MEMBERS' NEWSLETTER

UPEI
THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

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Welcome to the 120th edition of the UPEI Newsletter!

Image Source: European Parliament website.

In March, the EU institutions have worked at full speed to attempt to complete their legislative programme before the European elections. The last plenary session will take place on 22-25 April, and the European Parliament will resume its activities in July with its newly elected or re-elected MEPs, but the examination of pending legislation will not start before September.

In terms of institutional continuity, if a piece of legislation has still not been fully approved by both the European Parliament and the EU Council after the last plenary, the following applies, as indicated in the European Parliament's Rules of Procedures (Rule 240):

- Par 1: "At the end of the last part-session before elections, all Parliament's unfinished business shall be deemed to have lapsed, subject to the provisions of the second paragraph.
- Par 2: At the beginning of each parliamentary term, the Conference of Presidents shall take a decision on reasoned requests from parliamentary committees and other institutions to resume or continue the consideration of such unfinished business. These provisions shall not apply to petitions, citizens' initiatives and communications that do not require a decision".

In practice, the Conference of Presidents (consisting of the President of the European Parliament and the Chairs of the Political Groups) decides to resume all unfinished legislative work. Exceptions can be made, for instance for files that have become obsolete and on which a new proposal by the Commission or renewed consultation by the Council is expected.

Source: UPEI Secretariat.

Brussels News

European Commission Communication on Climate Risk Management

Image Source: European Commission website.

On 12 March, the European Commission presented a **Communication on managing climate risks in Europe**, proposing ways for the EU and its Member States can better anticipate, understand, and address growing climate risks including prepare and implement relevant policies. It builds on the **European Climate Risk Assessment** (EUCRA), prepared by the European Environment Agency (EEA).

The Communication identifies four main categories of action:

- **Improved governance**: The Commission calls on Member States to ensure that the risks and responsibilities are better understood, informed by best evidence and dialogue. The Commission calls for closer cooperation on climate resilience between national, regional, and local levels to ensure that knowledge and resources are made available where they are most effective. Climate resilience is increasingly addressed across all sectoral policies, but shortcomings persist in planning and implementation at national level. The Communication notes that Member States have taken the first steps to include climate resilience in their **National Energy and Climate Plans (NECPs)**.
- **Better tools for empowering risk owners**: Policymakers, businesses, and investors need to better understand the interlinkages between climate risks, investment, and long-term financing strategies. This can provide the right market signals to help bridge the current resilience and protection gaps. The Commission will improve existing tools to help regional and local authorities better, based on reliable data. The Commission and the EEA will provide access to key granular and localised data, products, applications, indicators, and services. To help with emergencies, in 2025 the Galileo Emergency Warning Satellite Service (EWSS) will become available to communicate alert information to people, businesses and public authorities even when terrestrial alert systems are down. Major data gaps will be reduced thanks to the proposed Forest Monitoring Law and Soil Monitoring Law, which will improve early warning tools for wildfires and other disasters and contribute to more accurate risk assessments. More broadly, the Commission will promote the use of available monitoring, forecasting, and warning systems.
- **Harnessing structural policies**: structural policies in Member States can be efficiently used to manage climate risks. Three structural policy areas hold promises for managing climate risks across sectors: **better spatial planning** in the Member States; embedding climate risks in planning and maintaining critical infrastructure; linking EU-level solidarity mechanisms, like the UCPM, the EU Solidarity Fund, and Cohesion policy structural investments, with adequate national resilience measures. The civil protection systems and assets must be future-proofed, through investing in EU and Member State **disaster risk management**, response capacities and expertise that can be rapidly deployed across borders. This should fully integrate climate risks in the disaster risk management processes.
- **Right preconditions for financing climate resilience**: To ensure that EU spending is resilient to climate change, the Commission will integrate climate adaptation considerations in the implementation of EU programmes and activities as part of the 'do no significant harm' principle. The Commission will convene a temporary Reflection Group on mobilising Climate Resilience Financing. The Reflection Group will bring together key industrial players and representatives of public and private financial institutions to reflect on how to facilitate climate resilience finance. The Commission calls on Member States to take account of climate risks when including environmental sustainability criteria **in competitive** public procurement tenders, for instance through the **Net-Zero Industry Act**.

