

## Welcome to the 114 number of the UPEI Newsletter!

Welcome to the 114<sup>th</sup> edition of the UPEI newsletter! In September, the EU policy agenda was marked by the annual speech of the State of the European Union by the President of the European Commission. Meanwhile, the European Parliament organised its hearings with candidate Commissioners who will replace Mariya Gabriel, in charge of Innovation, Research, Culture, Education and Youth and Frans Timmermans, Commission Executive Vice President in charge of the Green Deal in charge of climate change.

The European Parliament and the EU Council continued also to discuss or to finalise the legislative texts related to the “Fit for 55” package and other initiatives. A comprehensive [analysis](#) of the package was provided by our Public Affairs consultant Weber Shandwick during a seminar held on 12 September, during which all relevant pieces of legislation were reviewed, followed by a [presentation](#) on the next EU energy policy priorities by a representative from the European Commission DG ENER.

## Brussels News

### SOTEU 2023



Image Source: European Youth Portal website.

On 12 September, the President of the European Commission pronounced her traditional [speech on the State of the European Union](#), in which she introduced the main themes of the Commission policy and legislative

programme for 2024, which - due to the European Parliament elections - will be reduced to less than 10 months. While waiting for the publication of the 2024 legislative programme, President von der Leyen announced the creation of “a series of Clean Transition dialogues with industry, aiming at supporting each sector in building its business model for the decarbonisation of industry”.

She did not announce many new pieces of legislation, which seems to be in line with the current stance of thoughts in Brussels and in the EU Member States, insisting that the priority should be given to the implementation of existing rather than to the production of new legislative measures, and to European economy’s competitiveness.

The speech was accompanied by a [letter of intent](#) to the President of the European Parliament and the Prime Minister of Spain (holding the Presidency of the EU Council), in which the Commission indicated that - as regards the European Green Deal - its priorities for 2024 would be a) a European Wind Power Package, b) the drafting of 2040 climate target and c) an Initiative for water resilience.

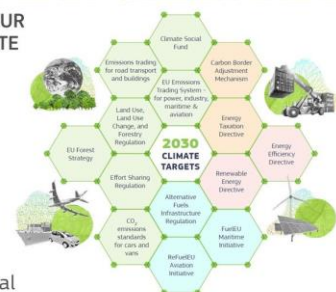
Source: European Commission website.

## Policy updates

### “Fit for 55” legislative package

#### EUROPEAN GREEN DEAL

REACHING OUR 2030 CLIMATE TARGETS



#EUGreenDeal



Image Source: European Commission website.



## Publications in EU Official Journal

The Regulation on Alternative Fuel Infrastructures (AFIR) and the FuelEU Maritime Regulation were published in the EU Official Journal on 22 September. The AFIR is available [here](#) and the FuelEU Maritime Regulation [here](#).

## Energy Efficiency Directive

### Revision of the Energy Efficiency Directive



*Image Source: European Commission website.*

The recast [Energy Efficiency Directive \(EU\) 2023/1791](#), adopted by the European Parliament and the EU Council earlier this year, was published in the EU Official Journal on 20 September and will enter into force 20 days later. After its entry into force, EU Member States will have two years to transpose most of the different elements in the directive into national law. The new directive introduces a series of measures to help accelerate energy efficiency, including embracing the “energy efficiency first” principle in the energy and non-energy policies. Changes from the previous directives 2018/2002 and 2012/27/EU include the following:

- Establishing an EU legally binding target to reduce the EU’s final energy consumption by 11.7% by 2030 (relative to the 2020 reference scenario). This includes for each Member State the requirement to set its indicative national contribution based on objective criteria reflecting national circumstances. If the national contributions do not add up to the EU target, an ambition gap mechanism is applied by the Commission.
- Increasing annual energy savings from 0.8% (at present) to 1.3% (2024-2025), then 1.5% (2026-2027) and 1.9% from 2028 onwards. That’s an average of 1.49% of new annual savings for the period from 2024-2030.

