

Welcome to the 107 number of the UPEI newsletter!

Brussels News

“A Green Deal Industrial Plan for the Net-Zero Age”



Image Source: Euractiv.

Following President von der Leyen’s speech at the World Economic Forum in Davos on 17 January announcing an EU “Green Deal Industrial Plan”, the European Commission presented on 1st February 2023 a Communication on “A Green Deal Industrial Plan for the Net-Zero Age”, as a contribution to the upcoming informal European Council on 9-10 February. (you can find the Communication [here](#), and a Q&A memo [here](#)).



Brussels, 1.2.2023
COM(2023) 62 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

A Green Deal Industrial Plan for the Net-Zero Age

Image Source: European Commission website.

According to a leaked document, the Commission is planning the following main steps to boost the EU’s industrial competitiveness on the path to climate neutrality:

a) Adoption of three legislative proposals in the first quarter of 2023:

• ‘Net-Zero Industry Act’:

- it will provide a simplified regulatory framework for production capacity of products that are key to meet the EU’s climate neutrality goals (technologies that could be considered include batteries, windmills, heat pumps, solar, electrolyzers, and carbon capture and storage technologies. The precise product scope remains to be defined. Taking technology neutrality as a starting point, the Act would build on an assessment of strategic importance and identified needs of manufacturing investment in different types of net-zero products. Those technologies may go beyond the strategic net-zero technologies that will be eligible for the specific type of support available under the “State aid Temporary Crisis and Transition Framework”).
- For the identified products, the Act will likely include goals for industrial capacity by 2030 and measures to reduce the length and enhance the predictability of permitting (e.g., through “one-stop-shops”). The Communication also hints at further work to define sustainability characteristics and possible requirements for net-zero products, using available legal tools and existing EU standards.

• **Critical Raw Materials Act** (proposal expected for 8 March);

• **Reform of the electricity market design** (also due in March and for which a [public consultation](#) is ongoing until 13 February).

b) Adjustment of State aid rules

- This adjustment will be based on a letter sent on 13 January by the EU Commission Vice President Margrethe Vestager , also aiming at countering the



challenges brought by the United States [Inflation Reduction Act](#). Most of the changes in this area will be implemented through a further modification of the Temporary Crisis Framework (TCF) into a “Temporary Crisis and Transition Framework” (TCTF) for State aid. For instance, the TCTF would go further in simplifying aid for renewables deployment, extending the provisions to renewable hydrogen and biofuel storage. On 1st February the Commission has started [consulting](#) Member States on a draft TCTF, and proposing that the new measures remain in place until the end of 2025. Once it will have received the feedback from the Member States, the Commission will analyse it and take it into consideration in the adoption of the revised Framework (this should take place in the coming weeks).

The Commission also plans to revise the Green Deal General Block Exemption Regulation, so that Member States will have more flexibility to:

- **Support measures in key sectors**, such as hydrogen, carbon capture and storage, zero-emission vehicles and energy performance of buildings, by further increasing thresholds triggering notification to the European Commission.
- **Enlarge the scope of investment aid** for recharging and refueling infrastructures.

The new framework would also offer “anti-relocation investment aid” in a bid to keep companies from leaving the EU to seek more favorable conditions abroad.

c) **Proposal for a European Sovereignty Fund**

- As part of the revision of the Multiannual Financial Framework, expected by Q2 2023, this instrument would provide a “structural answer” to medium-term investment needs; it would “build on experience of coordinated multi-country projects under the scheme of Important projects of Common European interest (IPCEIs) and seek to enhance all Member States’ access to such projects”, thereby safeguarding cohesion and the Single Market against risks caused by unequal availability of State aids”.
- The Commission will work with Member States in the design of the Sovereignty Fund to ensure that it addresses their respective needs.

The European Commission intends to translate this plan into concrete proposals before the next European Council meeting on 23 and 24 March.

Source: Weber Shandwick.

Policy updates

Towards an EU legislation on the substantiation of voluntary green claims



Image Source: Pixabay.

As announced in the EU legislative priorities for 2023, the European Commission is preparing a new piece of legislation aiming at penalising companies that make false green claims (or so called “green washing”). The objective of this initiative is to establish the first set of detailed EU rules, applicable to all companies operating in the EU, on the substantiation of voluntary green claims, to enable consumers to act on reliable information about the sustainability of products or traders.

