MEMBERS' NEWSLETTER

UPEI
THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

OCTOBER 2023 | N. 115

Welcome to the 115 number of the UPEI Newsletter!

In October, the EU policy agenda included the presentation of the European Commission work programme for 2024, the last one before the end of its mandate in October 2024. The relevant Committees of the European Parliament concluded their hearings positively, paving the way for the official nominations of new Executive Vice President Maroš Šefčovič, in charge of the Green Deal, Commissioner Wopke Hoekstra, in charge of climate action, and Commissioner Iliana Ivanova, in charge of Innovation, Research, Culture, Education and Youth. Also, the European Commission presented its annual State of the Energy Union that this year includes an analysis of the Member States' implementation of their National Energy and Climate Plans (NECPs).

Meanwhile, the European Parliament and the EU Council continued to negotiate and finalise the legislative texts related to the "Fit for 55" package, as well as subsequent Commission proposals initiatives in the areas of energy, climate change and environment.

The European Council on 26 and 27 October was mainly devoted to the international situation (Ukraine and Middle East) and to the macro-economic situation in the EU.

Finally, the International Energy Agency published its **World Energy Outlook 2023**, focusing on the complex geopolitical and economic situation that makes fossil fuel market, though prices are down from their 2022 peak, still tense and volatile. On the other hand, a new energy economy is emerging, based on solar energy and an accelerated penetration of electric cars. In 2020, one in 25 cars sold was electric, against one in 5 in 2023. More than 500 gigawatts (GW) of renewables generation capacity are set to be added in 2023. More than USD 1 billion a day is being spent on solar deployment.

Image Source: EU website.

Brussels News

European Commission Work Programme 2024

Image Source: European Commission website.

On 17 October, the European Commission presented its work programme for 2024 "**Delivering today and preparing for tomorrow**". The programme takes into account the fact that 2024 will be an electoral year, where the European Parliament will stop its activities end April, the European elections will take place from 6 to 9 June and the new Commission will start its mandate early November.

This is why a limited number of new initiatives are proposed. On energy and climate, the following are proposed:

- A European wind power package: it was tabled on 24 October (see article below)
- A 2040 climate target, to be tabled as a non-legislative document during Q1 2024, aiming at keeping the EU on its trajectory towards 2050.
- An initiative on industrial carbon management, setting out a strategy for environmentally sustainable carbon capture, utilisation, and storage deployment in the EU, considering its importance for reaching carbon neutrality.

The work programme does not include the revision of the Regulation on REACH, postponed to a later stage.

The programme also focuses on pressing the European Parliament and the EU Council to finalise their examination of the following pending proposals, so that they can be published and implemented before the end of the legislature. These are:

Regulation proposals on

- The accounting of greenhouse gas emissions of transport services.
- Strengthening the CO_2 emission performance standards for new heavy-duty vehicles and integrating reporting obligations.
- Establishing a Union certification framework for carbon removals.
- Type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7).
- Methane emissions reduction in the energy sector and amending Regulation (EU) 2019/942.
- Common rules for the internal market~~s~~ on renewable and natural gases and on hydrogen.

Directive proposals on

- The energy performance of buildings (recast).
- Restructuring the Union framework for the taxation of energy products and electricity (recast).
- Ship-source pollution and on the introduction of penalties, including criminal penalties, for pollution offences.
- Substantiation and communication of explicit environmental claims (Green Claims Directive).

Source: EU website.

COP28

At international level, the Council approved also on 17 October a set of **conclusions** on climate finance ahead of the COP 28 meeting in Dubai, UAE, due to take place from 30 November to 12 December 2023. In its conclusions, the Council underlines its strong commitment to deliver on climate finance.

The EU and its Member States are the world's largest contributor to international public climate finance, and since 2013 have more than doubled their contribution to climate finance to support developing countries. The conclusions do not yet include the figure of the EU contribution, to be made available by the Commission mid-November and confirmed by the Council separately, in time before the start of COP 28.

The Council will also underline that the EU and its Member States are committed to the goal of developed countries to collectively mobilise USD 100 billion per year in climate finance until 2025. They expect this goal to be met in 2023 for the first time.

The main agenda items of COP 28 are expected to be:

- The Global Stock take.
- The Mitigation Work Programme.
- The Global Goal on Adaptation.
- Climate finance, including financial arrangements for Loss and Damage.

Source: EU website.

Policy updates

Implementing Regulation related to the revised Emission Trading System

Image Source: European Union Aviation Safety Agency.

