MEMBERS' NEWSLETTER

UPEi
THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

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Message from the Secretariat

Dear Members, Associate Members, and Business Partners,

2024 is coming to an end, which has seen many developments in Europe and worldwide that affect our sector. Ahead of 2025, full of uncertainties but also opportunities, Pierre and José Luis wish you a peaceful Christmas time, and all the best for a happy, healthy and prosperous New Year!

Welcome to the 128th edition of the UPEI Newsletter!

Welcome to the 128th edition of the UPEI newsletter! December saw the start of the mandate of the new European Commission, completing the political period started in June with the European Parliament elections. All EU policy-making institutions are now fully operational for the parliamentary term 2024-2029.

Brussels News

Towards 2025

Whereas the work programme of the European Commission is expected for 11 February, some clear indications are already available regarding its areas of work and priorities, notably via the College of Commissioners Agenda.

- **15 January**: Competitiveness Compass.
- **26 February**: Clean Industrial Deal, which may include an Action Plan on Affordable Energy and an Industrial Decarbonisation Accelerator Act. The Clean Industrial Deal will come to be the new 'Green Deal' with proposals to enhance clean growth and competitiveness across all sectors and policy areas. It will also facilitate a new EU state aid framework to look at better processes for clean growth at Member-State level.
- **26 February**: Legislative Simplification Proposal, which will probably consider simplifications in the Corporate Sustainability Due Diligence Directive (CSDDD), the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy.

Image source: AML intelligence website.

Also, elements of the draft (unpublished) Work Programme indicate the following:

- **Q1 2025**: Industrial Action Plan for the Automotive Sector, nurtured by a 'Strategic Dialogue for the Competitiveness of the Automotive Sector' to be launched in January under the auspices of the European Commission President (see article below).
- **Q1 2025**: Approval of new Important Projects of Common European Interest (IPCEIs): this tool allows Member States to finance important research or

investment projects with a partial exemption from the EU competition rules.

- **By Q4 2025**: Report on reviewing the Carbon Border Adjustment Mechanism (CBAM), a Communication on climate and energy vision, and a Sustainable Transport Investment Plan.

Image source: European Commission website.

An important overarching file will shape the work of the EU over the next years and spam through its policy actions: the 2040 climate target. At its meeting on 17 December, the Environment Council held a debate, based on a Presidency note, on the Commission communication on the EU's 2040 climate target, published on 6 February 2024. As a reminder, the communication recommends a target of 90% net greenhouse gas emissions reduction by 2040 compared to 1990.

The discussion was focused on the prerequisites for a successful transition towards the EU's 2040 climate target. Regarding the full implementation of the agreed 2030 framework, ministers concurred on the need for simplification, in order to reduce the administrative burden. Ministers also stressed that stable and predictable regulatory and investment frameworks are key to ensuring competitiveness.

Aligning decarbonisation and industrial policies and achieving more competitive energy prices are also crucial elements in this regard.

For a socially acceptable and just transition, Ministers acknowledged the important role of the involvement of citizens and businesses alike, as well as re-skilling and upskilling of workers.

As a reminder, by 1 March 2025 the Commission must publish a proposed amendment to the European Climate Law to integrate the 90% GHG Emission reduction target for 2040. This is likely to require amendments to existing legislation.

Source: UPEI Secretariat and Weber Shandwick.

Policy updates

Image Source: European Commission website.

Programme of the Polish Presidency of the EU Council

POLAND25.EU

Image source: Polish Presidency of the Council of the EU website.

Poland will hold the Presidency of the EU Council from 1 January to 30 June. Its overarching priority will be defence and security, which includes the energy transition files, notably the EU energy security architecture (which for the Presidency also includes access to energy at low price for companies and citizens). In terms of climate, the Presidency wants to focus on developing incentives and support rather than bans and excessive burdens. It also wants to develop tools to fight disinformation on EU environmental and climate policies: in its eyes, this disinformation contributes to keeping the EU dependent on imports from energy carriers that do not share its values.

The Presidency also aims at finalising the revision of the financial services directive, of major importance for the fuel cards sector.

Source: Polish Presidency of the EU Council website.