From a sectoral perspective, the Commission puts forward concrete suggestions for action in six main impact clusters: natural ecosystems, water, health, food, infrastructure and built environment, and the economy. The implementation of existing EU legislation is an important precursor to successfully managing risks in many of these areas, and key measures are outlined in the Communication.

Source: EU website.

Corporate Sustainability Reporting Directive (CSRD) Standards for SMEs

The European Financial Reporting Advisory Group (EFRAG) has launched a public consultation on the Exposure Draft ESRS for listed SMEs (ESRS LSME ED) and the Exposure Draft for the voluntary reporting standard for non-listed SMEs (VSME ED). The consultation will be open until 21 May 2024.

- **ESRS LSME ED**

As part of its mandate granted by the CSRD to provide technical advice to the European Commission on European Sustainability Reporting Standards ('ESRS'), EFRAG has been mandated to develop the standard for SMEs that are public-interest entities. These include those whose transferable securities (bonds, shares, and other securities) are admitted to trading on a regulated market in the European Union, small and non-complex institutions (SNCIs) and captive insurers and reinsurers (together 'LSMEs'). The ESRS LSME will be issued as delegated act and will be effective on 1 January 2026 with an additional two-year opt out. The purpose of the ESRS LSME ED is to set reporting requirements that are proportionate and relevant to the scale and complexity of the activities and to the capacities and characteristics of LSMEs. This is expected to support LSMEs in getting better access to finance and avoid discrimination against them on the part of financial market participants, as it will enable availability of standardised sustainability information. The LSME ED is one standard composed of three general sections, '1. General requirements', '2. General disclosures' and '3. Policies, actions, and targets', and three sections dedicated to metrics, '4. Environment', '5. Social ' and '6. Business conduct'.

- **VSME ED**

EFRAG has also developed a voluntary sustainability reporting standard for non-listed SMEs (VSME). The [EC SME Relief Package] of September 2023 refers to VSME as a measure to support SMEs in accessing sustainable finance. This Exposure Draft proposes a simple reporting tool to assist non-listed micro-, small- and medium-sized enterprises (non-listed SMEs) in responding to requests for sustainability information that they receive from business counterparts (i.e., banks, investors, or larger companies for which non-listed SMEs are suppliers) in an efficient and proportionate manner as well as to facilitate their participation in the transition to a sustainable economy. Based on market acceptance, the VSME ED is expected to standardise the current multiple ESG data requests (which represent a significant burden on non-listed SMEs), by reducing the number of uncoordinated requests they receive. This is expected to support them in having better access to lenders, investors, and clients. The VSME ED is structured in a Basic Module and in two additional optional modules, a *Narrative-Policies, Actions and Targets (PAT) Module and a Business Partners Module*.

- **ESRS LSME ED and VSME ED Consultation package**

The current public consultation is designed to receive feedback from constituents on key aspects of the EDs, including (i) the proposed architecture; (ii) the implementation of the CSRD requirements (for ESRS LSME ED), including the role of the LSME ED in set-ting the value chain cap for information to be reported by large undertakings; (iii) the relevance of the proposed disclosures; (iv) the simplifications achieved; and (v) the market acceptance (for the VSME ED). The questionnaires aim to capture users' and preparers' perspectives. Feedback from all interested constituents is welcome.

Respondents should provide their responses to the public consultation questions by using the online questionnaires (**here** for the link to the ESRS LSME ED questionnaire and **here** for the link to the VSME ED questionnaire). Both questionnaires consist of two parts: Part 1 (the most critical questions that EFRAG encourages to answer in full) and Part 2 (additional and more detailed technical questions that EFRAG encourages to answer as much as possible). Detailed instructions are provided in the introduction part of the online questionnaires.

Source: EFRAG website.

Policy updates

Energy Performance of Buildings Directive (recast)

Image Source: European Commission website.

On 12 March, the European Parliament adopted in plenary a recast of the Energy Performance of Buildings Directive (EPBD), based on the outcome of the trilogue negotiations finalised in December 2023 between the European Parliament and the EU Council. The text provides that:

- Each Member State will adopt its own national trajectory to reduce the average primary energy use of residential buildings by 16% by 2030 and 20-22% by 2035, allowing for sufficient flexibility to consider national circumstances. Member States are free to choose which buildings to target and which measures to take.
- The national measures will have to ensure that at least 55% of the decrease of the average primary

energy use is achieved through the renovation of the worst-performing buildings.