The new Commission Implementing Regulation of 17 October 2023 amending Implementing Regulation (EU) 2018/2066 on updating the monitoring and reporting of greenhouse gas emissions was published in the **EU Official Journal on 18 0ctober**.

This Regulation adapts the previous implementing text to the 2023 amendments of the ETS Directive: it incorporates, notably, new or amended rules on biomass and biogas, on the monitoring of process emissions from carbonates and non-carbonates materials, on aviation, on fuels used for combustion in the buildings, road transport sectors and industrial activities not covered by Annex I to the ETS Directive of 2003 ('buildings, road transport and additional sectors').

Source: EU Official Journal.

"Fit for 55" legislative package – adopted texts

Image Source: European Commission website.

On 9 October, the EU Council definitely adopted the text of two major elements of the "Fit for 55" package, making them ready for publication in the EU Official Journal and before their entry into force.

The first text is a set of revised rules on the ReFuel EU Aviation.

The main objective is to increase both demand for and supply of sustainable aviation fuels (SAF), which have lower CO2 emissions than fossil fuel kerosene, while ensuring a level playing field across the EU air transport market. The new legislation aims to put air transport on the trajectory of the EU's climate targets for 2030 and 2050, as SAF are one of the key short- and medium-term tools for decarbonising aviation. It should address the current situation which is hindering their development: low supply and prices much higher than prices of fossil fuels.

The new Regulation contains the following main provisions:

- The obligation for aviation fuel suppliers to ensure that all fuel made available to aircraft operators at EU airports contains a minimum share of SAF from 2025 and, from 2030, a minimum share of synthetic fuels, with both shares increasing progressively until 2050. Fuel suppliers will have to incorporate 2% SAF in 2025, 6% in 2030 and 70% in 2050. From 2030, 1,2% of fuels must also be synthetic fuels, rising to 35% in 2050.
- The obligation for aircraft operators to ensure that the yearly quantity of aviation fuel uplifted at a given EU airport is at least 90% of the yearly aviation fuel required, to avoid tankering practices which would bring additional emissions from extra weight.
- The scope of eligible sustainable aviation fuels and synthetic aviation fuels includes certified biofuels, renewable fuels of non-biological origin (including renewable hydrogen) and recycled carbon aviation fuels complying with the Renewable Energy Directive (RED) sustainability and emissions saving criteria, up to a maximum of 70%, with the exception of biofuels from food and feed crops, as well as low-carbon aviation fuels (including low-carbon hydrogen), which can be used to reach the minimum shares in the respective part of the regulation.
- Rules on the competent authorities, to be designated by the Member States to en-force this regulation, and rules on fines.
- The creation of an EU labelling scheme about environmental performance for air-craft operators using SAF, which will help consumers make informed choices and will promote greener flights.
- Data collection and reporting obligations for fuel suppliers and aircraft operators enabling to monitor the effects of this regulation on the competitiveness of EU operators and platforms.

Source: EU website.

The second text, published on 31 October in the EU Official Journal L 2023/2413, is a revision of the Renewables Energy Directive.

It raises the share of renewable energy in the EU's overall energy consumption to 42.5% by 2030 with an additional 2.5% indicative top up that would allow it to reach 45%. Each Member State will contribute to this common target and to achieving more ambitious sector-specific targets in transport, industry, buildings and district heating and cooling. The purpose of the sub-targets is to speed up the integration of renewables in sectors where incorporation has been slower.

- **On Transport**, Member States will have the possibility to choose between:
    - a binding target of 14.5% reduction of greenhouse gas intensity in transport from the use of renewables by 2030 or
    - a binding share of at least 29% of renewables within the final consumption of energy in the transport sector by 2030

The new rules set a binding combined sub-target of 5.5% for advanced biofuels (generally derived from non-food-based feedstocks) and renewable fuels of non-biological origin (mostly renewable hydrogen and hydrogen-based synthetic fuels) in the share of renewable energies supplied to the transport sector. Within this target, there is a minimum requirement of 1% of renewable fuels of non-biological origin (RFNBOs) in the share of renewable energies supplied to the transport sector in 2030.