Working Group on Measurement Methodologies (WGMM) on CO2 emissions

Working Group on Monitoring Methodologies of CO2 Neutral Fuels.

The WGMM ("Stuttgart working group") held its General Assembly on 11 December and adopted its **final report**.

It was prepared to respond to the European Commission's request to industry, OEMs and fuel companies, to present technological options that can prove and monitor the use of CO2 neutral fuels in new vehicles and contribute to the European Commission's commitment to present a methodology for registering after 2035 vehicles running exclusively on CO2 neutral fuels.

Monitoring CO2 neutral fuels implies tracking and tracing the fuel from the production or entry point, in case of imports, all the way down to the final use in a given vehicle. The Working Group on Monitoring Methodologies (WGMM) therefore features a broad sectorial representation including OEMs and their suppliers, fuel producer and fuels suppliers, fuel retailers and their equipment suppliers, in order to ensure that the TCMV's proposed methodology fits the requirements of all sectors of the automotive and fuels value chain for a robust and reliable proofing and reporting methodology.

The report covers:

- A technology neutral, inclusive and consistent definition for CO2 neutral fuels to avoid over-complexity of the EU regulation.
- CO2 neutral fuels complementary to electrification in road transport.
- Road transport is the lead market to create a long-term investment case for CO2 neutral fuels for the benefit of all transport sectors.
- The role of biofuels.
- Fueling Technologies for Vehicles & Retail.
- Two potential approaches, and 11 technology options to monitor CO2 neutral fuels:
  - Outcome of the Evaluation Matrix.
- Methodology assessment from customer and retailer perspective.
- Regulatory evaluation.

Source: WGMM Secretariat.

Legislative Updates

NIS2 (Directive on measures for a high common level of cybersecurity across the EU)

Image source: European Commission website.

In principle, the NIS2 applies to medium sized or large entities active as operators of oil transmission pipelines, operators of oil production, refining and treatment facilities, storage and transmission, as well as central stockholding entities as defined in Article 2(f) of Council Directive 2009/119/EC. So, on the distribution level, e.g. petrol stations or companies selling heating (liquid) fuels are not in scope as such. However, if there is a pipeline between storage and end, large volume consumers, i.e. fuel products pipeline in airports/ports, the pipeline could fall under the NIS2, as they could be considered operators of oil transmission pipelines. Regarding the entities selling heating/oil, some might fall in the scope of NIS2 if they are active in other sectors mentioned in the NIS2 Annex I or II.

Source: UPEI Secretariat.

Alternative Fuels Infrastructure Regulation (AFIR)

Image source: AMPECO website.

The European Commission has released four Delegated Acts to supplement the Alternative Fuels Infrastructure Regulation (AFIR). These proposed additions aim to refine the regulatory framework for alternative fuels infrastructure across the EU, including electric vehicle (EV) charging and hydrogen refueling stations. Stakeholders are encouraged to provide feedback on these drafts until the end of the year.

Below is a summary of the key points from the proposed acts, alongside critical dates to remember:

1. **Enhanced Open Data Requirements (Effective from 15 April 2025).**

Operators of alternative fuel infrastructure will need to comply with additional specifications for open data provision, ensuring better transparency and usability for end-users and stakeholders.

- Static data (e.g., station locations, available services) must be updated within 24 hours of changes.
- Dynamic data (e.g., station status, occupancy) must be updated within one minute.
- Roaming information: Operators must indicate whether roaming is possible and list associated mobility service providers.

Specific Improvements:

- Hydrogen refueling stations will now display alerts when less than 100 kg of hydrogen is available, addressing a frequent issue for drivers who encounter closed or out-of-service stations.
- Smart recharging fields: Operators will provide more clarity about charging capabilities via four yes/no fields:
  - Remote monitoring and control of charging.
  - User preference configurations for optimized charging.
  - Bi-directional (vehicle-to-grid) charging.
  - Additional smart charging features (free text).

2. **Adherence to DATEX II Specifications (Required from 14 April 2026).**

To streamline data access and facilitate the integration of national data hubs into the central European access point, all infrastructure operators must ensure data is compliant with the DATEX II (the electronic language used in Europe for the exchange of traffic information and traffic data) standard by this deadline.