- Obliging Member States to prioritise vulnerable customers and social housing with-in the scope of their energy savings measures.
- Introducing an annual energy consumption reduction target of 1.9% for the public sector as a whole.
- Extending the annual 3% buildings renovation obligation to all the levels of public administration.
- Introducing a different approach, based on energy consumption, for business to have an energy management system or to carry out an energy audit.
- Bringing in a new obligation to monitor the energy performance of data centres, with an EU-level database collecting and publishing data.
- Promoting local heating & cooling plans in larger municipalities.
- Progressively increasing the efficient energy consumption in heat or cold supply, al-so in district heating.

#### Related links

- [European Green Deal: Energy Efficiency Directive adopted, helping make the EU ‘Fit for 55’](#)
- [European Green Deal: EU agrees stronger rules to boost energy efficiency](#)
- [EU Energy Efficiency Directive](#)

*Source: EU website.*

## Energy Taxation Directive (ETD)



*Image Source: European Commission website.*

On 2<sup>nd</sup> October, the candidate Commissioner for Climate Action, Mr. Wopke Hoekstra, indicated during his hearing with the ENVI Committee of the European Parliament that work on the adoption of the recast Energy Taxation



Directive (ETD) should speed up as an essential part of the “Fit for 55” package. From 2025 onwards, fast recharging stations of at least 150kW for cars and vans need to be installed every 60 km along the EU’s main transport corridors, the so-called ‘trans-European transport (TEN-T) network’.

He further indicated that, if eventually appointed, he commits to working hand in hand with Commissioner for Economy Mr. Paolo Gentiloni in order to speed up work towards finalising the revision of the Directive.

However, the work of the European Parliament’s ECON Committee (leading on this file), continues to be postponed to an unspecified date. It is not possible for the ETD to be adopted without the Opinion of the European Parliament.

*Source: EU Issue Tracker.*

### Other pieces of legislation

- **Euro VII**

On 2<sup>nd</sup> September, the EU Council adopted its [General Approach](#) regarding the Euro VII Regulation. This approach can be summarised as follows:

#### Private passenger cars and vans:

- the Council position keeps existing test conditions and NOx emission limits (as established in Euro 6) for M1 and N1 vehicles (private passenger cars and vans), 60 mg/km for gasoline cars and 80 mg/km for diesel (Commission’s proposed limits of 60 mg/km for both (Annex 1, Table 1)
- For new M1 and N1 vehicles, the implementation of Euro 7 rules is delayed for 30 months after it comes into force. (Article 20). The Commission originally proposed 2025 for cars and vans and from 2027 for trucks.

#### Buses and coaches, and heavy commercial vehicles:

- In the case of M2 and M3 vehicles (buses and coaches), and N2 and N3 vehicles (heavy commercial vehicles), emission limits are lower and test conditions slightly adjusted, compared to Euro 6/VI.
- In case of new M2, M3, N2 and N3 vehicles, the implementation of Euro 7 rules is delayed for 48 months after it comes into force. (Article 20).

### Other relevant points:

- The EU Council considers the newly proposed 2030 zero-CO2 emissions target for urban buses - Article 10, point 5a.
- It also sets deadlines for the adoption of implementing acts - Article 14.7 and 14.8.

More information from the Spanish Presidency: [See full infographic.](#)

*Source: Weber Shandwick and Spanish Presidency website.*

### Corporate Sustainability Reporting Directive (CSRD)

On 31 July, the European Commission adopted a set of [European Sustainability Reporting Standards](#) (ESRS) for use by all companies subject to the [Corporate Sustainability Reporting Directive](#) (CSRD), in force since 5 January 2023.

This new Directive updates and strengthens the rules concerning the social and environmental information that companies have to report. A broader set of large companies, as well as SMEs listed on public markets, will be required to report on sustainability.