- **On Industry**, the Directive provides that industry will increase the use of renewable energy annually by 1.6%. Member States agreed that 42% of the hydrogen used in industry should come from renewable fuels of non-biological origin (RFNBOs) by 2030 and 60% by 2035. Member States will have the possibility to discount the contribution of RFNBOs in industry use by 20% under two conditions:
    - if the Member States' national contribution to the binding overall EU target meets their expected contribution
    - the share of hydrogen from fossil fuels consumed in the member state is not more 23% in 2030 and 20% in 2035.
- **On Buildings**, heating and cooling, the new rules set an indicative target of at least a 49% renewable energy share in buildings in 2030. Renewable targets for heating and cooling will gradually increase, with a binding increase of 0.8% per year at national level until 2026 and 1.1% from 2026 to 2030. The minimum annual average rate applicable to all Member States is complemented with additional indicative increases calculated specifically for each member state.
- **On Bioenergy**, the directive strengthens the sustainability criteria for the use of biomass for energy, in order to reduce the risk of unsustainable bioenergy production. Member states will ensure that the cascading principle is applied, with a focus on support schemes and with due regard to national specificities.

Also, permitting procedures for renewable energy projects will be accelerated. The purpose is to fast-track the deployment of renewable energies in the context of the EU's REPowerEU plan to become independent from Russian fossil fuels.

Member States will be asked to design renewables acceleration areas where renewable energy projects will undergo simplified and fast permit-granting process. Renewable energy deployment will also be presumed to be of 'overriding public interest', which will limit the grounds of legal objections to new installations.

Source: EU website.

"Fit for 55" legislative package – texts under discussion

Image Source: European Parliament website.

On 16 October, the EU Council adopted a general approach on a Commission proposal to update and strengthen the regulation on CO2 emission standards for heavy-duty vehicles.

The aim of the proposal is to further reduce CO_2 emissions in the road transport sector and to introduce new targets for 2030, 2035 and 2040. The proposal also aims to encourage an increasing share of zero-emission vehicles in the EU-wide heavy-duty vehicle fleet, while ensuring that innovation in the sector and its competitiveness are preserved and enhanced.

The Council's text attempts to balance between keeping the Commission proposal's main ambition to reduce the climate impact of the heavy-duty vehicle sector and allowing Member States some flexibility in the implementation of the amended Regulation, while strengthening innovation and reinforcing the EU's competitiveness in the sector.

The proposal expands the scope of the regulation to make almost all new heavy-duty vehicles with certified CO_2 emissions – including smaller trucks, urban buses, coaches, and trailers – subject to emission reduction targets. An exemption from the CO_2 reduction targets set in the Regulation will apply to small-volume manufacturers and to vehicles used for mining, forestry, and agriculture; to vehicles for use by the armed forces and fire services; to vehicles for use in civil protection, public order, and medical care; and to vocational vehicles such as garbage trucks.

The Council amended the definition of 'zero-emission heavy-duty vehicle' by further lowering the proposed threshold, which still covers hydrogen-fuelled vehicles. Furthermore, it added a sub-group of vehicles to include extra heavy combination (EHC) lorries in order to take better account of their characteristics, including regarding their energy efficiency.

In line with the EU's climate objectives for 2030 and beyond, the Council maintained the targets set by the Commission. Besides the 2025 CO2 emissions reduction target of 15% which was al-ready provided for, the new rules introduce new targets:

- 45% emissions reduction from 2030 (increased from 30%).
- 65% emissions reduction from 2035.
- 90% emissions reduction from 2040.

The targets for trailers and semi-trailers are set at 7.5% (Annex I).

The proposal amendment introduces a 100% zero-emission target for urban buses by 2035, while setting an intermediate target of 85% for this category by 2030. The Council agreed to exempt inter-urban buses from this target.

In addition, the Council added a series of provisions to make the review clause more comprehensive, such as considering national investments already made and possible constraints due to specific territorial morphology or weather conditions in member states. It also clarified the pro-visions on public procurement procedures for zero-emission urban buses, in particular on the assessment criteria related to security of supply, to ensure legal soundness.

The effectiveness and impact of the amended Regulation on the targets will be reviewed by the Commission in 2027, one year earlier than originally proposed by the Commission (Article 15). One of the issues the Commission will have to report on in its review is progress in the deployment of public and private recharging and refuelling infrastructure for alternative fuels for vehicles covered by this regulation. In its review, the Commission will also have to produce an assessment of the role of a carbon correction factor (CCF) in the transition towards zero-emission mobility in the heavy-duty vehicle sector.

The general approach will serve as the Council's mandate for negotiations with the European Parliament on the final shape of the legislation.

Source: EU website.

Other climate and energy topics

Image Source: European Commission website.

