MEMBERS' NEWSLETTER

UPEI
THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

FEBRUARY 2023 | N. 108

Welcome to the 108 number of the UPEI newsletter!

Brussels News

"Green Deal Industrial Plan"

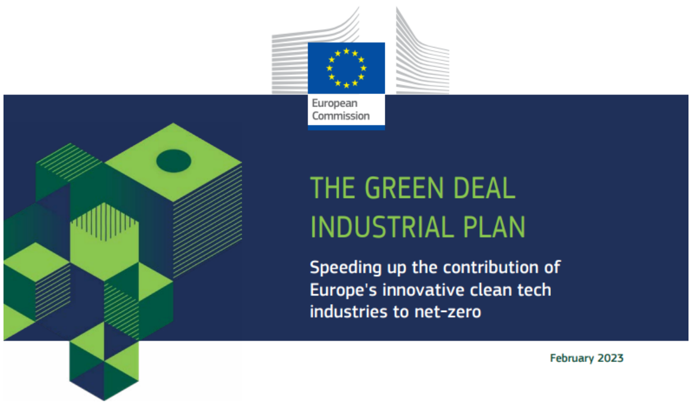

Image Source: European Commission website.

On 15 February, the European Parliament held in Plenary session a first debate on the European Commission Communication presented on 1st February on the Green Deal Industrial Plan.

This debate was followed by the adoption of a **Resolution** on "An EU strategy to boost industrial competitiveness, trade and quality job" in which MEPs call on the Commission to work on plans to redeploy, relocate and re-shore industries in Europe, stressing the importance of enhancing the EU's manufacturing strength in strategic technologies like solar and wind energy, heat pumps, and batteries The EU must lead in clean energy technologies, improve its industrial base, and produce high quality jobs and economic growth to reach the Green Deal goals.

MEPs demand the scaling-up and the improved commercialisation of strategic technologies to bridge the gap between innovation and market deployment. Also, fast, and predictable permitting procedures to set up new strategic European projects to accelerate the deployment of renewable energy sources are needed, as well as a predictable and simplified regulatory environment.

MEPs also highlight the importance of secure access to critical raw materials to achieve the EU's ecological and digital transformations.

With regards to the future European Sovereignty Fund proposed by the European Commission, it should aim to avoid the fragmentation caused by uncoordinated national State aid schemes and ensure an effective response to the crisis. It should strengthen EU strategic autonomy and the green and digital transitions, be integrated into the current EU long-term budget, and mobilise private investments.

EU state aid rules should also be simplified and allow for flexibility, but this should be targeted, temporary, proportionate and consistent with EU policy objectives. MEPs refuse any attempts to make state aid rules more flexible without providing a European solution for all Member States that do not have large fiscal capacities to fund massive state aid support.

Image Source: Pixabay website.

Regarding the US Inflation Reduction Act, MEPs want the Commission to take a stronger stance on tackling unfair global competition caused by unjustified state aid. They express concern about provisions in the US Inflation Reduction Act (IRA) which discriminate against EU companies. The Commission should work with the US to make sure the EU is covered by the exceptions provided in the IRA for countries with a free trade cooperation, and that European products are eligible for tax credits like their US counterparts.

Background

Source: European Commission website.

On 1 February, as anticipated in our January Newsletter, the **Green deal industrial plan** was presented by the European Commission. The plan consists of four main elements:

• A predictable, coherent and simplified regulatory environment, which supports the quick deployment of net-zero manufacturing capacities; in this respect, the Commission has or will propose **a) a Net-Zero Industry Act**, to support industrial manufacturing capacity and strategic and multi-country projects in net-zero products by faster permitting and developing European standards, **b) a Critical Raw Materials Act**, to ensure access to critical raw materials which, like rare earths, are vital for manufacturing net-zero technologies and products, **c) a reform of the electricity market design**, to address energy prices volatility, while preserving security of supply, delivering affordable electricity, and bringing the benefits of renewable generation to European citizens and businesses and **d) The use of harmonised sustainability and circularity requirements in public procurement**, to help create a more predictable demand for net-zero products and solutions.