- For the non-residential building stock, the revised rules require to gradually im-prove it via minimum energy performance standards. This will lead to renovating the 16% worst-performing buildings by 2030 and the 26% worst-performing buildings by 2033.
- Member States will have the possibility to exempt certain categories of residential and non-residential buildings from these obligations, including historical buildings or holiday homes.
- Improved Energy Performance Certificates (EPCs) will be based on a common EU template with common criteria, to better inform citizens and make financing decisions across the EU easier.
- To fight energy poverty and bring down energy bills, financing measures will have to incentivise and accompany renovations and be targeted, particularly at vulnerable customers and worst-performing buildings.
- Member States will also have to ensure that there are safeguards for tenants, to help tackle the risk of eviction of vulnerable households caused by disproportionate rent increases following a renovation.

Moreover, the revised EPBD contains measures to improve the strategic planning of renovations and the tools to ensure that such renovations will happen. Under the agreed provisions, Member States will:

- Establish national Building Renovation Plans to set out the national strategy to decarbonise the building stock and to address remaining barriers, such as financing, training, and attracting more skilled workers.
- Set up national building renovation passport schemes to guide building owners in their renovations towards zero-emission buildings.
- Establish one-stop-shops for homeowners, SMEs, and all actors in the renovation value chain, to receive dedicated and independent support and guidance.

The revised Directive will make zero-emission buildings the new standard for new buildings: all new residential and non-residential buildings must have zero on-site emissions from fossil fuels, as of 1 January 2028 for publicly owned buildings and as of 1 January 2030 for all other new buildings, with a possibility for specific exemptions. In addition, the revised Directive will help the EU to phase out, in a gradual manner, boilers powered by fossil fuels. Subsidies for the installation of stand-alone boilers powered by fossil fuels will not be allowed as of 1 January 2025. Member States will have to set requirements for heat generators based on greenhouse gas emissions, the type of fuel used, or the minimum share of renewable energy used for heating. Member States will also have to set out specific measures on the phase-out of fossil fuels in heating and cooling with a view to a complete phase-out of boilers powered by fossil fuels by 2040.

Finally, Member States will have to ensure that new buildings are solar-ready, meaning that they must be fit to host rooftop photovoltaic or solar thermal installations. In-stalling solar energy installations will become the norm for new buildings. For existing public and non-residential buildings solar will need to be gradually installed, starting from 2027, where this is technically, economically, and functionally feasible. Such pro-visions will come into force at different points in time depending on the building type and size.

Source: EU website.

European Commission DG ENER Questions and Answers on the implementation of the hydrogen delegated acts.

Image Source: Wikipedia website.

On 14 March, the European Commission published a new set of **Q&As** related to the implementation of the hydrogen delegated acts of the Renewables Fuels Directive (RED). These Q&As build on two delegated acts adopted in June 2023

- The **[Delegated Act on a methodology for renewable fuels on non-biological origin](#)**, defines under which conditions hydrogen, hydrogen-based fuels, or other energy carriers can be considered as renewable fuels of non-biological origin (RFNBO).
- The **[Delegated Act establishing a minimum threshold for greenhouse gas (GHG) emissions savings of recycled carbon fuels](#)** provides a methodology for calculating life-cycle GHG emissions for RFNBOs.

These Q&As are based on the outcome of meetings with certifiers and voluntary schemes and set out questions that have been raised by fuel producers and certifiers in the aftermath of the adoption of the delegated acts. As expressed by the Commission, they should be regarded as a 'living tool' open for improvement and their content may be subject to modifications without notice.

Source: EU website.

Energy Taxation Directive

Image Source: European Commission website.

The Belgian Presidency of the EU Council has attempted to unblock the discussions in the EU Council by tabling a new **[compromise proposal](#)**, that contains the following:

