MEMBERS' NEWSLETTER

UPEI THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

January 2025 | N. 129

Welcome to the 129th edition of the UPEI Newsletter!

Welcome to the 129th edition of the UPEI newsletter! With the presentation on 29 January of a Competitiveness Compass as the first strategy paper of its mandate, the European Commission has set what will be the core of its action for the parliamentary term: reposition the EU economy in the international race by strengthening its competitiveness, especially toward the USA and China.

Brussels News

Competitiveness Compass

Image Source: European Regions Research and Innovation Network.

On 29 January, the European Commission presented a **Competitiveness Compass for the EU**. This Compass, based on the recommendations of Mario **Draghi's Report** on the Future of European Competitiveness, proposes a new approach to the EU's economic competitiveness that combines industrial policies, investment, and reforms, united around a "common vision". It will frame the work of the Commission for this entire mandate and is thus an important document to understand the direction of EU policymaking in the next five years.

The Compass establishes competitiveness as one of the EU's overarching principles for action, and pursues two broad goals:

- Identify the policy changes needed for Europe to shift to a higher gear. This means upgrading some policies and changing direction in others to adapt to new realities.
- Develop new ways of working together to increase the speed and quality of decision-making, simplify the regulatory framework, and overcome fragmentation.

The Compass centers around three pillars:

- Closing the innovation gap.
- **A Joint Roadmap for Decarbonisation and Competitiveness.**
- Increasing Security, Reducing Excessive Dependencies.

Alongside these pillars, the Compass outlines five horizontal enablers, which are necessary to underpin competitiveness across all sectors:

- **Simplifying the regulatory environment, reducing burden, and favouring speed and flexibility.**
- Fully exploiting benefits of scale offered by the Single Market by removing barriers.
- Financing through a Savings and Investments Union and a refocused EU budget.
- Promoting skills and quality jobs while ensuring social fairness.
- Better coordinating policies at the EU and the national level.

Below are a few highlights of relevance for the UPEI sector:

- **Pillar 2 ("A joint roadmap for decarbonisation and competitiveness")** is based on the assumption that decarbonisation policies are a powerful driver of growth when they are well integrated with industrial, competition, economic, and trade policies.
  - High energy prices are one of the main obstacles to achieving this goal, and an Affordable Energy Action plan will address this issue.
    - The EU must also invest more in modernising and expanding its network of energy transport and distribution infrastructure, accelerating investment in electricity,

hydrogen, and carbon dioxide transport networks, as well as in storage systems.
  - For the automotive sector, the Compass describes the CO2 standards as important for predictability and the Commission will keep the overall ambition of the 2025 target. However, possible flexibilities will be analysed to ensure the industry remains competitive. The Compass also highlights the importance of e-fuels for reaching the 2035 climate neutrality targets for cars, underlining that a technology neutrality approach is central.
  - 2040 Climate Targets will be proposed.

Among the actions to be taken to implement Pillar 2 are:
- A Clean Industrial Deal and an Action Plan on Affordable Energy [Q1 2025].
- A Strategic dialogue on the future of the European automotive industry and Industrial Action Plan [Q1 2025] – see article below.
- An Industrial Decarbonisation Accelerator Act [Q4 2025].
- A New State Aid Framework [Q2 2025].
- A Sustainable Transport Investment Plan [Q3 2025].
- A European Port Strategy and Industrial Maritime Strategy [2025].
- A Carbon Border Adjustment Mechanism Review [2025].
- Amendments to the Climate Law [2025] to integrate 2040 targets.
- An Electrification Action Plan and a European Grids Package [Q1 2026].
- A Circular Economy Act [Q4 2026].

Pillar 3 (Reducing Excessive Dependencies and Increasing Security) highlights the need to integrate security and open strategic autonomy considerations in EU economic policies and to reduce over-dependencies on single or highly concentrated suppliers.

Among the actions to be taken to implement Pillar 3 are:
- Ambitious trade agreements, Clean Trade, and Investment Partnerships (with third countries).
- Trans-Mediterranean Energy and Clean Tech Cooperation initiative [Q4 2025].
- Revision of directives on Public Procurement [2026].
- A European Climate Adaptation Plan [2026].