The Member States will be requested to set up a system of verification for the substantiation of environmental claims, to be carried out by independent verifiers, and to ensure that the rules are enforced by means of penalties that should be effective, proportionate and dissuasive.

One of the methodologies that can be used for the verification will be the Product or Organisation/Environmental Footprint (PEF/OEF) – two Life Cycle methods - which the Commission wants to further develop by drafting specific criteria for new types of products. When PEF or OEF rules have been established for a specific sector, environmental claims based on these rules are deemed to comply with the requirements listed in article 3 of the future Directive. The text also establishes requirements for the communication of environmental



claims, for environmental labels (based on certification schemes) and for comparative claims.

This proposal will be presented jointly with a proposal for a Directive on empowering consumers in the green transition to reduce the risk of greenwashing and provide “reliable, comparable and verifiable” information that enables buyers to make more sustainable decisions.

The two proposals aim to establish a regime for environmental claims and labels to ensure that consumer protection against greenwashing is strengthened.

Source: EU website.

EU scheme for the certification of carbon removals



Image Source: Euractiv.

The European Commission presented on 30 November 2022 a Regulation proposal aiming at establishing an EU-wide voluntary certification framework for carbon removals, which can be used for result-based rewards given by private or public entities. This framework is based on four quality criteria, that will be verified by a third-party certification body:

- **Quantification:** four carbon removal activities must be measured in an accurate way and deliver unambiguous carbon removal benefits. The additional carbon removals generated by an activity (in comparison to a baseline) should outweigh any greenhouse gas emissions that were produced as a consequence of the implementation of the activity over its whole lifecycle. The ‘net carbon removal benefit’ should be quantified in a robust and accurate way.

- **Additionality:** carbon removal activities must go beyond standard practices and what is required by law. The preferred way to prove additionality is to set a “standardised” baseline that accurately reflects the standard practices and the regulatory and market conditions in which the activity takes place. A

standardised baseline facilitates a cost-effective and objective demonstration of additionality, and also has the advantage of recognising the early efforts of land managers and industries that already engaged in carbon removal activities in the past. In order to ensure ambition over time, the standardised baseline should be periodically updated.

- **Long-term storage:** carbon removal activities must ensure that the carbon removed is stored for as long as possible and the risk of release of carbon should be minimised. The certificates will clearly account for the duration of carbon storage and distinguish permanent storage from temporary storage.

- **Sustainability:** carbon removal activities must have a neutral impact on, or generate a co-benefit for, other environmental objectives such as biodiversity, climate change adaptation, the reduction of greenhouse gas emissions, water quality, zero pollution or the circular economy. For instance, industrial solutions such as BECCS must not lead to unsustainable demand of biomass. The Commission will prioritise the development of tailored certification methodologies on carbon farming activities that provide significant co-benefits for biodiversity. At the same time, practices, such as forest monocultures, that produce harmful effects for biodiversity should not be eligible for certification.

In its proposal, the Commission considers three types of carbon removal methods:

- **Permanent storage:** industrial technologies such as BECCS (bio-energy with carbon capture and storage) or DACCS (Direct Air Capture with Capture and Storage),

- **Carbon farming:** carbon can be naturally stored on land through activities that enhance carbon capture in soils and forests (e.g. agro-forestry, forest restoration, better soil management), and/or reduce the release of carbon from soils to the atmosphere (e.g. restoration of peatland).

- **Carbon storage in products:** atmospheric carbon captured by trees or industrial technologies can also be used and stored in long-lasting products and materials, such as wood-based or carbonate-bonded construction materials.

However, the Commission's proposal does not cover the capture of fossil carbon for Storage (CCS) or Utilisation (CCU) as they are considered to help recycle or store fossil



CO2 emissions but they do not remove carbon from the atmosphere.

Source: EU website.

Qualification of Good and Passenger Drivers by Road

On 12 January, Directive [\(EU\) 2022/2561](#) related to the compulsory initial qualification and compulsory periodic training of good and passenger road drivers, entered into force. It codifies and replaces Directive 2003/59/EC.

In terms of scope, the Directive applies to the activity of driving carried out by: (a) nationals of a Member State, and (b) nationals of third countries who are employed or used by an undertaking established in a Member State engaged in road transport within the EU, on roads open to the public, using:

- vehicles for which a driving licence of **category C1, C1 + E, C or C + E**, as defined in Directive 2006/126/EC, or a driving licence recognised as equivalent, is required,
- vehicles for which a driving licence of **category D1, D1 + E, D or D + E**, as defined in Directive 2006/126/EC, or a driving licence recognised as equivalent, is required.