The European Commission published on 24 October its annual **State of the Energy Union Report 2023**, analysing the EU response to the energy crisis of the past two years, assessing the state of play with the green transition at national, European and global level, and setting out the challenges and opportunities ahead as Europe pursues its ambitious climate and energy goals for 2030 and 2050. It consists of three parts: The first part describes how the high climate and environmental ambitions under the European Green Deal provided the basis for the EU's crisis response strategy and a strategy for growth and competitiveness. The second part analyses the state of play in the implementation of the Energy Union in all its five dimensions based on the Commission's assessment of Member State progress reports on their National Energy and Climate Plans. The last part points to future challenges for the EU energy system and energy policy.

The report also provides a set of key figures on the State of the Energy Union:

- The EU's net greenhouse gas emissions decreased by around 3% in 2022, reaching a reduction of 32.5% compared to 1990 levels.
- The EU drastically reduced its dependence on Russian fossil fuel: phasing out coal imports; reducing oil imports by 90%; reducing gas imports from 155bcm in 2021 to around 80 bcm in 2022 and to an estimated 40-45 bcm in 2023.
- The EU reduced gas demand by more than 18% compared with the previous five years, saving around 53 bcm of gas.
- Gas storage facilities were filled to 95% of capacity ahead of the winter of 2022-2023 and stand at over 98% full today, ahead of the coming winter.
- The EU Energy Platform organised three rounds of joint purchase of gas, collecting 44.75bcm of demand and matching it with 52bcm of supply offers.
- 2022 was a record year for new solar photovoltaic (PV) capacity (+41 GW), which is 60% more than in 2021 (+26 GW). New onshore and offshore wind capacity was 45% higher than in 2021.
- In 2022, 39% of electricity was generated by renewables, and in May wind and solar surpassed fossil fuels for the first time in EU electricity generation.
- Legislative targets were agreed for a minimum share of 42.5% of renewable energy in the EU by 2030, and the ambition to reach 45%. Energy efficiency targets were also increased, to reduce final energy consumption by 11.7% by 2030.

Compared to previous years, the report presents the first **assessment** of the Progress Reports submitted by Member States on their 2019 the **National Energy and Climate Plans (NECPs)**. This assessment shows the need to significantly accelerate the EU actions. The share of renewable energy in gross final energy consumption reached 21.8% in 2021. With an average yearly increase of 0.67 percentage points since 2010, reaching the new 2030 EU target of 42.5% will require a much faster growth in the coming years. Greenhouse gas emissions continue to fall steadily each year, but the pace needs to pick up, and almost triple the annual reductions, to meet the 2030 objective of 55% emission reduction in 2030.

Source: EU website

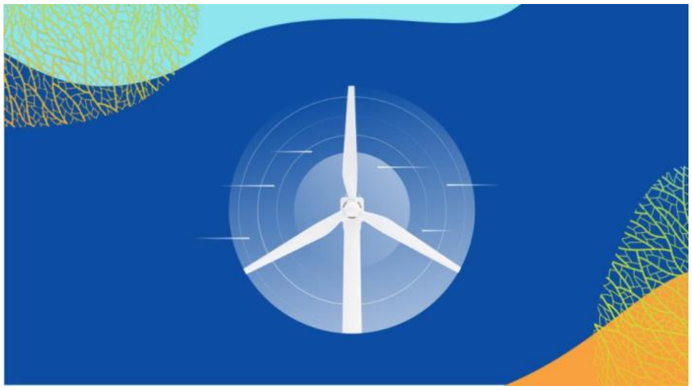

Image Source: European Commission website.

On 24 October, the European Commission also presented a **European Wind Power Package**, including a European Wind Power Action Plan to ensure that the clean energy transition goes hand-in-hand with industrial competitiveness and that wind power continues to be a European success story. The plan aims to help maintaining a healthy and competitive wind energy supply chain, with a clear and secure pipeline of projects, attracting the necessary financing and competing on a level playing field globally.

The Action Plan sets out immediate actions to be taken together by the Commission, the Member States, and the industry, building on existing policies and legislation and focusing on six main areas:

- Acceleration of deployment through increased predictability and faster permitting. 16 GW of wind power installations were added in 2022, a 47% increase com-pared to 2021. This is however well below the 37 GW/year required to achieve the EU 2030 target for renewable energy. The Commission is launching the "Accele-RES" initiative with Member States to ensure swift implementation of the revised EU renewable energy rules, putting more focus on the digitalisation of permitting processes and technical assistance to Member States. In addition, Member States are encouraged to enhance the visibility of the project pipeline through wind pledges, transparent auction schedules, and long-term planning. Finally, the Commission will support the necessary build-out of electricity grids with a Grids Action Plan later this year.
- Improved auction design. Building on the proposed **Net-Zero Industry Act** and the **reform of the Electricity Market Design**, the Commission will

support Member States in improving auctions with well-designed and objective criteria which reward higher value-added equipment and ensure that projects are realised fully and on time. The Action Plan also foresees a cybersecurity risk assessment.