3. **Hardware Requirements: ISO 15118 Standards for EV Charging.**

The proposed acts introduce significant changes for hardware manufacturers and infrastructure developers:

- By Summer 2025 (6 months after publication): All newly installed or renovated public EV charging points must support ISO 15118-1 through ISO 15118-5 standards.
- From 1 January 2027:
  - All new and refurbished public charging points and new private charging points must support ISO 15118-20.
  - Public charging points offering plug-and-charge or similar automated services must support both ISO 15118-2 and ISO 15118-20.

The European Commission also notes ongoing updates to the Measuring Instruments Directive to align it with EV charging equipment, ensuring consistency in standards across the infrastructure landscape.

Links to the consultation and documents

- [Data on alternative fuels infrastructure – technical specifications (format, frequency and quality)](#).
- [Alternative fuels infrastructure standards – wireless recharging, electric roads, vehicle/grid communication, hydrogen](#).
- [Data on alternative fuels infrastructure – additional data types](#).
- [Data on alternative fuels infrastructure – common technical requirements for a common application interface](#).

Source: EU website.

Energy Taxation Directive

Image source: European Commission website.

On 10 December, the ECOFIN Council discussed the revision of the Energy Taxation Directive (ETD). It was the first public discussion after months of deliberation, giving insights on the positioning of Member States in the **latest presidency progress report** note drafted by the Hungarian Presidency of the Council of the EU.

- The negotiations now focus on a proposed exemption for maritime and aviation, initially proposed by Hungary, as a way to maintain the current status quo for those sectors and review the taxation basis in 2035. The proposal was supported by Southern European countries (Italy, Cyprus, Greece, Malta, Slovakia, Sweden, Lithuania, Luxembourg, Germany, Austria, Portugal, Croatia), with Mediterranean countries seeking to remove the 2035 review clause, while non-Mediterranean countries such as Slovakia, Sweden, Lithuania, Luxemburg, Germany and Austria looked to allow for a 2035 review.
- On the other hand, France, the Netherlands, Estonia, Denmark, Belgium expressed opposition to an exemption for aviation and maritime, recalling the environmental objectives of the proposal.
- Poland, Finland, Bulgaria, Spain, Czech Republic remain neutral but raising that further discussions are needed, as disagreements are also found on other elements of the proposal, such as indexation, and proposed high rates for hydrogen, natural gas, liquified petroleum and heating fuels.
- The discussion also provided insight into the Commission intentions for the file, as Wopke Hoekstra, Commissioner for Climate, Clean Growth, Net-Zero and taxation stated that the Commission will reserve its position and call for further work on the file. This could potentially indicate that the Commission does not plan to withdraw the proposal but will continue to seek a compromise amongst Member States.
- As a next step, the negotiations will continue in 2025. As the Hungarian Presidency ends at the end of December, Poland prepares to take the helm in the negotiations, with no clear timeline yet on the discussions. The Commission Work Programme to be published in February is also likely to confirm that the Commission does not intend to withdraw its proposal in 2025.

Source: EU website.

Emission Trading Scheme (ETS2)

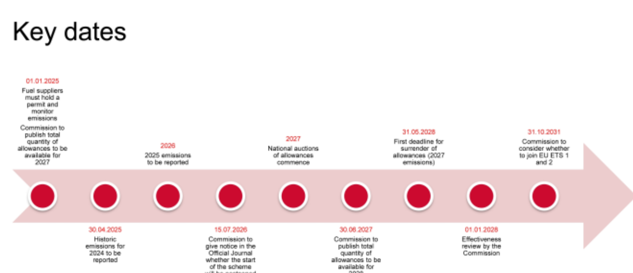

Image source: Lexology website.

On 17 December, during their discussion on establishing the 2040 climate targets of the EU, Environment Ministers discussed on a request by the Czech Republic and Poland to delay by one year the ETS2 implementation, to allow for easier transposition to national rules. An informal note before the meeting suggests that the two countries – also supported by Slovakia – would like to see a postponement until 2028. The note also includes a proposal for a review of the stabilisation mechanisms in the EU carbon market, to avoid sudden price jumps. However, during the meeting, France warned against a delay, as reopening ETS2 could lead to countries trying to lower the ambition level of the "Fit for 55" legislative package. However, France also expressed openness to measures to reduce the ETS2 volatility, such as a revision of the stabilisation mechanisms of ETS2, to ensure reduction of price volatilities. As the ETS is set to be reviewed in 2026, it is likely that any work will be integrated through the formal legislative process then.