Member States are requested to provide for:

(a) a system of initial qualification to be chosen between two options:

(i) an option combining both course attendance and a test; this type of initial qualification involves compulsory course attendance for a specific period. It shall conclude with a test. Upon successful completion of the test, the qualification shall be certified by a Certificate of Professional Competence (CPC)

(ii) an option involving only tests; this type of initial qualification does not involve compulsory course attendance but only theoretical and practical tests. Upon successful completion of the tests, the qualification shall be certified by a CPC

(b) a system of periodic training, involving compulsory course attendance, certified by a CPC.

- Member States may also provide for a **system of accelerated initial qualification**, involving compulsory course attendance. It shall conclude with a test. Upon successful completion of the test, the qualification shall be certified by a CPC.

Other aspects of the Directive include:

- An exemptions regime

- Requirements for approved training centres
- Minimum age
- List of subjects to be part of the training, including the ability to optimise fuel consumption
- A model for an EU driver qualification card.

Source: EU website.

Sanctions against Russia

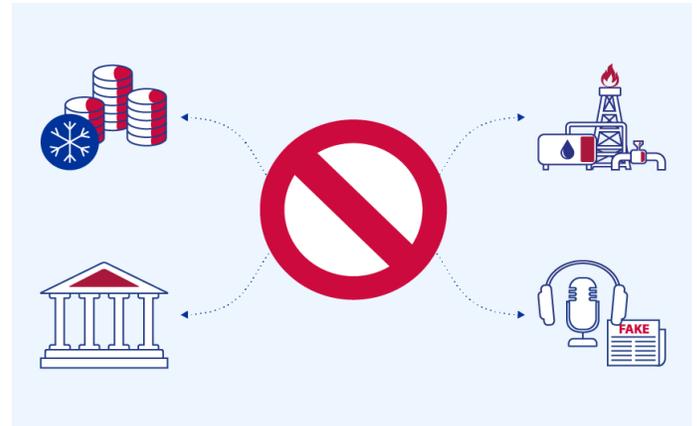


Image Source: EU Council website.

While the second step of the embargo on Russian oil products and the cap on oil prices is entering into effect on 5 February, the EU, the other members of the G7 and Australia are currently finalising negotiations on the application of a price cap to refined oil products imported from Russia. The EU proposes one cap of US\$45 per barrel on products that typically trade at a discount to crude, such as fuel oil and white oils, and a US\$100 per barrel cap for products that trade at a premium, including diesel and gas oil. The European Commission proposes that this cap starts on 5 February.

Source: EU website.

Fit for 55 legislative package

EUROPEAN GREEN DEAL

REACHING OUR 2030 CLIMATE TARGETS



#EUGreenDeal



Image Source: European Commission website.



At the end of 2022, the EU institutions had not completed their trilogue negotiations on the following legislative pieces of the “Fit for 55” package, and are continuing to work under the Swedish Presidency of the Council:

- **Revision of the Renewable Energy Directive (RED III)**
- **Revision of the Energy Taxation Directive**
- **Alternative Fuels Infrastructure**
- **Fuels EU Maritime**
- **ReFuelEU Aviation**
- **Energy Efficiency Directive**
- **Energy of Buildings Directive**

As concerns the revision of the Renewable Energy Directive (RED III), while the EU Council adopted its general approaches of 27 June and 19 December and the European Parliament its position of 14 September 2022, new trilogue negotiations are scheduled on 7 February and 6 and 29 March 2023, with two difficult points: the overall target of 40 or 45%, and the adoption, constantly delayed, of two Delegated Acts related to setting sustainability criteria for the production of renewable fuels of non-biological origin (RFNBOs) in RED II.

As concerns the revision of the Energy Efficiency Directive, the EU Council adopted its general approach on 27 June and the European Parliament its report on 14 September. Both differ quite substantially, notably regarding the overall target (14.5% for the Parliament; 13% for the Council - as proposed by the Commission). Also, the European Parliament proposes that the EU target for reducing final and primary energy consumption is raised to at least 40% reduction of final energy consumption by 2030 and 42.5% reduction of primary energy consumption in 2030 (compared to 2007). This corresponds to 740 and 960 million tonnes of oil equivalent (Mtoe) for final and primary energy consumption, respectively. The EU Council sticks with the targets set out in the original Commission proposal, with upper limits on energy consumption of 787 Mtoe (Final Energy Consumption - FEC) and 1023 Mtoe (Primary Energy Consumption - PEC). New trilogue discussions are scheduled for 2 and 9 March.