The new rules will ensure that investors and other stakeholders have access to the in-formation they need to assess the impact of companies on people and the environment and for investors to assess financial risks and opportunities arising from climate change and other sustainability issues. The first companies will have to apply the new rules for the first time in the 2024 financial year, for reports published in 2025.

Moreover, the European Commission launched on 14 September a [targeted consultation](#) and a [public consultation](#) on the implementation of the [Sustainable Finance Disclosure Regulation](#) (SFDR). The deadline for participating in both consultations is 15 December 2023.

The sets out how financial market participants have to disclose sustainability information, helping those investors who seek to put their money into companies and projects supporting sustainability objectives to make informed choices. The SFDR is also designed to allow investors to properly assess how sustainability risks are integrated in the investment decision process. In this way, the SFDR contributes to one of the EU’s big political objectives: attracting private funding to help Europe make the shift to net-zero economy.



The European Commission is currently carrying out a comprehensive assessment of the framework, looking at issues such as legal certainty, usability and how the Regulation can play its part in tackling green washing.

Source: EU website

### Public consultation on eco-design regulation on solid fuel boilers



Image Source: EU Commission website.

On 28 September, the European Commission launched a [call for evidence](#) related to the revision of the Commission Implementing Regulation laying down eco-design requirements for solid fuel boilers. The evaluation will assess the performance of the existing eco-design and energy labelling measures for solid fuel boilers placed on the EU market since 1 June 2015. The result of the evaluation will feed into the impact assessment accompanying the two draft regulations with possible new measures on eco-design and energy labelling.

For the European Commission, the main problem is that - despite the progress induced by EU legislation in place - solid fuel boilers remain significant contributors to energy consumption, greenhouse gas and pollutant emissions. Pollution, mostly from particulate matter, is very high in densely populated areas with a large share of solid fuel boilers, amplifying the threat to public health.

The problem drivers are:

- While emissions from solid fossil fuels have diminished, the use of biomass boilers has increased in the last 10 years, increasing emissions to air from this source.
- The energy efficiency thresholds set out in the eco-design Regulation have not been sufficiently effective in reducing the energy consumption from solid fuel boilers. Likewise, pollutant limits have not reduced emissions from boilers in sufficient quantity.
- The energy efficiency of solid fuel boilers cannot be compared in equal conditions with that of other space heaters based on different technologies (heat pump,

gas) but fulfilling the same purpose. This is because solid fuel boilers benefit from a Biomass Label Factor (BLF) that multiplies by 1.4 the energy efficiency of the product. This gives solid fuel boilers a comparative advantage with the rest of technologies that do not benefit from the BLF, therefore distorting the information provided to the consumer via the energy label.

- The scope of the requirements may be too narrow as they exclude boilers of more than 500 kW and those burning non-woody biomass. Around a third of biomass is used for electricity production and district heat typically in boiler over 500kW while non-woody biomass comprises around 5% of EU biomass consumption.

A second problem is a market failure due to the lack of regulatory provisions on circular economy. The extraction of fuel and materials for the manufacturing of the solid fuel boiler, the disposal for waste and recycling are steps in the lifecycle of the product that contribute to the emissions of pollutants and greenhouse gases, the costs of which are not internalised in the purchase price but nevertheless entail a cost for society.

For the Commission, if no action is taken, contribution of solid fuel boilers to energy consumption, greenhouse gas and pollutant emissions is likely to remain high in the next years. Local or national authorities may decide to set further requirements concerning solid fuel boilers, thus risking fragmenting the EU Internal Market.

The public consultation will be closed on 21 December 2023.

Source: EU website.

### (Energy) Solidarity Regulation



Image Source: EU Council website.



On 28 September, the European Commission issued a [report](#) reviewing the functioning of the ‘[Solidarity Regulation](#)’, adopted in December 2022, as part of the emergency framework.