Source: Weber Shandwick website.

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

Image source: European Parliament website.

The Commission has launched a public consultation on calculating the price difference between eligible fuels and kerosene (available **here**), under the EU ETS. The deadline to provide feedback is the 6th of January 2024.

Background

As a reminder, EU ETS Article 3c(6) establishes a support mechanism for the use of eligible aviation fuels, setting aside 20 million EU ETS allowances until 2030, to cover the price differential between fossil kerosene and eligible aviation fuels. The EU ETS allows for aircraft operators to apply for an allocation of allowances for the use of eligible aviation fuels, based on the quantity of eligible aviation fuels used on routes for which allowances are yet to be surrendered. As such, the Commission can establish detailed rules for the annual calculation of the price difference between eligible aviation fuels and fossil kerosene. Article 3c(6) also provides that the Commission can propose additional capped and time-limited allowances to incentivize RFNBOs.

The proposed act establishes this mechanism to calculate the difference between the price of eligible aviation fuels and fossil kerosene fuel, to facilitate the allocation of allowances to use such fuels, and the legal framework for this allocation.

Content

Applying for free allocations:

The act establishes how aircraft operators apply for free allocation for the use of eligible fuels:

- Commercial aircraft operators shall apply for allocation of allowances for the use of eligible aviation fuels by reporting the verified amounts of eligible aviation fuels used in the preceding reporting year in their annual emissions report.
- Where operators decide not to apply for allocation of allowances, they must indicate that decision in the emissions report.
- The application is valid only if the emissions report is submitted by 31 March of the subsequent year after the reporting period.

Calculating the price difference: article 3c(6) of the EU ETS provides the different aspects to be accounted for when calculating the average price difference between the relevant eligible aviation fuels and fossil kerosene:

- the price of fossil kerosene.
- the price of relevant eligible aviation fuels, including rules on reporting of actual price paid by commercial aircraft operators.
- the price of carbon.
- the harmonised minimum levels of taxation on aviation fuels.

This Act introduces the detailed rules to determine those elements in Article 2, whereby: Price difference = price of eligible aviation fuel – (price of fossil kerosene + ETS price + difference in taxation). As the price may not always be available, the Delegated Act also establishes a list of eligible aviation fuel subcategories which includes all potential eligible aviation fuels (Annex). These are:

- RFNBOs certified according to RED.
- Advanced aviation biofuels produced from feedstocks from Part A Annex IX RED.
- Advanced co-processed fuels produced from feedstocks from Part A Annex IX RED.
- Renewable hydrogen for aviation.
- Aviation biofuels produced from feedstocks from Part B Annex IX RED.
- Other aviation biofuels (not listed in Annex IX).
- Non-fossil low-carbon hydrogen for aviation.
- Non-fossil synthetic low carbon aviation fuels.
- Co-processed fuels.

Calculating the final price allocation: this Act includes detailed rules to calculate the final allocation per commercial aircraft operator, sets the procedure for the allocation and establishes the correction procedure. The price of eligible aviation fuels must be determined for specific eligible aviation fuels, and as a minimum for the above fuels:

- Where the market price is available in the EASA report, it is the established price by the report.
- Where it is not available, it must be calculated as per the procedure described in Article 4.2.b.
- Each year, by 31 May, the Commission will publish in the OJEU the price difference for the previous calendar year, calculated in accordance with this Delegated Act.

Calculating the number of allowances to be allocated to commercial aircraft operators. The demand for allowances must be calculated as the sum of the demand for each eligible aviation fuel, based on the formula provided by the text:

$$Allocation\ (y) = \frac{fuel\ used(y)\ \ x\ \ price\ difference(y)}{\text{allowance price}}$$

Other provisions of interest:

- The act also includes provisions for a correction procedure, should this be needed.
- Article 8 places obligations for aircraft operations regarding visibility and transparency:
  - They must acknowledge the origin of the support and publicly communicate about it.
  - For all communications, they must use labelling stating '(co-)funded by the EU Emissions Trading System'.