As regards horizontal enablers :

Horizontal Enabler: Simplification
- Regulatory burden is understood as a brake on Europe's competitiveness and the Commission will deliver an unprecedented simplification effort. Rules must be simpler, and administrative procedures must be faster. Building on the renewable energy permitting and Net Zero Industry Act, the upcoming Decarbonisation Accelerator Act will extend accelerated permitting to more (e.g. energy intensive) sectors in transition.
- This effort will begin with a series of simplification legislative packages, with the first one being presented next month. It will cover a far-reaching simplification in the fields of sustainable finance reporting, sustainability due diligence, and taxonomy. The Compass thus confirms that there will be more than one Omnibus proposal.
- The Compass also confirms that the Commission is preparing a simplification of the Carbon Border Adjustment mechanism for smaller market players. No more information on this is available yet, but we will follow it closely as the review of the CBAM approaches.

Horizontal Enabler 2: Better use of the EU Single Market
- A Horizontal Single Market Strategy will modernise the governance framework, removing intra-EU barriers and preventing the creation of new ones, fostering collaboration with Member States, and proposing a new approach to implementation.

Horizontal Enabler 3: Financing
- This enabler focuses on how competitiveness initiatives will be funded, and how financing will be mobilised from the public and private sectors.
- A Strategy on a Savings and investments Union will be presented in 2025, followed by a set of specific proposals to enable wealth creation for EU citizens and mobilise capital for projects made in Europe.
- In addition to direct public investment, public support will be required to de-risk and unlock private investment in the volumes needed. The next Multi-annual Financial Framework will also be an opportunity to go further and rethink the structure and allocation of the EU budget in support of competitiveness priorities, through the new European Competitiveness Fund.

Horizontal Enabler 4: Skills

- This enabler focuses on creating more jobs and skills necessary in the transition, and outlines initiatives to increase labour market participation.

Horizontal Enabler 5: Better coordination

- The EU will not succeed in delivering its goals unless national and EU policies can be coordinated more effectively. A Competitiveness Coordination Tool will be presented for Member States to act together on common competitiveness priorities, aiming to align industrial and research policies and investments at the EU and the national levels. The tool will be supported by the previously mentioned Competitiveness Fund in the next MFF.

More content and a more detailed calendar is expected from the European Commission when it presents its Work Programme for 2025 on 11 February.

Source: UPEI Secretariat and Weber Shandwick.

Annual Single Market and Competitiveness Report

Image Source: European Commission website.

The Compass is supported by the **2025 Annual Single Market and Competitiveness Report**, analysing the strengths and weaknesses of the EU economy, published on the same day by the European Commission.
The report tracks the evolution of twenty-two key performance indicators, such as integration in the Single Market, Research and Development, expenditure, and electricity prices. The main findings of the report are the following:

- The competitiveness of the EU economy faces mounting pressure from several angles, including high energy costs and overcapacities in third countries.
- The Single Market, home to 450 million consumers and 23 million companies, is at the core of the EU's long-term competitiveness. Nevertheless, persistent barriers in the Single Market hold it back from reaching its full potential. Regulatory burden is seen as an obstacle by two thirds of companies.
- Europe boasts stable investment spending, strong research activity, and an ample talent pool. However, businesses struggle to scale up, Research and Development expenditure remains below peers and digitalisation progresses too slowly.
- Europe has a strong industrial base, but high energy prices weigh on its competitiveness. The decarbonisation of industry and energy systems, as well as circularity, is advancing but should accelerate.
- The EU maintains its position as the number one global exporter of services and as the number two exporters of goods. Still, strategic dependencies and non-market over-capacities in third countries merit careful monitoring.

In addition, the Commission has publishing several documents complementing the Annual Single Market and Competitiveness report, such as the **2025 Single Market and Competitiveness Scoreboard**; a report on key findings from the European Monitor of Industrial Ecosystems; the new **Single Market Enforcement Taskforce (SMET) report** and a **Single Market economic brief on the External Vulnerability Index**.

Source: EU website.