- Access to finance. To speed up investment and financing for wind energy manufacturing in Europe, the Commission will facilitate access to EU financing, notably through the Innovation Fund, while the European Investment Bank (EIB) will make de-risking guarantees available. The Commission also encourages Member States to make full use of the flexibility provided by the Temporary State aid Crisis and Transition Framework to support wind manufacturing in the EU.
- A fair and competitive international environment. To ensure that the wind sector can operate on a level playing field, the Commission closely monitors possible unfair trade practices which benefit foreign wind manufacturers and will continue to use trade agreements to facilitate access to foreign markets, while promoting the adoption of EU and international standards for the sector. The Commission will also engage with investors to identify and address obstacles to investment.
- Skills. Large-Scale Skills Partnerships for Renewable Energy will be a key forum to develop skills development projects. With the **Net-Zero Industry Act**, the Commission will also facilitate the launch of European net-zero industry skills academies – including one dedicated to the wind sector, designed to support Member States actions to upskill and reskill workers. The academies will develop learning content and materials and will aim to train 100.000 learners within three years of establishment.
- Industry engagement and Member States commitments. The Commission will work with Member States and the wind industry on an EU Wind Charter to improve the enabling conditions for the European wind industry to remain competitive.

The Action Plan is accompanied by a **Communication on delivering on the EU's offshore energy ambition**, including wind power, aiming at accelerating the deployment of off-shore wind. Member States recently agreed on ambitious new goals for offshore renew-able energy generation by 2050, with intermediate goals for 2030 and 2040 for each of the EU's five sea basins. But, whereas in 2022, the cumulative EU-27 offshore installed capacity amounted to 16.3 GW, to bridge the gap between the 111 GW committed by the Member States and the 2022 capacity, almost 12 GW/year on average must be installed, 10 times more than the new 1.2 GW installed last year. The Commission wants to sup-port the offshore renewables sector specifically, setting out additional actions to strengthen grid infrastructure and regional cooperation, accelerate permitting, ensure integrated Maritime Spatial Planning, strengthen resilience of infrastructure, sustain research and innovation, and develop supply chains and skills.

Source: EU website.

Image Source: European Commission website.

On 23 October, the European Commission published a **Recommendation** on energy poverty, based on the fact that in 2022, an estimated 9.3% of Europeans were unable to keep their homes adequately warm, compared to 6.9% in 2021. The text promotes investment in energy efficiency and renewable energy. It is accompanied by a **Staff Working Document** which contains a more detailed analysis of the recommended measures. Following the recently adopted revision of the **Energy Efficiency Directive** which includes, for the first time, an EU-wide definition of energy poverty, the Recommendation also outlines how energy poverty can be diagnosed at national level.

The EU legal framework requires that energy poverty is identified and tackled in the National Energy and Climate Plan (NECP) of each EU country, due to be updated in 2024. EU countries must draft and submit their Social Climate Plans to the Commission by 30 June 2025 in order to benefit from the **EU Social Climate Fund**.

The third document of this initiative is a renewal of the **Joint Declaration on enhanced consumer protection for the winter**, originally **signed in December 2022**. With the support of the Commission, key stakeholders representing consumers, regulators, energy suppliers and distributors pledged to respect common principles and adopt measures, going beyond existing legislation, to support households throughout the 2022-23 winter and now 2023-2024 winter.

Source: EU website.

Image Source: European Commission website.

On 20 October, the European Commission presented a **Communication on the revision of the Strategic Energy Technology Plan**, aiming at harmonising the original SET Plan strategic objectives with the European Green Deal, REPowerEU and the Green Deal Industrial Plan, notably the Net-Zero Industry Act.

The **SET Plan** activities are clustered into 10 actions for research and innovation. They address the whole innovation chain, from research to market uptake, and tackle both financing and regulatory frameworks:

- integrating renewable technologies in the energy systems
- reducing costs of technologies
- new technologies and services for consumers
- resilience and security of energy systems
- new materials and technologies for buildings
- energy efficiency for the industry
- competitiveness in the global battery sector and e-mobility
- renewable fuels and bioenergy
- carbon capture and storage
- nuclear safety

These actions are implemented by 14 Implementation Working Groups (IWGs), each focusing on one key technology.