Timing and next steps

- The deadline for feedback is the 6th of January 2025.
- Then, the Parliament and Council will have 2 months (extendable to 4) to raise an objection or approve the text.
- Following its approval, the act will enter into force on the third day following its publication on the Journal of the EU.

Source: Weber Shandwick.

ReFuelEU Aviation

Image source: European Commission website.

On 18 December, the European Commission formally announced the adoption of the Implementing Regulation on Flight Emissions Label (FEL), which was under development by the European Aviation Safety Agency (EASA). The press release is available **here**, and more information is also available via EASA's website **here**.

As a reminder, this is a voluntary framework designed under Art. 14 of ReFuelEU Aviation by EASA, applying first to passenger-related carriers. The Implementing act offers a methodology to calculate flight emissions and allows airlines to use these labels for marketing purposes vis-à-vis consumers.

Next steps:

- By 1 February 2025, airlines that operate flights within the EU or depart from the EU can opt-in to participate in the Flight Emissions Label, by submitting the relevant data to EASA.

- By 1 July 2025: the first flight labels will be assigned by EASA, to apply for the flights scheduled in the winter of 2025.

Source: Weber Shandwick.
*Other source: **Flight Emissions Label – EASA** website.*

Clean Air

The revised Ambient Air Quality Directive entered into force on 10 December, aligning 2030 EU air quality standards more closely with World Health Organisation recommendations. The revised Directive comes with a series of new measures and stricter standards to ensure that people enjoy cleaner air in the coming years.

Cleaner ambient air by 2030

The new Directive cuts the allowed annual limit value for the main air pollutant – fine particulate matter ($PM_{2.5}$) - by more than half. It updates air quality standards, lowering the allowable levels for twelve air pollutants: particulate matter (PM2.5 and PM10), nitrogen dioxide (NO2) and nitrogen oxides (NOx), sulphur dioxide (SO2), ozone (O3), carbon monoxide, benzene, benzo(a)pyrene, arsenic, cadmium, nickel, and lead.

A regular review of the air quality standards, in line with the latest scientific evidence and societal and technological developments, will help set the EU on a trajectory towards achieving the zero-pollution objective for air by 2050. These reviews will ensure that air quality within the European Union progressively improves to levels no longer considered harmful, in line with climate neutrality efforts.

The revised Directive will also ensure early action to achieve cleaner air. If air pollution levels are higher than the new 2030 standards over the coming years, Member States will have to analyse whether they are on track to comply with the legislation on time, and, if needed, take measures to ensure compliance by 2030.

It will also support local authorities by strengthening the provisions on air quality monitoring and modelling and help improve air quality plans. The improved rules on air quality monitoring and modelling will make it possible to assess compliance more thoroughly with standards and support more efficient and effective action to prevent and address breaches of standards.

National and local authorities will determine the specific measures needed to meet these standards. At the same time, existing and new EU policies in environment, energy, transport, agriculture, research & innovation, and other fields will make a significant contribution.

Under specific circumstances, Member States may get more time to achieve the new standards. Extensions must be justified by sound analysis, and accompanied by a bespoke roadmap demonstrating how air quality will be improved by the postponed attainment deadlines. Accordingly, Member States will need to take appropriate measures to ensure they respect air quality standards as soon as possible. Furthermore, the revised legislation will ensure that people suffering from health damages due to air pollution have the right to be compensated, in the case of a violation of EU air quality rules. It will also bring more clarity on access to justice, effective penalties, and better public information on air quality and its effects on human health.

Member States now have two years to adopt the laws, regulations and administrative provisions to transpose the revised Directive. The Commission will adopt secondary legislation (implementing acts) to complement the new rules and assist with their application.

More Information:
EUR-Lex - Ambient Air Quality Directive
European Commission - Air Quality page
EEA report - Health and environment impacts of air pollution exposure remain high across Europe

Source: EU website.

Packaging and Packaging Waste

On 16 December, the Environment Council definitely adopted the revised **Regulation on packaging and packaging waste**, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC Adoption of the legislative act.