• Faster access to sufficient funding, by boosting investments while avoiding the fragmentation of the Single Market; to this effect the Commission has launched a consultation with the Member States on temporary flexibilities in State aid rules, with the purpose of simplifying aid for renewable energy deployments and for decarbonising industrial processes, of supporting enhanced investment support schemes for the production of strategic net-zero value chains and of providing more targeted aid for major new production projects in strategic net-zero value chains.

• Skills, by ensuring that the European workforce is skilled in the technologies required by the green transition; and

• Open trade for resilient supply chains, based on cooperation with the EU's partners to ensure diversified and reliable supplies and fair international competition.

Source: EU website.

REPowerEU

Image Source: European Commission website.

The **REPowerEU** plan is a major element of the Green deal Industrial plan. On 21 February, the EU Council definitely adopted, the EU plan to strengthen the strategic autonomy of the EU by diversifying its energy supplies and ending its dependency on Russian fossil fuel imports. The European Parliament definitely adopted the Regulation in first reading on 14 February 2023, which will be published in the EU's Official Journal and enter into force on the following day. The final text is to be found **here**.

Amongst other measures, Member States are invited to add a new REPowerEU chapter to their national recovery and resilience plans (RRPs) of the NextGenerationEU recovery plan. They have until 30 April to submit this new chapter. To help them with the drafting, the European Commission has issued a **Notice on the Guidance on Recovery and Resilience Plans in the context of REPowerEU**, explaining the process for modifying existing plans and how Member States can prepare REPowerEU chapters. Firstly, the guidance explains the different legal grounds to modify a plan. It also lays out the information on the reasons, objectives, and nature of the changes that Member States can submit to the Commission. Secondly, the guidance covers how Member States should go about preparing their REPowerEU chapters, outlining the elements that need to be included and the potential funding sources and eligible measures. Member States are invited to work on the basis of the following principles:

• The first priority remains the swift implementation of the RRPs. Member States should continue to undertake all possible efforts to submit payment requests on time and ensure progress with reforms and investments, allowing for a timely disbursement of funds.

• To ensure a rapid roll-out of REPowerEU measures, Member States should submit their modified RRPs with REPowerEU chapters by 30 April 2023, at the latest. Member States should submit every revision of their RRP as part of a single addendum. The REPowerEU chapters should address in a comprehensive manner the challenges that Member States are facing.

• To ensure quick progress towards the REPowerEU goals, Member States should prioritise measures whose implementation is already under way and can be undertaken until 2026. Member States should also be mindful of the possible impact on the disbursement profile of changes to their existing RRP. Overall, Member States should also assess the implementation schedule of existing measures to make sure that they will be delivered according to the agreed timeframe.

• The remaining RRF loans provide additional funding for the reforms and investments in REPowerEU chapters. To ensure the optimal allocation of these loans, Member States should indicate their interest in taking up loans as soon as possible and no later than 30 days after the entry into force of the REPowerEU Regulation.

• The changes made to the RRPs under Articles 18 and 21 should not reduce their overall ambition, particularly regarding measures addressing country-specific recommendations ('CSRs') and helping to achieve green and digital objectives. The additional investments and reforms included in the revised RRPs should focus on the REPowerEU objectives.

• Member States are also invited to take stock and discuss with the Commission their experience in the implementation of the Facility so far, to determine whether any changes to their national implementation frameworks could help to improve the delivery of reforms and investments.

As a reminder, REPowerEU is financed as follows:

• €20 billion in new grants to finance measures that Member States will be able to include in REPowerEU chapters. These grants will be financed through the sale of Emissions Trading System allowances.

• €5.4 billion of funds from the Brexit Adjustment Reserve that Member States will be able to voluntarily transfer to the RRF to finance REPowerEU measures. This comes on top of the existing transfer possibilities of 5% from the cohesion policy funds (up to EUR 17 billion).

• Remaining €225 billion loans of the Recovery and Resilience Fund that Member States can use for REPowerEU purposes.

Source: Euractiv, EU website.