With this revision, the Commission will act in the following areas:

- Include new priorities on cross-cutting issues, including sustainability by design, skills development, research and innovation, tailored to societal needs, digitalisation, and market accessibility. By doing so, it will foster a comprehensive approach to the development and deployment of clean and efficient energy technologies.
- Expand the current technology scope to encompass all strategic renewable energy technologies. This inclusive approach recognises the substantial developments in renewable energy technologies since the SET Plan's inception, ensuring that the EU remains at the forefront of clean energy innovation.
- Establish a dedicated workstream on hydrogen to implement the 'ERA pilot on Green Hydrogen'. This measure highlights the EU's commitment to a joint venture towards new challenges and emerging technologies, which is a key element in Europe's journey towards a climate-neutral future.
- Forge cooperation between the **European Technology and Innovation Platforms** and the European industrial alliances, including the **Battery Alliance**, the **Clean Hydrogen Alliance**, and the **Solar PV Industry Alliance**. This will foster investment and will reinforce manufacturing capacity in clean energy technologies. It will also address market, regulatory, infrastructure, and technological challenges that currently hinder their widespread adoption.
- Provide a roadmap for progress that will continue to be monitored through the SET Plan information system (SETIS). It will feed into the annual report on the State of the Energy Union and will be disseminated at the SET Plan conferences. These new SET Plan directions, devised for each of the six priorities of the 'Research, Innovation and Competitiveness' dimension of the Energy Union, will drive innovation and en-sure accountability, propelling Europe towards a greener, more sustainable energy landscape.

The **Clean Energy Transition Partnership**, a multilateral and strategic partnership of national and regional research, development and innovation programmes co-funded by Horizon Europe and national governments, will continue to support the implementation of the SET Plan activities and will be instrumental to underpin its extended scope.

The Commission will work closely with the SET Plan countries (currently all EU Member States, Iceland, Norway, and Turkey), the SET Plan Steering Group and other relevant stakeholders, including new actors and task forces as necessary, to develop and deliver on the new measures and targets included in the Communication.

Source: EU website.

Other legislation

Image Source: European Commission website.

On 12 September, the European Commission tabled a [proposal]() for the Revision of the Late Payment Directive of 2011 (2011/7/EU).

This Directive provides, in essence, that:

- public authorities have to pay for the goods and services that they procure within 30 days or, in very exceptional circumstances, within 60 days.
- enterprises have to pay their invoices within 60 days, unless they expressly agree otherwise and provided it is not grossly unfair.
- automatic entitlement to interest for late payment and €40 minimum as compensation for recovery costs.
- statutory interest of at least 8% above the European Central Bank's reference rate
- EU countries may continue maintaining or bringing into force laws and regulations which are more favourable to the creditor than the provisions of the Directive.

By tabling this revised proposal, the European Commission aims to address the root cause of late payments, being asymmetries in bargaining power between a large client (debtor) and a smaller supplier (creditor). This often results in the supplier's having to accept unfair payment terms and conditions. For debtors, paying late is an attractive form of finance that costs the debtor nothing but does have a cost for the creditor. It considers that the current EU legal framework is inadequate, the current Late Payment Directive lacking sufficient preventive measures and suitable deterrents, and whose enforcement and redress mechanisms are insufficient. The revision of the Late Payment Directive addresses these shortcomings, with the ultimate aims of improving the payment discipline of all concerned actors (public authorities, large companies, and SMEs) and protecting companies from the negative effects of payment delays in commercial transactions.

The European Parliament has started the examination of the text by designating MEP Róża Thun und Hohenstein (Renew Europe, PL) as rapporteur in the IMCO Committee and shadow rapporteurs from most other political groups.

Source: EU website & EU Legislative Observatory.

UPEI News

THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

10/10/2023 | UPEI Board Meeting

The UPEI Board met online on 10 October, focusing its meeting on several major action items:

a) Review of current EU legislation with an update by Weber Shandwick.

b) UPEI Autumn General Meeting 2023, final arrangements, including adoption of a budget proposal for 2024 and confirmation of candidates for the UPEI Board.

c) UPEI Developments (New Commission "Energy Transition", Membership and Business Partnership developments, administrative update …)

More information will be sent via UPEI circulars to UPEI Members and Business Partners.