The new rules comprise, among others, the following requirements for packaging:

- 2030 and 2040 targets for a minimum percentage of recycled content (up to 65% for single use plastic bottles by 2040).
- minimising the weight and volume of packaging and avoiding unnecessary packaging.
- minimising substances of concern, including restricting placing on the market food contact packaging containing per- and polyfluorinated alkyl substances (PFAS) if they exceed certain thresholds.

Moreover, labelling, marking and information requirements (e.g. on material composition or recycled content) should facilitate consumer sorting and consumer choices. The new rules introduce restrictions on single-use plastic packaging for:

- pre-packed fruit and vegetables of less than 1.5 kg.
- food and beverages filled and consumed within hotels, bars and restaurants.
- individual portions of condiments, sauces, milk creamer and sugar in hotels, bars and restaurants.
- small, single-use cosmetic and toiletry products used in the accommodation sector (e.g. shampoo or body lotion bottles).
- very lightweight plastic bags (e.g. those offered at markets for bulk groceries).

The Regulation sets new binding re-use targets for 2030 and indicative targets for 2040. The targets vary depending on the type of packaging used by operators (for instance, binding targets of 40% for transport and sales packaging and 10% for grouped packaging).

Take-away businesses will have to offer customers the possibility of bringing their own containers to be filled with cold or hot beverages or ready-prepared food, at no additional charge.

The formal adoption by the Council today marks the final step in the ordinary legislative procedure. The regulation will now be published in the EU's Official Journal and will enter into force. The regulation will be applied 18 months after the date of entry into force.

Source: EU website.

Fuels Quality Directive

On 16 December, during the Energy Council meeting, Belgium, Luxembourg and the Netherlands launched a debate on cleaner European fuel exports, based on an **information note** previously shared by the Benelux countries. During the debate, the countries highlighted the discrepancies in the quality of fuels, that research has shown that petrol and diesel exported from the 'ARA' region (Amsterdam, Rotterdam and Antwerp) to ECOWAS (Economic Community of West African States) countries contained much higher concentrations of sulphur, benzene and manganese than are allowed in European petrol and diesel. This is primarily a result of the fact that the Fuel Quality Directive does not apply to export of fuels.

- Dan Joergensen, Commissioner for Energy, noted the discussion and highlighted that many aspects of the Fuel Quality Directive are aged, such as for instance the rules on fuel exports. He committed Brought to the attention of Commission services and hopes to come back to those issues in the next mandate.
- The discussion could potentially trigger a (limited) revision of the Fuel Quality Directive, to also align it with the upcoming 2040 renewables target potentially.

Source: Weber Shandwick.

Sanctions against Russia

Image source: EU Council website.

On 16th December, the EU Council adopted its 15th package of economic and individual restrictive measures against Russia's aggression towards Ukraine. The Council agreed on a package of 84 listings, which consists of 54 persons and 30 entities responsible for actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. As to entities, the EU targeted primarily Russian defence companies and shipping companies responsible for the transportation of crude oil and oil products by the sea, For the first time, it imposes fully-fledged sanctions (travel ban, asset freeze, prohibition to make economic resources available) on various Chinese actors supplying drone components and microelectronic components in support of Russia's war of aggression against Ukraine.

The Council is adding further vessels to the list of those subject to a port access ban, and ban on provision of a broad range of services related to maritime transport.

To better protect European companies from litigations with Russian counterparts, the Council decided to prohibit the recognition or enforcement in the EU of those rulings issued by Russian courts based on Article 248 of the Arbitration Procedure Code of the Russian Federation.

Furthermore, the Council introduced a derogation allowing the release of cash balances held by EU central securities depositories (CSDs). This is necessary considering increasing litigation and retaliatory measures in Russia that result in the seizing of assets of CSDs in the EU. Thanks to this derogation CSDs will be able to request competent authorities of the Member States to unfreeze cash balances and use them to meet their legal obligations with their clients.

Lastly, the EU extended the deadlines applicable to certain derogations needed for divestments from Russia. Because of the risks of maintaining business activities in Russia, EU operators should consider winding down businesses in Russia and/or not to start new businesses there. The exceptional extension of the divestment derogations is necessary to enable EU operators to exit as swiftly as possible from the Russian market. The extended derogations are granted on a case-by-case-basis by member states and focused on allowing an orderly divestment process, which would not be possible without the extension of these deadlines.