- New exemptions added: the proposal would exempt biomass plants, output taxation of heat, hazardous and municipal waste, metallurgical and mineralogical processes, as well as for energy products used for anything other than motor fuel or heating fuel.
  - Member States will be allowed to differentiate between commercial and non-commercial use of energy products used as propellant for a period of 10 years, specifically for products used for goods carriage by road with a max gross weight of >7,5 tonnes, and passenger carriers by vehicles (M2/M3).
  - In addition, the Presidency proposes that Member States could be able to exempt energy products and electricity used by households – if GDP is lower than 50% of EU average, and for a maximum of 20 years.
- Several exemptions proposed regarding maritime transport: the Presidency proposes to introduce a taxation differentiation between commercial and non-commercial use of energy products for maritime and aviation in accordance with the current geopolitical climate across the EU - with a particular attention to Member States with a GDP of less than 50% of EU average (Article 15).
  - Member States can introduce total or partial exemptions to energy products sup-plied for use in maritime transport for the purposes of armed forces, other national security forces, search a rescue operations and public authorities, as well as for small-scale coastal fishing.
  - The Presidency also proposes exemptions for maritime transport of passengers and goods within a Member State, as well as by island Member States. This possibility only applies to the regular passengers and ferry services by sea. Other vessels can't benefit from this total or partial exemption.
- Derogations for Member States proposed: under Article 11 (Products taxed independently form each other as a single use) the Belgian Presidency wants to allow Member States to apply different tax rates when the differentiated rates are:
  - Directly linked to product quality
  - For heating fuels and electricity and
  - For heating fuels & electricity for business and non-business use. Electricity ex-emptions could be possible for environmental-policy-related reasons, as per Art. 13(3).
- The Belgian Presidency proposes that, in case of products in category 1 of the Directive, electricity-related exemptions shall be considered as justified for reasons of environmental policy, i.e. when such exemptions would serve the EU's climate goals.

It is unlikely that progress will be seen on the file before the end of this parliamentary term. The European Parliament must still produce an opinion on the Directive, but negotiations came to a halt in mid-March, with political groups failing to agree on the issues to be tackled. This means that the Parliament's opinion will not be ready before end April, which in turn means that, even if the Council were to reach an agreement, the new rules would not be able to enter into force until after the Parliament reconvenes in autumn 2024.

Source: EU website.

Delegated Act on the FuelEU Maritime

The European Commission has published for consultation three implementing acts on the FuelEU Maritime Regulation.

1. **Decarbonising the shipping sector – verification activities (Article 13(5) FuelEU Maritime Regulation)**.

- **Basis**: The Implementing Act concerns article 13(5), on the verification procedures to identify potential risks related to the monitoring and reporting processes described in FuelEU Maritime.
- **Content**: The Implementing Act aims to further specify the rules for the verification activities referred to in FuelEU Maritime, as regards assessment of conformity of monitoring plans, relevant documents, verification of FuelEU reports, risk analyses, materiality level, reasonable assurance of verifiers, misstatements and non-conformities, content of verification report, improvement recommendations, site visits, communication and competences of verifier and competency requirements. The act essentially lays out the duties of verifiers when it comes to the above aspects upon receiving a ship's monitoring plan by the shipowner, as well as additional duties for verifiers. The Annex to the Implementing Act, also published together with the Act, lays out the specific identifying data to be provided for the ship and company, for the verifier, as well the template for the verification report and compliance balance.

2. Complementing the above, the Commission also published an implementing act on **methods & criteria for the accreditation of verifiers**. The act sets out the details on the criteria to be used for accreditation of the verifiers.

3. **Decarbonising the shipping sector –template for standard monitoring plans (Article 8(4) FuelEU Maritime Regulation)**.

- **Basis**: Article 8 of the Regulation, according to which, companies must submit to verifiers a monitoring plan for each of their ships indicating the method chosen for monitoring and reporting the amount, type and emission factor of energy used on board by ships and other relevant information by August 2024.
- **Content**: Article 8(4) requires that companies use standardized monitoring plans based on templates – the Implementing act aims to provide those, as well as the rules for their uniform application. The template is provided in the annex of the act, also published via the link above.

Next steps

- The Commission has published all three initiatives for public consultation for a period of 4 weeks – until **24 April**.
- After the consultation ends, the Commission will aggregate the feedback and take it into account before officially adopting the Implementing Acts.
- Following their adoption, the implementing acts will be under scrutiny by the Euro-pean Parliament and the EU Council, but the co-legislators cannot prevent the Commission from still adopting the acts.

Source: EU website.

UPEI News

07/03/2024 | UPEI & Weber Shandwick EU Regulatory Update

On 7 March 2024, UPEI organised together with Weber Shandwick the first EU Legislative and Regulatory Update webinar presented by Luis Cervilla, Vice President Public Affairs, and Maria Tanou, Associate Public Affair at Weber Shandwick.

A wide range of topics were covered, such as the Net-Zero Industry Act (NZIA), the EU 2040 Target, the CO2

Emissions Standards for HDVs, the Payment Services Directive (PSD3) & Payment Services Regulation (PSR), the Energy Taxation Directive (ETD) and the RED III implementation by the Member States, followed a debate on Members concerns and doubts.