Policy updates

Union Database for Biofuels

Milestones for Union Database – Live environment	Value chain	Oct 22 – Dec 22	Jan 23 – Mar 23	Apr 23 – Jun 23	Jul 23 – Sep 23	Oct 23 – Dec 23	Jan 24 - Mar 24
[1]Publish/begin communication to the VS / MS / market	All	21st Nov 22					
[2]Publish Data Harmonization to the market	All	12th Dec 22					
Start: Onboarding of VS, EO, 3rd party DBs on UDB	All		16th Jan 23				
Start: Gas – Onboarding of DSO/TSO/Suppliers on UDB	Gas		6th Feb 23				
Start: Liquid fuel value chain - Initial stock registration	Liquid		1st Mar 23				
Target date: Liquid fuel value chain Initial stock registration	Liquid		31st Mar 23 Or Mass-Balance period end				
Start: Registration of transactions	Liquid			3rd Apr 23			
Start: Gaseous value chain - Initial stock registration	Gas			3rd Apr 23			
Target date: Gaseous value chain Initial stock registration	Gas			1st May 23			
Start: Registration of transactions (System exchange only)	Gas			1st Jun 23			
Start: Registration of transactions (+ Online)	Gas					2nd Oct 23	
Start: GO integration live[3]	Gas					TBC[3]	

Image Source: European Commission.

Throughout 2023, the Union Database for Biofuels, aiming at enabling the tracing of liquid and gaseous transport fuels eligible for being counted towards the RED Directive targets for renewable energy, will be implemented. This database is established in application of article 28.2 and 4 of REDII. The first step was 16 January, with the start of the onboarding of Voluntary Schemes and Economic Operators; on 31 March, all liquid biofuels transactions are expected to be registered.

The European Commission has prepared a **Power Point** presentation explaining the launching process of the database (see table below), the different steps and the responsibilities of the various actors.

Source: European Commission, DG ENER.

Proposal for a Regulation on CO2 standards for Heavy Duty Vehicles

On 14 February, the European Commission presented a proposal for a **revision of Regulation (EU) 2019/1242 related to CO2 emissions targets for new heavy-duty vehicles (HDVs)** put on the market from 2030 onwards. The proposal is completed by an **annex**.

These targets are meant to help reduce CO_2 emissions in the transport sector. The Commission proposes phasing in stronger CO_2 emissions standards for almost all new HDVs with certified CO_2 emissions, compared to 2019 levels:

• 45% emission reductions from 2030 ;

• 65% emission reductions from 2035 ;

• 90% emission reduction from 2040.

Image Source: Pixabay.

To stimulate a faster deployment of zero-emission buses in cities, the Commission also proposes to make all new city buses zero-emission as of 2030.

The proposal covers lorries (above 5 tonnes), city and long-distance buses (above 7.5 tonnes) as well as trailers (unpowered vehicle towed by a motor vehicle).

An exemption will apply to the following heavy-duty vehicles:

• small volume manufacturers

• vehicles used for mining, forestry and agricultural purposes

• vehicles designed and constructed for the use by armed forces and track-laying vehicles

• vehicles designed and constructed or adapted for use by civil protection, fire services and forces responsible for maintaining public order, or urgent medical care

• vocational vehicles, such as garbage trucks

These vehicles are not counted towards the average specific CO_2 emissions of manufacturers.

As regards renewable and low-carbon fuels, the European Commission states that the core objective of the EU policy on transport fuels is to reduce their greenhouse gas intensity in the most effective way possible across the transport sector. It claims that a mechanism on renewable and low carbon fuels would create an incentive to redirect fuels needed to decarbonise sectors with fewer alternatives, like aviation and maritime, to road transport. For the Commission, industry has already announced three technologies driving the shift to zero emission: battery electric, fuel cell and hydrogen combustion. These can increasingly cover most uses, from short distance and urban transport to long distance trucking. In addition, until 2040, the 90% emissions reduction target ensures that heavy-duty vehicles intended for driving in difficult conditions (e.g. very steep mountains) can still be non-zero emission vehicles.