Future of the European Automotive industry

On 30 January, the European Commission launched a Strategic Dialogue on the Future of the European Automotive Industry, supported by a **concept paper** by convening to a first meeting a set of companies and industry associations (see list below). This dialogue, combined with a public consultation, will nurture the preparation by Commissioner Tzitzikostas of an Action Plan for the future of the automotive sector, to be presented on 5 March. This action plan will address such topics as resources and talent, innovation in vehicles, and a 'pragmatic and predictable' regulatory framework.

At the same time, the Commission launched a **public consultation to gather 'wider input on challenges and potential solutions from all interested parties' on the Future of the European automotive industry**, with an extremely short delay to answer (13 February).

Image Source: European Commission website.

In addition, the Dialogue will focus on four thematic streams of work, which will, in turn, inform the Action Plan to be prepared by Commissioner Tzitzikostas:

1. Clean transition under Commissioner Hoekstra's supervision.
2. Industrial Value Chain under Executive Vice President Sejourné's supervision.
3. Technological and Digital Innovation under Executive Vice President Virkunnen.
4. Skills and Social under Executive Vice President Minzatu's responsibility.

The full list of attendees at the first meeting is available [here](#).

Source: UPEI Secretariat and EU website.

Legislative updates

Image Source: European Commission website.

Energy Taxation Directive (ETD)

Image source: European Commission website.

On 20 January, the Polish Presidency of the EU Council tabled a draft compromise text, and a Presidency note on the ETD. Both documents were prepared ahead of the Council Working Party discussion on 30 January.

- **Presidency note – meaning of 'single use'**

The Presidency note specifically discusses the definition of 'single use', in the context of the original proposal. The ETD proposal provides two types of ranking systems for taxing products in the scope, based on the minimum rates provided for energy products and electricity:

- Horizontal – maintaining the same rates from a given cluster.
- Vertical – differentiating between rates depending on the classification of the product in the relevant category that determines the impact of the product.

Therefore, the amount of the minimum rate is linked to the purpose of use for products/electricity, which in turn means that each use of the product for a specific purpose is treated as separate – so 'single use'.

According to the Presidency, delegations have concluded that certain sectors (aviation, maritime, agriculture) cannot take advantage of the horizontal ranking, and Member States may wish to apply different, reduced levels of taxation or exemptions below the EU minimum to specific uses of products. The Presidency dubs this as 'different single use' in the Compromise text. As such, they have proposed to scrap the horizontal ranking system. Regardless, the Presidency maintains the wording 'single use' to distinguish exemptions or reductions in cases where such treatment is not considered state aid. They clarify that discussions in the Working Party with the Commission have given clarity to the relationship between the term 'single use' and state aid, which allows for this conclusion to be drawn.

In its meeting on 30 January, the Working Party will examine whether the term single use and 'different single use' is still necessary and potential impacts of the use of the definition, and accordingly if any rewording needs to be made.

- **Presidency compromise proposal**

The Presidency maintains the exemptions for maritime and aviation proposed by the Hungarian Presidency. The changes introduced to the text are generally of cosmetic nature, with no major legal implications.

Legal changes to the text concern the following:

- Obligation to inform the Commission: Article 12(1) introduces the concept that energy products and electricity used to produce electricity are exempt from taxation. However, 12(3) allows taxation imposition by Member States when necessary due to environmental policy, but taxation in these cases does not need to comply with minimum taxation rates. The Presidency therefore believes that this is not a derogation but an exemption and asks that Member States inform the Commission in such cases. According to the Presidency, the same should be the case when the Member States have more ambitious environmental policies and seek to tax products as single use without adhering to minimum taxation levels, similar to the concerns in the Presidency note. Overall, this change aims to ensure less bureaucracy and lower the bar for Member State participation, since the state-aid-related obligation to notify will not be there in these two cases.
- 'Different single use': The Presidency makes the relevant changes to adapt to the 'different single use' concept mentioned in its steering note above, in article 15 (reduced rates depending on the origin of the product), specifically with regards to taxation of electricity.
- Taxable event and chargeability for specific products: The Presidency amended Article 19 to address some Delegations' concerns regarding small installations consuming own-use electricity produced from non-renewable energy sources that have already been taxed. The Presidency amends Art. 19 to add a definition for 'small installations' to ensure that Member States can exempt electricity production for own-use where the input is not taxable energy product (wind, solar, waste etc), and therefore reduce the burden on small producers, and also exempt electricity from products already taxed under ETD (e.g. in cases where electricity is used in industrial processes for own-use by natural gas).
- Alignment with the Renewable Energy Directive (RED): the Presidency also changed the Annex III to ensure that the included feedstocks mirror those in Part A and B of RED.

