEMENTING DECISION (EU) 2015/...**

**of ...**

**authorising Denmark to apply a reduced rate of taxation on electricity  
directly provided to vessels at berth in a port,  
in accordance with Article 19 of Directive 2003/96/EC**

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<sup>1</sup>, and in particular Article 19 thereof,

Having regard to the proposal from the European Commission,

---

<sup>1</sup> OJ L 283, 31.10.2003, p. 51.

Whereas:

- (1) By letter of 2 July 2014, Denmark sought authorisation to apply a reduced rate of electricity tax to electricity directly provided to vessels at berth in a port ('shore-side electricity'), in accordance with Article 19(1) of Directive 2003/96/EC. Upon the request of the Commission, Denmark provided additional information on 13 November 2014 and on 23 February 2015.
- (2) With the tax reduction it intends to apply, Denmark aims to promote the 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 lying at berth in ports, compared with the burning of bunker fuels by those vessels.
- (3) In so far as the use of shore-side electricity avoids emissions of air pollutants originating from the burning of bunker fuels by vessels at berth, it contributes to an improvement of local air quality in port cities. Under the specific conditions of the electricity generation structure in the region concerned, i.e. the Nordic electricity market including Denmark, Finland, Sweden and Norway, the use of electricity from the onshore grid instead of electricity generated by burning bunker fuels on board is furthermore expected to reduce CO<sub>2</sub> emissions. The measure is therefore expected to contribute to the environmental, health and climate policy objectives of the Union.

- (4) Denmark explicitly requested that the tax reduction not be applied to electricity directly supplied to private pleasure craft at berth in a port.
- (5) Allowing Denmark to apply a reduced rate of electricity taxation to shore-side electricity does not go beyond what is necessary to increase the use of shore-side electricity, since on-board generation of electricity will remain the more competitive alternative in most cases. For the same reason, and because the technology is currently not available in Denmark, 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.
- (6) In accordance with Article 19(2) of Directive 2003/96/EC, each authorisation granted under that Article is to be strictly limited in time. In order to ensure that the authorisation period is sufficiently long so as not to discourage port operators from making the necessary investments, the authorisation should be granted for a period of six years, subject however to general provisions on the matter that may be adopted under Article 113 of the Treaty on the Functioning of the European Union (TFEU) and that become applicable prior to the anticipated expiration of the authorisation period.
- (7) This Decision is without prejudice to the application of the Union rules regarding State aid,

HAS ADOPTED THIS DECISION:

*Article 1*

Denmark is hereby authorised to apply a reduced rate of electricity taxation to electricity directly supplied to vessels berthed in ports, other than private pleasure craft, provided that the minimum levels of taxation referred to in Article 10 of Directive 2003/96/EC are respected.

*Article 2*

This Decision shall take effect on the date of its notification.

It shall expire six years thereafter. However, should the Council, acting on the basis of Article 113 TFEU, provide for general rules on tax advantages for shore-side electricity, this Decision shall expire on the day on which those general rules become applicable.

*Article 3*

This Decision is addressed to the Kingdom of Denmark.

Done at Brussels,

*For the Council*

*The President*

---