The relevant legal acts have been published in the Official Journal of the EU.

- **Council Decision (CFSP) 2024/3182 of 16 December 2024 amending Decision 2014/145/CFSP concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (including a list of sanctioned individuals and entities)**
- **Council Decision (CFSP) 2024/... of 16 December 2024 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (with full details on economic sanctions, including on the shadow fleet)**
- **European Council conclusions, 17 October 2024**
- **Russia's war of aggression against Ukraine: comprehensive EU's 14th package of sanctions cracks down on circumvention and adopts energy measures (press release, 24 June 2024)**
- **EU response to Russia's invasion of Ukraine (background information)**

Source: EU website.

EU Support to the Automotive sector

On 27 November, the President of the European Commission announced that she would convene a Strategic Dialogue on the Future of the Automotive Industry in Europe. The Dialogue will be officially launched in January 2025, with a view to swiftly proposing and implementing measures the sector urgently needs.

As the European automotive and supplier industry goes through a deep and disruptive transition, the Strategic Dialogue will design concrete strategies and solutions to support the global competitiveness of automotive manufacturing in Europe. It will focus in particular on:

- boosting data-driven innovation and digitalisation, based on forward-looking technologies such as AI and autonomous driving.
- supporting the sector's decarbonisation, in an open technological approach, given its role in achieving Europe's ambitious climate goals.
- addressing jobs, skills, and other social elements in the sector.
- simplifying and modernizing the regulatory framework.
- increasing demand, strengthening the financial resources of the sector and its resilience and value chain in an increasingly competitive international environment.

Source: EU website.

Hydrogen

On 11 December, the future EU hydrogen transmission network operators (HTNOs) took a further step towards strengthening a European hydrogen transportation network: they have jointly agreed to establish a temporary, voluntary cooperation and elect a management structure to steer activities during 2025. Labelled as pre-ENNOH, this initiative will develop preparatory works needed for ENNOH (the European Network of Network Operators for Hydrogen) to fulfil the regulatory tasks allocated by the Hydrogen and Decarbonised Gas Market Package in 2025 and 2026.

The future HTNOs will work according to the **draft statutory documents that they submitted to ACER and the European Commission on 30 August 2024**, as obligated by the Regulation (EU) 2024/17892). A management structure has been appointed to steer the work in the following months. Pre-ENNOH content and activities would be assumed by ENNOH once this last one is legally established, most likely in Q4 2025.

ENNOH, the European Network of Network Operators for Hydrogen, will be the organisation for the cooperation of the EU Hydrogen Transmission Network Operators (HTNOs). ENNOH's main mission is to promote the development and proper functioning of the internal market for hydrogen and cross-border trade. ENNOH will aim to ensure the optimal management, coordinated operation and sound technical evolution of the future European hydrogen transmission network.

ENNOH's work on regulatory/expert tasks and deliverables will include:

- elaborating Union-wide Ten-Year Network Development Plans (TYNDP) and all associated developments.
- developing network codes and technical recommendations of multiple topics for efficient and effective market and system operation.
- providing regular information, delivering common operational tools, and ensuring regional cooperation, as requested by the Hydrogen and Decarbonised Gas Market Package.

In a transitionary phase, pre-ENNOH will undertake the necessary preparatory work of ENNOH. More information on the ENNOH foundational process, the pre-ENNOH structure, as well as on its regulatory tasks is available **here**.

- [1] The EU hydrogen and gas decarbonisation package, consisting of Directive (EU) 2024/1788 and Regulation (EU) 2024/1789, was adopted in May 2024. The revised gas market rules were published in the EU Official Journal on 15 July and entered into force 20 days later.
- [2] Regulation (EU) 2024/1789, which is part of the Hydrogen and Decarbonised Gas Market Package.

Source: ACER website.

References

On 13 December, the European Energy Agency published its Annual European Union greenhouse gas inventory 1990–2022 and inventory document 2024. The document is available here: **Download PDF report.**

Source: EEA website.