Source: Weber Shandwick.

Energy Performance of Buildings Directive (EPBD)

Image Source: European Commission website.

Members States have until 26 May 2026 to implement the recast EPBD formally adopted in April 2024. Meanwhile, the European Commission is preparing a set of implementing or guidance documents:

- A **Guidance document** was published on 30 October on the phase-out of fossil fuel boilers financing: the aim of the guidance is to support the EU Member States in the implementation and transposition of article 17 (5) of the EPBD.
- A Guidance document is expected during Q2 2025 on Infrastructure for Sustainable Mobility.
- More Guidance documents are expected on:
    - Technical Building Systems,
    - Indoor Environmental Quality,
    - Inspections,
    - Data Exchange and Databases,
    - Solar energy in buildings,
    - Zero emission buildings,
    - Fossil fuel boilers.

As regards boilers, the Guidance document should be available in June 2025, and support member states in their planning obligations:

- Replacing the fossil fuels burnt by renewable fuels such as biofuels, bioliquids, biomass fuels, and renewable fuels of non-biological origin, and/or
- Replacing boilers by alternative heating solutions not directly using fossil fuels such as heat pumps, solar thermal, district heating based on renewables and waste heat, and/or
- Combinations thereof.
- At national, regional, and/or local level:

Member States need to plan and implement measures to replace fossil fuels that boilers combust and/or to replace the boilers themselves, namely:

- Replacing the fossil fuels burnt by renewable fuels such as biofuels, bioliquids, biomass fuels, and renewable fuels of non-biological origin, and/or
- Replacing boilers by alternative heating solutions not directly using fossil fuels such as heat pumps, solar thermal, district heating based on renewables and waste heat, and/or
- Combinations thereof.
- At national, regional, and/or local level.

Moreover, seven Delegated or Implementing Acts are under preparation, to be finalised between mid-2025 and 2027.

Source: UPEI Secretariat and European Commission.

Regulations on CO2 emission standards for LDVs and new passenger cars and for new light commercial vehicles and on CO2 emission standards for HDVs: implementing measures

Image source: Environment, Land & Resources website.

The European Commission (DG CLIMA) is currently preparing a methodology for the assessment and consistent data reporting of the full life-cycle CO2 emissions of passenger cars and light commercial vehicles and of heavy-duty vehicles.

It organised a workshop on 11 December, in the following framework:

- Article 7a of Regulation (EU) 2019/631 obliges the Commission to publish a report and to adopt a delegated act laying down a common Union methodology by 31 December 2025. Vehicle manufacturers may voluntarily use this methodology to report life-cycle CO2 emissions for their new cars and vans to the Commission as of 1 June 2026.
- In addition, Regulation (EU) 2019/1242 requires the Commission to evaluate the possibility of developing a similar methodology for the life-cycle CO2 emissions of heavy-duty vehicles by 31 December 2027.
- DG CLIMA has commissioned consultants from Ricardo Nederland B.V., Oeko-Institut, TU Graz and IVL Swedish Environmental Research Institute to support them with the above-mentioned tasks. The study will run from July 2024 to March 2026.
- A first task as part of the study is to support the development of the life-cycle CO2 emissions methodology for cars and vans, including guiding principles, calculation rules, reporting, and verification rules. A subsequent task will be to consider the life-cycle CO2 emissions methodology for heavy-duty vehicles, through the review and adaptation of methodology developed for cars and vans. The work will be built on thorough stakeholder consultations.
- To evaluate various LCA (life-cycle analysis) methodological elements and options, an assessment framework has been defined. Each LCA high-level element and its relevant methodological options are being evaluated in particular using the following key criteria:
    - Practicality and feasibility of implementation.
    - Accuracy and representativeness of outcomes.
    - Coherence with EU policies and alignment with other vehicle LCA frameworks (i.e. UNECE ALCA-IWG).
    - Social and economic impact on affected operators.