In the **Impact Assessment** accompanying the proposal, the Commission analysed possible mechanisms to account for renewable and low-carbon fuels, and concluded they are not the most effective tool. For the Commission, it would create an incoherent approach to the decarbonisation of fuels, while dedicated specific instruments are proposed for this purpose (Renewable Energy Directive, emission trading for road transport and buildings, Energy Taxation Directive, and specific initiatives on fuels in aviation and maritime – all part of the Fit for 55 package). Furthermore, if fuel suppliers and vehicles manufacturers were to establish a fuel crediting system, the compliance costs for manufacturers would increase and impact the total cost of ownership for consumers. The mechanism would increase administrative burden and complexity, blurring the responsibilities between fuel suppliers and vehicle manufacturers.

In parallel to presenting the proposal, the European Commission has also published a **public consultation**, open until 14 April, which feedback received will be summarised by the European Commission and presented to the European Parliament and Council with the aim of feeding into the legislative debate.

Source: European Commission website.

Image Source: European Parliament website.

Delegated Acts on Green Hydrogen

Image Source: European Commission website.

On 13 February, the European Commission published two Delegated Acts on defining what constitutes renewable hydrogen in the EU, the two Acts are inter-related and both necessary for the fuels to be counted towards Member States' renewable energy target.

• The **first Delegated Act** defines under which conditions hydrogen, hydrogen-based fuels or other energy carriers can be considered as an RFNBO (Renewable Fuel of non-Biological Origin) . The Act aims to clarify the principle of "additionality" for hydrogen set out in the EU's Renewable Energy Directive. Electrolysers to produce hydrogen will have to be connected to new renewable electricity production. This principle aims to ensure that the generation of renewable hydrogen incentivises an increase in the volume of renewable energy available to the grid compared to what exists already. In this way, hydrogen production will be supporting decarbonisation and complementing electrification efforts, while avoiding pressure on power generation.

The Delegated Act sets out different ways in which producers can demonstrate that the renewable electricity used for hydrogen production complies with additionality rules. It further introduces criteria aimed to ensure that renewable hydrogen is only produced when and where sufficient renewable energy is available (known as temporal and geographic correlation).

To take into account existing investment commitments and allow the sector to adapt to the new framework, the rules will be phased in gradually, and designed to become more stringent over time. Specifically, the rules foresee a transition phase of the requirements on "additionality" for hydrogen projects that will start operating before 1 January 2028. This transition period corresponds to the period when electrolysers will be scaled up and come onto the market. Furthermore, hydrogen producers will be able to match their hydrogen production with their contracted renewables on a monthly basis until the 1 January 2030. However, Member States will have the option of introducing stricter rules about temporal correlation as of 1 July 2027.

The requirements for the production of renewable hydrogen will apply to both domestic producers as well as producers from third countries that want to export renewable hydrogen to the EU to count towards the EU renewables targets. A certification scheme relying on voluntary schemes will ensure that producers, whether in the EU or in third countries, can demonstrate in a simple and easy way their compliance with the EU framework and trade renewable hydrogen within the Single Market.

• The **second Delegated Act** provides a methodology for calculating life-cycle greenhouse gas emissions for RFNBOs. The methodology takes into account greenhouse gas emissions across the full lifecycle of the fuels, including upstream emissions, emissions associated with taking electricity from the grid, from processing, and those associated with transporting these fuels to the end-consumer. The methodology also clarifies how to calculate the greenhouse gas emissions of renewable hydrogen or its derivatives in case it is co-produced in a facility that produces fossil-based fuels.

Both Acts were transmitted to the European Parliament and the Council, which have two months to scrutinise them and to either accept or reject the proposals. The European Parliament has asked (as it is authorised) that the scrutiny period is extended by two more months. There is no possibility for the Parliament or Council to amend the proposals.

Source: European Commission website

"Windsor Framework" on Northern Ireland

On 27 January, the European Commission and the UK Government agreed upon a package of measures aiming at simplifying customs procedures for goods moving from Great Britain to Northern Ireland.

Goods moved by trusted traders from Great Britain to Northern Ireland that are not at risk of entering the EU Single Market can benefit from these new arrangements. However, goods moving from Great Britain to Northern Ireland that are destined for the EU or at risk of entering the EU will be subject to full customs checks and controls.