In the future, the Secretariat will organise such webinar on a regular basis right before each UPEI Board Meetings.

You may find all the information available on the **UPEI dedicated website**.

19/03/2024 | UPEI Retail Heating Commission Meeting

The Retail Heating commission met on 19 March 2024 to address the state of play of the issues which are considered a priority for UPEI. In this respect, the Secretariat introduced the latest EU policy developments, giving special attention to the Energy Efficiency Directive, the Energy Performance of Buildings Directive (EPBD), and the extension to Buildings of the ETS2.

A discussion on national developments followed, focusing on restrictions on the use of heating oil. The commission also review the agenda for the Joint Heating Commission Meeting scheduled for 22 March 2024 and build UPEI's position on the topics covered in.

*Find all the information **here**.*

21/03/2024 | UPEI Board Meeting

On 21 March, the UPEI Board met online, focusing its meeting on several major action items:

a) EU Policy developments, including a review and follow up of first webinar on EU regulatory updates, and a general overview of UPEI policy activities, including coalitions membership.

b) Discussion on UPEI finances, meaning the presentation of the UPEI annual accounts 2023 by the Secretariat and UPEI auditor Anna Bes, follow up of UPEI 2024 budget (YTD), and discussions on first elements of 2025 budget (fees).

c) Update on the UPEI commissions and experts.

d) Discussions on future UPEI General Meetings, including Hamburg 2024, Rome 2024, and Ljubljana 2025.

The next meeting will take place on 28 June 2024 in Cologne (Germany) in-person.

Business Partners' Focus

UPEI's business partner ryd expands In-Car-Payment to Italy, France, and Czech Republic

ryd is the leading provider for in-car payment and digital fueling in Europe. ryd enables payments from inside the car, via the vehicle's built-in dashboard, the ryd app or through integration in third-party apps like car sharing and other mobility providers. ryd is currently available in Germany, Austria, Switzerland, Benelux, Denmark, Portugal and Spain. We spoke to Thomas Kempf, Director Mobility & Sales of ryd, about ryd's growth into new markets and the potential of in-car payment.

Image Source: ryd.

What is the current status of in-car payment?

During the last months in-car payment went from niche to mainstream. More and more partners have joined the ryd network and we see huge interest from all sides: from the press to users and car manufacturers. We are happy to see BWM and ŠKODA live, who joined our in-car payment partner Mercedes-Benz last year. This also shows how hot the topic currently is.

Which countries will ryd expand to next?

We are currently preparing the market launch for Italy, France and the Czech Republic. The Nordics and UK will be the next waves in our expanding strategy.

When can we expect first in-car payments in Italy?

ryd has partnered with Assopetroli-Assoenergia, the association of 12.000 independent petrol stations in Italy. This marks another key step in ryd's expansion besides some promising discussions with local key players to enable a country wide station network.

What about France?

We expect the first in-car payments to happen already before the end of the year. Our existing partnerships with several international energy companies make cross-border growth a lot easier. Additionally, we are already in final discussions with several important local and global players in the market.

Expanding into the Czech Republic would settle ryd in Eastern Europe.

Our OEM partners have shown huge interest in expanding in-car payments into all European markets. Together with a global energy brand we are currently preparing the launch of in-car payment for the Czech Republic and we're able to announce that partnership soon.

How can new partners join the ryd ecosystem?

More information on www.ryd.one or via e-mail to Thomas Kempf thomas.kempf@ryd.one, ryd Head of Energy Network Europe.

UPEI Circulars

08/2024 **UPEI Spring General Meeting 2024. Final Arrangements.**

UPEI Diary

April 2024

05/04 **UPEI Fuel Payments Commission Meeting.**
17-19/04 **UPEI Spring General Meeting.**

May 2024

03/05 **UPEI ITW Commission Meeting.**
27/05 **UPEI Retail Stations Commission Meeting.**

June 2024

18/06 **UPEI Bunkering Commission Meeting.**
19/06 **UPEI Energy Transition Commission Webinar on Hydrogen.**
28/06 **UPEI Board Meeting.**

UPEI Spring General Meeting 2024

DOCS & INFO SOON

UPEI SPRING GENERAL MEETING
17 - 19 April 2024
Hamburg, Germany