More information on this workshop is available

here (briefing note), **here** (presentation by the European Commission DG CLIMA), and

here (presentation by the consultant.

Source: Secretariat and European Commission website.

FuelEU Maritime Regulation

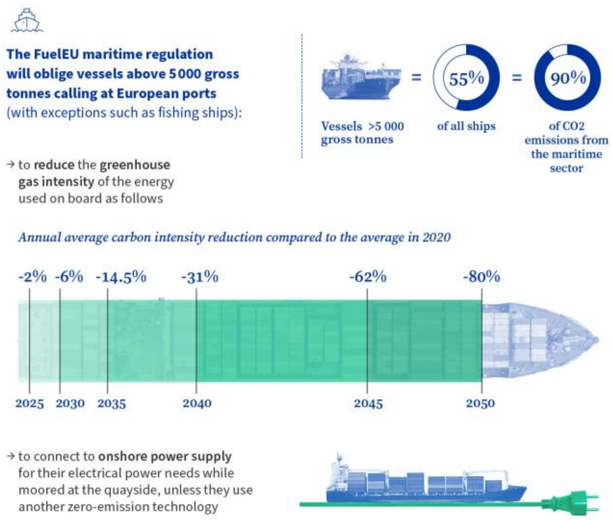

Image source: European Council website.

On 1st January 2025 , the **[FuelEU Maritime Regulation]** became fully applicable, except for Articles 8 and 9 on monitoring plans that are applied from August 2024.

On 15 January, the Commission published a draft Implementing Act containing the list of neighbouring container transhipment ports, with a deadline to respond on 11 February 2025. The consultation is available **here**. The implementing act affects ports under the scope of the Regulation, adding East Port Said (Egypt) and Tanger Med (Morocco) in the scope of FuelEU Maritime.

Article 2 of the FuelEU places in the scope of the Regulation ships above 5000 gross tonnage (passenger/freight) regardless of flag, in respect of:

- the energy used during their stay within a port of call under the jurisdiction of a Member State.
- the entirety of the energy used on voyages from a port of call under the jurisdiction of a Member State to a port of call under the jurisdiction of a Member State.
- notwithstanding point (b), one half of the energy used on voyages arriving at or departing from a port of call located in an outermost region under the jurisdiction of a Member State; and
- **one half of the energy used on voyages arriving at or departing from a port of call under the jurisdiction of a Member State, where the previous or the next port of call is under the jurisdiction of a third country.**

This, in practice, means that the other half of the port of call that belongs to a third country would be out of the scope of the Directive – therefore only counting one part of the voyage.

However, the FuelEU Maritime Regulation excludes stops of container ships in a neighbouring container transshipment port from the definition of port of call, mirroring a similar provision in the EU ETS for maritime. This aims to avoid potentially incentivizing voyages that rely heavily on third country's out-of-scope journeys.

As a result, the designation of a port as a 'neighbouring container transshipment port' would automatically mean that the port would not be considered a 'third country' - and therefore would not fall under Article 2(2)(d) above – instead, the part of the voyage from the third country port would need to be accounted for in full, and not in one half.

For a third country port to be considered a neighbouring transshipment port of call, three criteria must be met, as laid out in both the EU ETS and FuelEU Maritime Regulation:

- The share of containers, measured in 20-foot equivalent units, must exceed 65% of the total container traffic of that port during the past 12-month period for which data is available, and
- The port is located outside the EU but less than 300 nautical miles from a Member State port.
- Importantly, the list cannot include ports where similar rules to FuelEU Maritime and EU ETS exist.

The draft Annex to the Implementing Act identifies East Port Said, Egypt, and Tanger Med, Morocco, as neighbouring container transshipment ports. The two ports were already identified as such under the EU ETS as of 1 January 2024 – and now they also received the designation under FuelEU Maritime.

Next steps

- The Implementing Act will now be forwarded to the Member State Experts for consideration.
- At the same time, the consultation will remain open until 11 February 2025.
- As soon as it is adopted, it will enter into force on the 3rd day of its publication in the OJEU.

Source: Weber Shandwick.

CO2 Standards for Emissions from Heavy-Duty Vehicles

Image source: industriAll Europe website.