To benefit from these customs facilitations, traders must become trusted traders, by registering with the relevant UK authority, fulfilling all relevant conditions, while also providing a detailed list of the products they usually transport. Once authorised, they can benefit from simplified customs procedures on the condition that they ensure that the goods are for final sale or use by end consumers in Northern Ireland.

Image Source: European Commission website.

The trusted trader scheme can be suspended in a number of scenarios, both by the EU or the UK, for example if the UK fails to provide the EU with access to the relevant UK IT customs systems and databases, or if the UK does not live up to the commitments it undertook when setting up the trusted trader scheme. The UK can also suspend the scheme if the customs facilitations for the trusted traders are no longer in place in the EU.

Source: *EU website*

EU scheme for the certification of carbon removals

The European Parliament has started examining the Commission proposal for a Regulation aiming at establishing an EU-wide voluntary certification framework for carbon removals, which can be used for result-based rewards given by private of public entities. It has designated a Rapporteur, MEP Lidia Pereira (EPP, Portugal) in the ENI Committee and several shadow Rapporteurs. The ITRE (Industry) and AGRI (Agriculture) Committees will deliver an Opinion.

More details on the Commission proposal can be found in the January 2022 issue of our Newsletter.

Source: *EU website*.

Sanctions against Russia

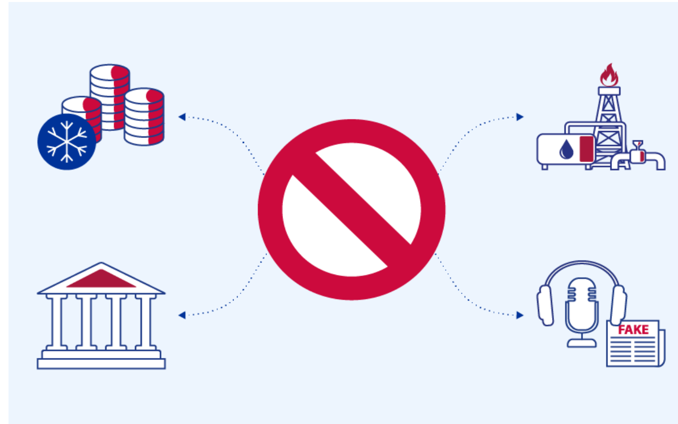

Image Source: EU Council website.

On 24 February, the EU Council adopted the 10th package of sanctions against Russia following its invasion of Ukraine. While none of them directly affects the energy sector (except the prohibition on Russian nationals and entities to book gas storage capacity in the Union (LNG excluded), the following **Q&As** provide a complete list of these sanctions.

The European Commission also publishes on a regular basis an **updated list** of the sanctions against Russia since its invasion of Ukraine, as well as the EU Council (**here**). This list also refers to sanctions against Belarus, North Korea and Iran.

Source: EU website.

Fit for 55 legislative package

Image Source: European Commission website.

Work continues towards the adoption by the EU institutions of the following legislative pieces of the “Fit for 55” package:

- 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

With regards to the revision of the Energy Performance of Buildings Directive, the European Parliament ITRE Committee adopted on 14 February the draft report prepared by MEP Ciaran Cuffe (Greens, IRL). The main aspects of the agreed document are:

• General objective: from 1 January 2026, new buildings occupied, operated, or owned by public authorities and from 1 January 2028, all new buildings must be zero-emission; by 2050 all buildings should be transformed into zero-emission buildings (shift towards emission-free heating systems is a key goal of this Directive)

• The energy performance of buildings should be calculated on the basis of a methodology, which may be supplemented at national and regional and local level."

• In applying this methodology, Member States should take into account that energy efficiency measures at building level do not include measures that will imply the use of fossil fuels in new buildings.

• Member States should introduce measures to ensure that the use of fossil fuel heating systems in new buildings and buildings undergoing major renovation, deep renovation, or renovation of the heating system is not authorised from the date of transposition of this Directive

• Member States should introduce measures for the phase out of the use of fossil fuel-based heating systems from all buildings by 2035 and if not feasible as demonstrated to the Commission, by 2040 at the latest.