UPEI News

THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

03/12/2024 | Energy Transition commission meeting

On 3rd December, the UPEI Energy Transition commission met on a hybrid basis in order to further deploy its activities. In a discussion moderated by Christian Heise (DCC Energi), Chair of the commission, participants discussed on the outcome of previous meetings. The Secretariat gave a general update on the policy context. In particular, priorities of the second Von der Leyen Commission, including the mission letters to the Commissioners-designate and the confirmation hearings, were discussed. A debate on the international context, namely COP29, and the new US Administration followed.

Participants were briefed on the main EU expert groups of relevance for the Energy Transition commission, and further discussed on the priorities for UPEI concerning the EU legislative developments, including defining the UPEI positioning in the new EU cycle.

Finally, participants gave an update on the latest developments at national level.

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

05/12/2024 | UPEI EU Legislative and Regulatory Update

UPEI organised the fourth EU Legislative and Regulatory Update webinar presented by Luis Cervilla, and Maria Tanou, Weber Shandwick, on 5th December 2024. A wide range of topics were covered, such as the new Commission (priorities and orientations), the Hungarian Presidency of the Council of the EU takeaways, and the upcoming Polish Presidency expectations.

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

UPEI Publications

UPEI concerns about possible restrictive measures against POME-derived biofuels

UPEI

UPEI concerns about possible restrictive measures against POME-derived biofuels 5 December 2024.

UPEI, the voice of independent energy and mobility suppliers in Europe, has carefully noted the concerns expressed by a number of Member States during the Energy Council meeting of 15 October 2024 around POME-derived biofuels (palm oil mill effluent). According to a document presented by the Irish delegation - and endorsed by Belgium, Germany, and The Netherlands - concerns persist around the import of POME-derived biofuels, namely due to potential fraudulent imports that would not comply with the provisions set in Directive 2023/2413, as regards high-ILUC risk biofuels.

As independent fuel suppliers, we are fully committed to operating in accordance with all the sustainability criteria and limitations set in the Renewable Energy Directive, as we have done for decades. All our members involved in the import and trading of biofuels are fully dedicated to addressing fraudulent biofuel imports into the European Union. We stand ready to keep cooperating with all the authorities, both at national and European levels, to prevent any type of imports that are not aligned with EU law. UPEI and its members will support any investigation carried out by the European Commission to clarify the issue of potential fraudulent imports.

However, we would like to warn against the possibility of imposing feedstock-specific Removal from Annex IX of RED III during these investigations. This would put a significant proportion of HVO outside the definition of advanced biofuels, which would lead to a disadvantageous categorisation for taxation purposes under the proposed revision to the Energy Taxation Directive. This could only be justified by reference to an in-depth investigatory process, which found overwhelming evidence of fraud at scale.

UPEI would especially warn against the suggested policy measure from the Irish delegation's note which proposes a limit or restriction on the total amount of POME-based biofuels that can be counted towards the Directive targets. We recognise that the EU is currently dealing with a verification governance issue, where the sustainability certification and verification regulatory framework, which works efficiently within the EU, is not suitable when applied to biofuel imports. But this should not serve as justification for taking deep-reaching blanket measures that would penalise the trading and imports of POME-derived biodiesel meeting all criteria set in the Renewable Energy Directive. A public consultation was recently conducted by the European Commission on an extension of the Union Database for Biofuels (UDB) to also cover data from the point of production/ collection of the raw materials used to produce biofuels. Evidence from this consultation should provide more clarity on the issue.

At UPEI, we are closely monitoring the ongoing discussions about POME-derived biofuels (palm oil mill effluent), highlighted during the Energy Council meeting on 15 October 2024.

Concerns raised by several Member States, including Ireland, Belgium, Germany, and the Netherlands, focus on potential fraudulent imports of POME-derived biofuels that may not meet the EU's stringent sustainability standards under Directive 2023/2413. In this respect, UPEI is committed to upholding all sustainability criteria of the Renewable Energy Directive (RED). UPEI pledge to:

- work with EU and national authorities to address and prevent fraudulent imports.
- fully support investigations by the European Commission to ensure compliance with EU law.

We invite you to read more on the policy paper ***here***.

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

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

UPEI Spring General Meeting 2025

UPEI SPRING GENERAL MEETING
9, 10 & 11 April 2025
Ljubljana, Slovenia