On 14 January, the European Commission published an **Implementing Act** detailing the technical procedures for in-service verification tests in heavy-duty vehicles. It implements the Regulation on CO2 Standards for Emissions from HDVs, outlining the guiding principles and criteria for those tests (**Delegated Act**). This "in-service verification" for heavy-duty vehicles is a new procedure which aims to make sure that the official CO_2 emission values, provided in the vehicles' customer information files issued by vehicle manufacturers, are correct and correspond to actual emissions when vehicles are on the road.

As of July 2025, each year, national type-approval authorities will test a sample of vehicles that are on the road in order to check that their real CO_2 emissions correspond to official values. Authorities will also have to check that vehicles' performance during certification tests has not been artificially modified.

National authorities will then publish their findings and report them to the Commission. Should there be deviations, the Commission will recalculate the average specific CO_2 emissions of the manufacturers concerned to check whether they are complying with their emission targets.

Source: EU website.

Emission Trading Scheme (ETS) - Sustainable Aviation Fuels (SAF)

Image source: Aither website.

During a debate with the European Parliament on the priorities of the Polish Presidency of the EU Council on 22 January, the Polish Prime Minister considered that the EU must "seriously reflect on the consequences of such a rapid introduction" of the carbon market for roads and buildings (ETS2). He sees in this additional carbon market (ETS), which will be launched in 2027, a risk of driving up heating and petrol bills. "I also ask you to think seriously, critically, and courageously about the consequences of such a rapid introduction of the ETS bis. I strongly warn you against that," he said. "High energy prices can wipe out many democratic governments in the European Union." The Polish Prime Minister says he wants to "take up" the "second ETS issue". For many months, Poland has expressed its fears about the implementation of this new carbon market. The Czech Republic, Slovakia, and even France have also made proposals to partially rethink the functioning of the second ETS.

However, it seems that a potential court case by Hungary and/or Poland with regards to ETS2 are still rumours. Neither of the two countries have officially announced any intention to bring this issue to court.

On its side, the European People's Party (EPP) published a statement which includes their view of ETS2 and what steps should be taken. The full note, discussing competitiveness and over-regulation, is available **here**.

In the note, the EPP seems to be in favour of the principle and benefits of the ETS, but underline that there is no need for "additional excessive regulation such as renovation obligations for homeowners". This point could be tied to ETS2, as this expands ETS to cover emissions from buildings and road transport. Whilst not introducing a renovation obligation per se, it will put a price on carbon emissions from heating fuels, creating a financial incentive for homeowners to improve energy efficiency.

The note also states that there should not be a separate target for the share of renewable energy, and that in response to high energy prices a larger share of ETS revenues should be earmarked to energy intensive industries, for example green hydrogen or carbon capture and storage solutions. They also advocate for putting the CBAM "on hold for at least two years".

Source: Contexte and UPEI Secretariat.

ReFuelEU Aviation Renewable and Low Carbon Fuels Industry (RLCF)

RLCF Alliance

Image source: European Commission website.

As agreed at its 3rd General Assembly on 6 December 2024, the RLCF Alliance will continue its activities throughout 2025, guided by a new consultant still to be appointed. In particular, the work of RT1 devoted to "the availability of feedstocks, synergies among sectors and the just transition" will continue and focus on biofuels. The work of RT3 on the maritime sector will also continue.

Meanwhile, the RT4 "Access to finance" issued its project bankability guide. Key highlights of this guide are:

- Regulatory Support for Green Premiums: It outlines the role of mechanisms such as the Emissions Trading System (ETS), ReFuelEU Aviation, and ReFuelEU Maritime in encouraging long-term offtake agreements. These frameworks allow for the green premium costs to be absorbed with minimal impact on competitiveness.
- Risk Mitigation Strategies: The guide delves into risk assessment and mitigation strategies, leveraging tools and insights from other industries that have successfully navigated similar transitions.
- Complex Project Management: The guide emphasizes the importance of high vertical integration - be it through contractual agreements or equity ownership - to ensure stable cash flows across the project's lifecycle.
- Redundant Risk Mitigation: Recognizing the inherent uncertainties of nascent industries, it advocates for robust and redundant risk mitigation mechanisms during the early phases of these projects.
- Inventory of public funding opportunities: The guide presents a collection of public funding instruments in the EU and some member states, where such instruments were established.