• Member States may adopt new incentives and funding to encourage the switch from fossil-fueled heating and cooling systems to non-fossil fuel-based systems, accompanied by investment in housing improving energy efficiency.

• No financial incentives should be given for the installation of fossil fuel boilers from the entry into force of this Directive.

• From 1 January 2024 at the latest, Member States shall not provide any financial incentives for the installation of boilers using fossil fuels.

• Member States shall introduce measures to ensure that the use of fossil fuel heating systems in new buildings is not authorised from two years after the entry into force of the Directive. Hybrid heating systems, boilers certified to run on renewable fuels and other technical building systems not exclusively using fossil fuels that comply with the requirements set out in Article 11(1) shall not be considered fossil heating systems for the purposes of this paragraph."

• Member States shall ensure that renovations involving the replacement of fossil fuel based technical building systems prioritise vulnerable households and people living in social housing."

• Member States shall take account of design conditions and typical or average operating conditions and shall ensure the use of the equipment that meets the criteria for the highest available energy efficiency classes in accordance with the EU energy labelling legislation, taking into account system efficiency and the energy efficiency first principle.

• Member States shall set requirements related to the greenhouse gas emissions of, or to the type of fuel used by heat generators provided that such requirements are technologically neutral and in line with the objective to phase out the use of fossil fuels in heating and cooling.

• Minimum energy performance standards should create a pathway, supported by financial mechanisms, for the progressive increase of energy performance classes of buildings, in particular with regards to rural and isolated areas.

• Indoor environmental quality indicators shall be measured inside the building and shall at least include: (a) level of carbon dioxide; (b) temperature and thermal comfort; (c) relative humidity; (d) daylight illuminance level or adequate daylight levels; (e) ventilation rate in air changes per hour (f) acoustic indoor comfort.

• To achieve a cost-efficient decarbonisation of the heating sector, Member States should ensure a level playing field among available technologies and support multi-vector solutions, by taking into consideration security of supply, cost-effectiveness and flexibility.

The vote in Plenary is expected on 13 March.

As concerns the Energy Taxation Directive, the European Parliament is likely to resume its examination of the file in the coming weeks, whereas the Swedish Presidency of the Council is working on the basis of a draft compromise that has not been disclosed to the public.

As concerns the Alternative Fuels Directive Regulation, the next trilogue meeting is scheduled for 27 March. From previous meetings:

• Regarding targets for charging points for cars and trucks and for hydrogen refueling points, only an informal exchange of views has occurred.

• Negotiators agree on targets for liquefied natural gas to be supplied in maritime ports. The Council is ready to agree to extra language in a recital to specify that “the deployment of this infrastructure should be driven by market demand.”

Finally, trilogue discussions are going on as regards the FuelsEU Maritime and the REFuelEU Aviation.

Source: *EU website*.

Joint Declaration on Hydrogen

Image Source: European Commission website.

On 1st March, the European Commission signed a joint declaration with European stakeholders in the hydrogen sector, committing to to boost the EU hydrogen economy committing to step up and accelerate joint actions in research, development, demonstration, and deployment of Hydrogen Valleys. In line with the **EU Hydrogen Strategy** these valleys connect hydrogen production, transportation, and a range of cutting-edge applications - from clean mobility to industrial feedstock - creating fully functional and sustainable clusters of supply and demand, advancing renewable hydrogen deployment and as a result driving forward the clean energy transition.The joint declaration also calls for sustained investments, strengthening synergies between funding resources, sharing knowledge, stimulating the development of education and training for skills, and building regional hydrogen networks and interconnections between Hydrogen Valleys.

More information on the Hydrogen Valleys can be found **here**.

Source: *European Commission DG ENER*.

UPEI News

THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

20/02/2023 | Retail Heating Commission meeting

At the latest UPEI Retail Heating Commission meeting, members reviewed the most recent developments in the EU buildings and social legislative policy files relevant for UPEI. In particular, the revision of the Energy Performance of Buildings Directive (EPBD), the two Delegated Acts adopted by the European Commission on green hydrogen, and the EU legislation related to the Working Hours of the Truck Drivers.