With regards to the revision of the Energy Performance of Buildings Directive, while the Council adopted a provisory general approach on 25 October 2022, the European Parliament has not adopted its report yet, neither in Plenary nor even in the ITRE Committee.

The draft report prepared by MEP Ciaran Cuffe (Greens, IRL), the includes creation of a «one-stop-shop» in each Member State, the phasing out of installation of gas or oil heating units to be replaced by electrical ones, all existing buildings to reach C rating by 2030. It is still strongly opposition by parts of the conservative groups in the Parliament.

The EU Council General Approach of 25 October 2022 included:

- In new buildings,
 - **from 2028 those owned by public bodies would be zero-emission**
 - **from 2030 all new buildings would be zero-emission buildings**
- In existing buildings,
 - **minimum energy performance standards will be required**, corresponding to the maximum amount of primary energy that buildings can use per m2 annually.
- In existing non-residential buildings,
 - **maximum energy performance thresholds**, based on primary energy use, will be set up. First threshold will draw a line below the primary energy use of 15% of the worst-performing non-residential buildings in a member state. Second threshold will be set below 25%. All non-residential buildings will be brought below the 15% threshold by 2030 and below the 25% threshold by 2034.
- **Suitable solar energy installations to be deployed:**
 - By 31 December 2026, on all new public and non-residential buildings with useful floor area over 250 m2
 - by 31 December 2027, on all existing public and non-residential buildings, undergoing a major or a deep renovation, with useful floor area over 400 m2; and
 - by 31 December 2029, on all new residential buildings.

Trilogue negotiation meetings are scheduled for 7 February, 6 and 29 March.

Source: Weber Shandwick.



EU Taxonomy



Image Source: European Commission website.

The European Commission has published two sets of “frequently asked questions” related to the application of the Taxonomy Regulation of 22 June 2020, the EU classification system establishing a list of environmentally sustainable economic activities. These are related to:

- [climate criteria](#), answering questions to the technical screening criteria (TSC) for the Taxonomy’s first two environmental objectives of climate change mitigation and climate change adaptation.

These TSC were set out in the Climate Delegated Act, which has applied since 1 January 2022. The TSC Notice contains FAQs on:

- Horizontal Questions on the interpretation of the TSC generally, and which are not limited to a particular economic activity.
- Sector Specific Questions on the TSC on the interpretation of TSC for specific economic activities, within sectors including forestry, energy, and construction; and
- Questions on recurring DNSH criteria on the interpretation of the “do no significant harm” test.

• [Reporting rules](#), answering questions on the Article 8 disclosure obligation, the details of which are set out in the Disclosures Delegated Act. The Disclosures Notice supplements the existing guidance on the Disclosures Delegated Act:

- The FAQs on ‘What is the EU Taxonomy Article 8 delegated act and how will it work in practice?’;
- The FAQs on how financial and non-financial undertakings should report their Taxonomy eligible

economic activities and assets in accordance with the Disclosures Delegated Act; and

- A Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act.

Source: Weber Shandwick, EU website.

UPEI News



THE VOICE OF EUROPE’S INDEPENDENT FUEL SUPPLIERS

17/01/2023 | Fuel Payments Commission meeting

At the latest Fuel Payments Commission meeting, members reviewed the most recent developments in the Vega International Case, highlighting that the Ruling of the European Court of Justice - (ECJ): C - 235/18 - Vega International (15 May 2019) - concluded that the provision of fuel cards by a parent company to its subsidiaries, may be classified as a service granting credit.

A discussion on UPEI advocacy efforts followed, focusing on the outcome of the meeting held with DG TAXUD on 12 November 2022, and UPEI participation in the working group set up to find a solution to DG TAXUD’s working paper (N° 1046) considering fuels cards as a financial service under the buy/sell model but as a purchaser/supplier of fuel delivers goods.

Attendants also discussed the latest developments on the revision of the Payment Service Directive 2 (PSD 2) and were informed about UPEI advocating efforts for fuel cards to continue being exempted under the PSD 2.

Find all the information [here](#).

24/01/2023 | UPEI Bunkering Commission meeting

On 24 January, the Bunkering Commission met to address the state of play of the issues of priority. In particular, the European Parliament and the Council positions on the most relevant “Fit for 55” package files were discussed, followed by a debate on the EU embargo on import of Russian fuels and further developments at national level. Attendants discussed the FuelEU Maritime, the EU Energy Taxation Directive, and the EU Emission Trading System legislative proposals.