Source: UPEI Secretariat and European Commission.

Standardisation

Launch of the CEN Workshop 'Carbon Bill refurbishment of buildings'

CEN has announced the launch of a new workshop on 'Carbon Bill of the refurbishment of buildings', which first meeting is scheduled for 31 March 2025.

It aims to **expand on the deliverables of the CHRONICLE research project, which aims to improve building performance in terms of energy efficiency, comfort, and well-being through the digitalization of building information.**

This Workshop is based on several deliverables of the CHRONICLE project, such as "dynamic Level(s) approach for building and LC performance assessment (2.2)" and "tool suite for WLC assessment and climate neutral building renovation planning (4.3)".

Image Source: CEN-CENELEC website.

More specifically, the Workshop proposes the calculation of the carbon bill of buildings based on the GWP defined in standard EN 15978 and the price for emissions allowances in Europe. Based on calculation, the carbon bill of the refurbishment is defined as the difference between the carbon bill of the existing building and the carbon bill after the renovation, both with a lifecycle perspective.

More information is available **[here](#)**.

Source: CEN-CENELEC website.

Reference

2024 Report on Energy Subsidies in the EU

Image Source: European Commission website.

The Commission has published its **2024 Report on Energy Subsidies in the EU** detailing the volume of public subsidies by EU Member States in 2023.

Required under the **EU Governance Regulation** and in the context of international commitments on phasing out fossil fuel subsidies by 2030, the report confirms that energy subsidies were stable until 2021, increased dramatically in 2022 during the energy crisis, and then moderately decreased in 2023. Total energy subsidies in the EU jumped from €213 billion in 2021 to €397 billion in 2022 and decreased by 10% to €354 billion in 2023 – equivalent to 2.10% of GDP, down from 2.37% in 2022. Energy subsidies linked to national crisis measures to protect EU consumers from the high prices accounted for an estimated €145 billion in 2023 (down from €187 billion in 2022). Across the EU, at least 270 national measures were created to address the energy price crisis. Households were the main direct beneficiaries of these crisis measures (receiving €121 billion in 2021-2023), followed by industry and the transport sector (€30 billion and €28 billion, respectively, over the same period). Cross-sectoral support to all energy consumers reached €125 billion in the same period. For fossil fuels, subsidies amounted to €111 billion, 18% down from 2022's record levels.

The report concludes that the EU and EU countries need to do more to phase out all fossil fuel subsidies by 2030. It underlines that there is a need for more transparency. In response to the relatively high share of fossil fuel subsidies, it highlights the need to level the playing field between technologies and incentivise clean technology uptake instead of supporting [fossil fuel] technology lock-in. It also stresses the importance of creating and reinforcing momentum to reduce subsidies for the most polluting fuels at international level.

In the new Commission, Wopke Hoekstra, Commissioner for Climate, Net Zero and Clean Growth, is tasked with, jointly with Dan Jørgensen, Commissioner for Energy and Housing, developing a roadmap to 'further scale down and phase out the use of fossil fuel subsidies, including in the context of the next Multiannual Financial Framework'.

Related Links:

- **Report.**
- **Ninth report on the state of the energy union.**
- **EU Governance Regulation.**

Source: European Commission website.

UPEI News

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THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

20/01/2025 | UPEI Board meeting

On 20 January, the Board met online to discuss on the UPEI Commissions organisation in a separate meeting held on 20 January 2025 (online), due to time limitations in the previous meeting held on 13 December 2024. Based on the input of the UPEI Autumn General Meeting 2024 roundtables, the Board started the elaboration of a new policy structure allowing UPEI to be more interactive with members and proactive towards the EU.

UPEI & FETSA: Energy for the Future Project – Policy Event

UPEI & FETSA "Energy for the Future project"
Joint Policy Event

DOCS & INFO SOON

UPEI Spring General Meeting 2025

UPEI SPRING GENERAL MEETING 2025
LJUBLJANA (SLOVENIA) – 9/04 to 11/04

DOCS & INFO SOON