19/10/2023 | Bunkering Commission Meeting

The Bunkering Commission met on 19 October 2023 to address the state of play of the issues which are considered a priority for UPEI. In this respect, Pierre Lucas gave an update on the "Fit for 55" package latest developments, focusing on the FuelEU Maritime Regulation, the new EU Emissions Trading System (ETS 2), the Renewable Energy Directive (REDIII), and the EU Energy Taxation Directive recast (ETD).

A discussion on the work of the Renewable and Low Carbon Fuels Value Chain Industrial Alliance (RLCF) followed, focusing on the latest developments reported by Pierre Lucas as UPEI representatives in the Alliance.

Attendants also discussed the Corporate Sustainability Reporting Directive and exchanged different points of view regarding the implementation of the "Fit for 55" package legislative pieces of legislation which are already adopted and other related national developments.

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

27/10/2023 | Oil Coordination Group Meeting

Image source: Unslash website.

On 27 October 2023, Max Brockmann represented UPEI at the European Commission Oil Coordination Group Meeting. At the beginning, Commissioner Mrs. Kadri Simson gave some opening remarks followed by and introduction by Ms. Paula Pinho (Chair of the meeting).

The session started with a presentation by Mrs. Tori Bosoni (IEA) who gave an overview about the current state of the global oil-market, where, in a follow-up to the presentation, Mrs. Simson stressed the historically low EU-middle-distillate-stocks ahead of the winter season.

Afterwards the presentations of the industry-participants were held. Overall, there was a lot of concern throughout the whole industry about the recent developments in the Middle-East, which has recently emerged as a major oil-supplier for Europe.

Stakeholders stressed how complicated the current situation is and the fact that regulatory frameworks are needed for the decarbonisation of the liquid fuels sector.

25-29/10/2023 | UPEI Autumn General Meeting 2023

On 26 and 27 October, UPEI members, associate member and business partners gathered for the third in-person **UPEI Autumn General Meeting** since 2019. The meeting was held, at the invitation and with the support of DCC Energi, in Copenhagen (Denmark) at the Tivoli Hotel & Congress Center with some 58 delegates attending the event.

Following a guided tour to Copenhagen and an informal networking dinner on 25 October, the first morning was devoted to a general overview of current UPEI's activities presented by the President, and the six Commission Chairs, highlighting the numerous topics where UPEI actively advocates, either on its own or as a member of industry coalitions. Camilla Sante, Associate Public Affairs at Weber Shandwick, provided an update on the EU policy files monitored by UPEI.

During the Policy Conference, participants heard and discussed with speakers from Drivkraft Danmark on "Energy Transition in the Danish transport sector", from DCC Energi on "Customer Experience", and from the European Environment Agency on "Trends and projections – tracking progress towards Europe's climate and energy targets". Roundtables on Customer Experience, EU Policy Developments, and UPEI Energy Transition Commission followed, which offered further opportunities for participants to exchange useful information.

UPEI delegates and guests gathered in the evening in the Grøften Restaurant for UPEI's Formal Dinner, which offered further opportunities for members to network.

During the statutory meeting on Friday 27, members re-elected Johan Deleu as UPEI President, as well as Erik de Vries and Ondřej Jančařík as Vice Presidents, for a new 3-year mandate. They very warmly thanked Ivan Indracek for his commitment as UPEI Board member. They also adopted and approved the budget and UPEI membership fees for 2024, followed by a discussion on next UPEI General Meetings.

Finally, members presented and debated on the most recent national energy policy and legislative developments.

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

UPEI Publications

Carbon Capture and Utilisation (CCU) should be recognised as a strategic net zero technology in the EU Net Zero Industry Act

Carbon Capture and Utilisation (CCU) should be recognised as a strategic net zero technology in the EU Net Zero Industry Act

The co-signatories of this letter call on Members of the EU Parliament and EU Member States to take position to include CCU technologies as part – along with CCS – of the list of strategic net-zero technologies in the Net Zero Industry Act (NZIA).

CCU technologies will enable the supply of renewable fuels and other alternative sources of energy, as well as commercial products such as plastics, concrete, and reactants for chemical synthesis.

CCU is of strategic importance to reach net zero objectives, and should be recognised as such also in the NZIA, considering that its relevance has been acknowledged by recent legislations and by EU funding mechanisms – in the EU Innovation Fund's third call for large-scale projects from July 2023, out of 41 projects selected, at least 10 projects were about CCU. These technologies represent an array of solutions critical for the achievement of the EU climate and energy ambitions, and will support both the realisation of EU hydrogen goals and a crucial element of the CO_2 value chain, as well as creating products that will displace fossil resources.