The Commission’s review considers the different aspects of the Regulation - notably measures to jointly purchase gas, to limit excessive gas prices and market volatility as well as measures to tackle in a coordinated manner a possible gas supply emergency. The report concludes that these measures have played an important role in stabilising energy markets and ensuring an adequate supply of gas to the EU over the past year, and that certain aspects of the demand aggregation and joint purchasing mechanism could be considered being integrated (in a more structured way) in the EU Gas Regulation, which is currently being revised.

The report finds that, overall, the EU gas market has been able to make up for the 70 billion cubic metre (bcm) drop in Russian pipeline gas imports in 2022 by increasing LNG supplies (+50 bcm), securing alternative pipeline supplies, and reducing overall gas consumption (corresponding to -58 bcm). The EU also managed to reach gas storage levels of 90% by 18 August 2023, well ahead of the legal deadline of 1 November.

Source: EU website.

## Reports

### Eurostat report on EU energy imports



Image Source: Eurostat.

On 25 September, Eurostat published [new statistics](#) on the EU imports of energy products:

Following a strong increase in energy imports in the EU between 2021 and 2022, in 2023 imports are dropping for

the second quarter in a row when compared with the same period in the previous year.

In the second quarter of 2023, compared with the same quarter of 2022, EU imports de-creased by 39.4% in terms of value and 11.3% in terms of net mass (weight expressed in tonnes). These results follow declines of 26.5% and 6.1%, respectively, in the first quarter of this year.

In terms of net mass, Russia's shares in the EU imports of petroleum oils and natural gas have been decreasing continuously over time since the second quarter of 2022. Petroleum oils imports from Russia fell from a monthly average of 8.7 million tonnes in the second quarter of 2022 to 1.6 million tonnes in the second quarter of this year (-82%), but, in contrast, the imports from the extra-EU partners except Russia increased by 5.8 million tonnes, from 31.5 million to 37.3 million tonnes.

Russia's share in total EU imports of petroleum oils was 4.0% in the second quarter of 2023, a staggering difference from the 21.6% share recorded in the same quarter of last year.

Ongoing diversification of suppliers:

- Russia’s war against Ukraine led the EU to implement several packages of sanctions, which directly and indirectly affected the trade of oils and natural gas. The impact is now visible in a growing diversification of energy suppliers.
- Regarding petroleum oil, the EU ban on seaborne imports of Russian crude oil entered into force on 5 December 2022, followed by the embargo on refined oil products as of 5 February 2023, which impacted results in the first and second quarters of 2023.
- In the second quarter of 2022, Russia was the leading supplier of petroleum oils, with a share of 15.9% of total EU imports. In the second quarter of 2023, Russia ranked only 12th, with a share of 2.7%, down 13.2 percentage points (pp) compared with 2022.
- By contrast, Norway (+3.5 pp up to 13.7%), Kazakhstan (+3.2 pp up to 10.2%), the United States (+2.1 pp up to 13.6%) and Saudi Arabia (+2.3 pp up to 9.0%) saw their share increase over the same period, and Libya became an important partner, accounting for 8.1% of EU petroleum oil imports.

Source: Eurostat.



## UPEI News



THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

### 12/09/2023 | Seminar on the outcome of the “Fit for 55” package



As discussed at the latest UPEI General Meeting in Rotterdam (Netherlands), UPEI organised a seminar to inform and discuss the final outcome of the “Fit for 55” package on 12 September 2023, based on the final texts as published in the Official Journal of the European Union.

Participants discussed on key takeaways, next steps, and perspectives of the future EU energy policy developments.

You may find all the information available on the UPEI dedicated website [here](#).

### 15/09/2023 | ITW Commission Meeting

The ITW Commission met on 15 September 2023 addressed the state of play of the issues which are considered a priority for UPEI, giving special attention to the outcome of the EU Oil Coordination Group meeting, which took place on 28 June 2023, and so the situation on embargo on Russian oil and oil products and the outcome.