Kathleen Kollewe and Edze Diemer also gave an update on the outcome of the latest meeting of the EU Renewable and Low-Carbon fuels Value Chains Industrial Alliance (RLCF)

Find all the information [here](#)

25 /01/2023 | UPEI Board meeting

The UPEI Board met on 25 January (online) to discuss the UPEI work plan for 2023, focusing on EU policy advocacy, a communications plan and general UPEI management aspects (financials, logistics).

The Secretariat also followed up with the Board on the preliminary details and arrangements of the upcoming UPEI Spring General Meeting 2023, which will take place in The Netherlands on 19 – 21 April 2023, and the UPEI Autumn General Meeting 2023, scheduled for 25-27 October 2023 in Copenhagen.

The next meeting will take place on 16 March 2023, via online.

30/01/2023 | UPEI Retail Heating Commission

On 30 January, the UPEI Retail Heating Commission met for the first time in three years to resume its activities. In particular, participants agreed on the scope and role/tasks of the Retail Heating Commission as well as how to coordinate its work with the Joint Heating Commission set up in May 2019, together with FuelsEurope, Eurofuel, and ECFD.

Attendants also reviewed the latest EU policy and legislative developments, such as the Energy Performance of Buildings Directive (EPBD), the Energy Efficiency Directive, the Qualification of drivers of road vehicles, and the legislation on working hours of drivers in the road transport sector.

Find all the information [here](#).

UPEI Publications

Letter of concern about the European Parliament's position on Article 26 of the proposal for a revision of the Renewable Energy Directive (RED III)

On 6 December 2022, UPEI presented a position paper expressing its concerns regarding the European Parliament's position on Article 26 of the proposal for the revision of the Energy Directive (RED III).

In view of the Parliament outcome on advancing the

phase-out of the crop-based biofuels with a high risk of indirect land use change (ILUC) to the date of the entry into force of the Directive, UPEI warns against the implications of such a radical advancement of the dates for the envisaged phase out and calls for its reconsideration in the framework of the trilogue negotiations.

Read more [here](#)



Business Partners' Focus

Marosa VAT – all your European VAT compliance in one place



Kingspan Energy Storage and Smart Monitoring are committed to the preservation and protection of energy for our future. Marosa helps businesses grow across Europe by providing tech-enabled services, SaaS solutions, and VAT consulting for pan-European VAT compliance. With over 20 years of tax experience, our team of tax experts, and multilingual support (we speak 12 languages!), we offer a complete, integrated solution to over 800 clients.

We are the perfect match for fuel card businesses, associations and providers of solutions for transport companies. Companies with many VAT registrations in Europe benefit the most from our central and automated approach.

Our software VATify centralizes and automates all VAT registrations, submits returns, and manages communication with tax authorities. It's easy to use tool that reduces manual work and human errors, improves data accuracy & timeliness, and provides visibility of filings and their status. Automated submissions ensure compliance with regulatory deadlines and reduce the chance of penalties. On average, we submit over 30,000 VAT returns per year.

Let us take care of VAT, so you can focus on growing your business. [Reach out](#) to our team and get expert advice that is relevant to your industry.

Please check all the information about Marosa [here](#)



UPEI Diary

February 2023

- 20/02 UPEI Retail Heating Commission Meeting
- 28/02 Joint Heating Commission Meeting

March 2023

- 16/03 UPEI Board Meeting
- TBC UPEI Bunkering Commission Meeting
- TBC UPEI Fuel Payments Commission Meeting

April 2023

- 19-21/04 UPEI Spring General Meeting 2023
Rotterdam (The Netherlands)

UPEI General Meeting (Change of venue)

UPEI Circulars

- 01/2023 [UPEI Board Meeting 16/12/2023](#)
[Decisions and actions](#)



Letter of concern about the European Parliament's position
on Article 26 of the proposal for a revision of the Renewable Energy
Directive (RED III)

To:
HE Jaroslav Zajíček
Deputy Head
Permanent Representation of the Czech Republic to the EU
And
MEP Markus Pieper
Rapporteur on the Revision of the Renewable Energy Directive

Brussels, 6 December 2022



DOCS &
INFO
SOON

UPEI SPRING GENERAL MEETING
20 & 21 April 2023
Rotterdam, The Netherlands