Allowing CCU projects to benefit from the priority status of a strategic net zero technology will help:

- Unleashing their potential for emission reductions and carbon circularity while maintaining and enhancing the skilled technical workforce in Europe.

- Ensuring the necessary predictability that these technologies need to be deployed by sending a clear signal and help provide investment certainty.

- Aligning the Net Zero Industry Act with the technological priorities in the recent Fit for 55 legislations

Setting the scene: net zero technologies VS strategic net-zero technologies

The proposal for a Net Zero Industry Act (NZIA) distinguishes between "net-zero technologies" and "strategic net-zero technologies". Technologies in the last category benefit from priority treatment from national authorities in terms of permitting procedures, public procurement or access to financing; in addition, they are also underpinned by a 40% EU annual manufacturing target (Art. 1(2)a).

To proceed with this selection, the European Commission relied on a set of criteria which can be summarised in three indicators:

- Technology Readiness Level (TRL) i.e., the assumed commercial availability/scale up potential, which should be above level 8.
- Contribution towards the GHG emissions reduction.
- Contribution towards the overall resilience of the EU economy.

Valuing the merit of the three indicators, the cosignatories underline that the assessment made for CCU technologies complies with the above requirements.

CCU: a manufacturing technology

According to the NZIA Staff Working Document (SWD(2023) 219 final), "CCU was excluded from the list of strategic net zero technologies as it cannot be considered as a manufacturing technology", adding that "similar important identified gaps as for the case of CCS does not exist for CCU technologies".

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On 11 October 2023, UPEI, together with representatives from stakeholders working on strategic net-zero technologies, co-signed a letter calling on Member States and Members of the European Parliament to take position to include CCU technologies as part of the list of strategic net-zero technologies in the Net Zero Industry Act (NZIA).

To recap, CCU technologies will enable the supply of renewable fuels and other alternative sources of energy, as well as commercial products such as plastics, concrete, and reactants for chemical synthesis, being therefore of strategic importance to reach net zero objectives.

In general term, these technologies represent an array of solutions critical to achieve the EU climate and energy ambitions while supporting the realisation of EU hydrogen goals among other aspects.

Read more ***here***

Business Partners' Focus

Adolf Präg

The Präg Group is an energy services company headquartered in Kempten (southern Germany) with offices in several German states. Around 55,000 private and commercial customers place their trust in the medium-sized company. It offers a broad range of energy solutions and services, supplies energy sources, is committed to renewable energy solutions and operates a network of service stations as well as a growing public network of e-vehicle charging facilities.

Präg's service station network comprises 110 service stations under the ARAL, PIN, PINOIL, Shell, Total and Esso brands. This makes the Group one of the large mid-market service station operators in Germany.

With its range of energy sources (fuels, heating oil, natural gas, electricity and pellets) and services, Präg covers a wide range of daily energy needs.

In addition to supplying energy sources, Präg offers comprehensive energy services for businesses and private customers. These include energy consultation and audits, heating comparisons and efficiency measures for reducing CO2 emissions. Besides its growing public network of e-vehicle charging facilities, Präg provides charging infrastructure and billing solutions for corporate electric vehicle fleets. The service provider's portfolio has recently been expanded to include project development and the installation of photovoltaic systems, direct marketing of the electricity generated by PV systems as well as heating and building technology.

The Präg Group is also involved in the promotion of renewable liquid fuels, for example by its membership in the eFuel Alliance e.V. and its share in the German eFuel GmbH, a joint venture of various mid-sized German energy companies with the aim to develop and/or participate in renewable liquid fuel projects.

More information at: www.praeg.de

UPEI Circulars

25/2023	UPEI Autumn General Meeting 2023 Final Arrangements
26/2023	UPEI Energy Transition Commission Meeting First Meeting in Brussels

UPEI Diary

November 2023

20/11	UPEI Retail Heating Commission Meeting
22/11	Joint Heating Commission Meeting (by invitation only)
30/11	UPEI Retail Station Commission Meeting

December 2023

14/12	UPEI Energy Transition Commission Meeting
15/12	UPEI Board Meeting

UPEI Energy Transition Commission Meeting

ENERGY TRANSITION COMMISSION MEETING
14 December 2023
Brussels, Belgium