A discussion on preparing a draft position paper on emission reduction in heating oil followed, focusing on maximising boiler efficiency, moving to hybrid systems, and introducing CO2 neutral fuels.

Attendants also discussed the latest developments at national level, as well as different ways to further develop collaborations and communications between the commission members. The UPEI position ahead of the Joint Heating Commission meeting scheduled for 28th February 2023 was reviewed as well.

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

28/02/2023 | Joint Heating Commission

On 28 February, Johan Deleu, UPEI President, along with Pierre Lucas, UPEI Secretary General, and Uta Weiss, UPEI Retail Heating Commission Chair, participated in the latest Joint Heating Commission meeting. The meeting was chaired by ECFD.

Attendants discussed about the current energy situation and impact on the liquid heating fuel sector. In particular, the availability of products, security of supply, and change of image of the sector.

Participants also reviewed the latest developments and information on the "Fit for 55" package, bans and restrictions, as well as Eurofuel Roadmap "Exchange on recent developments in the sector".

Updating the joint brochure on the demand and offer for low carbon and renewable liquid fuels for heating was debated as well.

Source: UPEI Secretariat, ECFD.

UPEI Publications

Joint statement of the EU industry:

CO_2 Regulation for Heavy-Duty Vehicles should recognise decarbonisation potential of sustainable and renewable fuels.

On 6 February 2023, together with other European industry stakeholders, including fuel and automotive suppliers, vehicles manufacturers, dealers, repairers, transport operators, and relevant scientists in our sector, UPEI released a position paper on acknowledging the contribution of sustainable and renewable fuels to decarbonisation, and the need therefore to include it in the revised CO_2 regulation for Heavy-Duty Vehicles (HDVs).

The signatories welcome this piece of legislation in line with the "Fit for 55" package objectives and believe that a recognition of all CO_2 emission reduction pathways along the entire value chain is critical, including clean fuel alternative sources and technology diversity.

Read more ***here***

UPEI Diary

	March 2023
16/03	**UPEI Board Meeting**
TBC	**UPEI Fuel Payments Commission Meeting**
	April 2023
11/04	**UPEI Bunkering Commission Meeting**
19-21/04	**UPEI Spring General Meeting 2023 Rotterdam (The Netherlands)**

UPEI Circulars

02/2023	**UPEI Spring General Meeting 2023 Hotel Reservation**
03/2023	**UPEI Board Meeting 16/12/2023**
	UPEI Work Plan for 2023
04/2023	**UPEI Spring General Meeting 2023 Details & Arrangements**

Open letter

Joint statement of the EU industry: CO_2 Regulation for Heavy-Duty Vehicles should recognise decarbonisation potential of sustainable and renewable fuels

As European industry, including fuel and automotive suppliers, vehicle manufacturers, dealers, repairers and transport operators we eagerly anticipate the European Commission proposal on the revision of the CO_2 Regulation for Heavy-Duty Vehicles (HDVs). Heavy-Duty transport is a vital sector for the functioning of the internal market and a suitable regulatory framework shall support the development of clean vehicles using different technologies and fuels. Decarbonisation is an immediate challenge and all options that can have a rapid impact need to be enabled.

Sustainable and renewable fuels can speed up the process and contribute to achievement of the "Fit for 55" and the full decarbonisation targets in road transport.

The signatories of this letter welcome the revision of the CO_2 standards for HDVs in line with the "Fit for 55" objectives and believe that a recognition of all CO_2 emission reduction pathways along the entire value chain is critical. Transport operators and vehicle manufacturers must be encouraged to consider cleaner fuel alternatives to fossil fuels, immediately available today, including liquid and gaseous renewable and synthetic fuels. Depending on use cases, technology diversity is needed where all technologies, including electrification/hybridisation, hydrogen and sustainable and renewable fuels can play a role.

The undersigned organisations recommend that sustainable and renewable fuels are considered for compliance in the CO_2 Regulation for HDVs. Including such a provision in the Regulation would support the EU's Green Deal objectives and accelerate the decarbonisation of the commercial transport sector.

Signatories:

UPEI General Meeting

[UPEI SPRING GENERAL MEETING
19 & 21 April 2023
Rotterdam, The Netherlands]