An update on the relevant EU legislation and policy followed, focusing on the implementation of the Union Database on biofuels, the future revision of the Oil Stocks

Directive, and the “Fit for 55” package latest developments. In particular, participants discussed on the Renewable Energy Directive (REDIII), the Emission Trading Scheme (ETS2), and the Revision of the Energy Taxation Directive (ETD)

The next meeting is expected to take place in January 2024

Find all the information [here](#).

### 21/09/2023 | Fuel Payments Commission Meeting

On 21<sup>st</sup> September 2023, the Fuel Payments Commission met to review the most recent developments in the application of the Vega International Case, focusing on the outcome of stakeholders working group meeting with the European Commission on 28 June 2023.

Attendants also discussed the latest developments on the revision of the Payment Service Directive 2 (PSD 2). In particular, the European Commission proposal for the Payment Service Directive (PSD3) and the Payment Services Regulation (PSR). The Secretariat gave also a general overview of the revision of the VAT Directive (digital aspects) and discussed national measures on implementing / guidelines on limited network exclusion under PSD 2.

Marosa, UPEI Business Partner, presented its proposal to organise a webinar on E-invoicing.

Find all the information [here](#)

## UPEI Publications

### Stakeholders' launch of a Working Group on Monitoring Methodologies for CO2 neutral fuels

Stakeholders from the European Automotive and Fuel industries announce the launch of a Working Group on Monitoring Methodologies for CO<sub>2</sub> neutral fuels.

Stuttgart, 28 September 2023

Achieving climate neutrality in Europe's Transport sector by 2050 is an ambition shared by all signatories.

The participants, representing stakeholders from the automotive and fuel industries, furthermore wish to express their support for the start of the work by the European Commission's Technical Committee for Motor Vehicles (TCMV) aiming at developing a proposal for registering vehicle-running performances on CO<sub>2</sub> neutral fuels in conformity with EU law and the Renewable Energy Directive sustainability criteria. Regarding the facts and the monitoring methodologies, the signatories also call on the European Commission and the TCMV to ensure that the principles of technology neutrality prevail.

To that extent, the participants have agreed during an introductory workshop, which took place in Stuttgart on 20 September 2023, to set up a temporary working group that will contribute to this work by submitting an assessment of all potential mechanical and digital solutions for monitoring the use of the CO<sub>2</sub> neutral fuels in new vehicles.

This monitoring methodology should also support European businesses to report their scope emissions.

The Working Group is due produce a report for EU policymakers by December 2024.

- ENDS -

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Photo: - Alain-Mathurin - @alain-mathurin@ufp.eu

On 28 September 2023, UPEI, together with representatives from the automotive and fuel industries presented the launch of a working group on monitoring methodologies for CO<sub>2</sub> neutral fuels.

To recap, the European Commission had committed to presenting a solution, which led Germany to withdraw its opposition and helped with the finalisation of new CO<sub>2</sub> emission standards for passenger cars.



In this respect, the initiative follows the European Commission proposal to apply stricter requirements for eFuels, including the entire production and transport chains to achieve climate neutrality, which is not technologically feasible.

Read more [here](#)

### Brussels Times: Advancing the Energy Transition



UPEI’s President contributed with an article on advancing the energy transition at the Brussels Times in September 2023.

Reaching the 2050 objective of a carbon neutral economy requires a strong cooperation between all players in the energy system, including policy makers, whose role should be to fix the overall objectives and to let economic and societal stakeholders design and implement the best solutions to reach them.

Read more [here](#) (Page 40-41)

## UPEI Circulars

24/2023 [Change of date of UPEI Energy Transition](#)

## UPEI Diary

### October 2023

- 10/10 UPEI Board Meeting
- 19/10 UPEI Bunkering Commission Meeting
- 25-27/10 UPEI Autumn General Meeting 2023

### November 2023

- 20/11 UPEI Retail Heating Commission Meeting
- 30/11 UPEI Retail Station Commission Meeting

### December 2023

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

## UPEI General Meeting



**UPEI AUTUMN GENERAL MEETING**  
25 – 26 – 27 October 2023  
Copenhagen, Denmark