

Welcome to the 121st edition of the UPEI Newsletter!



Image Source: European Parliament website.

April was marked by an accelerated pace of adoption of EU legislation, with the two European Parliament's last plenary sessions of the 2019-2024 parliamentary term on 10 and 11 and from 22 to 25. The members of the European Parliament then went into the electoral campaign, ahead of the European elections taking place from 6 to 9 June.

Brussels News

European Strategic Agenda 2024-2029

At its meeting on 16 and 17 April in Brussels, the European Council held an exchange of views on the draft European Strategic Agenda, a programmatic document that it adopts before each new parliamentary term, and which should guide the President of the new European Commission to define the Commission's work programme for the next five-year.

From a leaked outline document issued a few days before the April meeting, the Agenda should consist of three overarching chapters focusing on

- A strong and secure Europe
- A prosperous and competitive Europe
- A free and democratic Europe

All elements related to environment and climate change would be integrated into the objectives of strengthening the EU economy's competitiveness, for example "Promote innovation and research, including to accompany Europe towards climate neutrality" or on succeeding in the twin (digital and green) transition energy) such as i) Increase energy independence by accelerating the energy transition and building an energy union, ii) Decrease strategic dependencies and increase resilience by developing a more circular and resource-efficient economy, iii) Support the industrial development of digital and clean technologies or iv) Prepare for the new realities stemming from climate change.

Source: Weber Shandwick, UPEI Secretariat.

Modernisation of the EU Internal Market



At the same meeting, the European Council also heard a presentation by former Italian Prime Minister Enrico Letta on "[Much More Than A Market](#)", proposing a set of recommendations to modernise the EU Internal Market. This document also insists that a deepening of the EU

Energy Union is a key priority, and includes several targeted recommendations on how to transform Europe's energy sector, including:

Image Source: European Council website.

- **Cross-border joint auctions for additional renewable energy**

The report indicates that EU neighbouring countries should start holding cross-border auctions for additional renewable generation to achieve efficiencies and reduce costs. It also encourages "cross-border flexibility schemes," in which power grid managers turn to



generators in neighbouring countries for help when local electricity demand is high.

- **Grid expansion**

The report calls for a massive expansion and reinforcement of Europe's grids and maps out how strengthened European coordination and funding can help deliver on this vision. The EU already has four 'High-Level Regional Groups', which provide some technical cross-border coordination. These groups should "engage more on a political level" with a rotating presidency and annual meetings. The 'Connecting Europe Facility' should be boosted in the next long-term budget and 'green bonds' should be proposed to secure the necessary capital in the longer term. A new European hydrogen grid is needed.

- **Security of supply: gas and nuclear fuels**

The report calls for a more systematic review of Europe's security of gas supplies, "considering the new realities of the LNG market. "With preventive measures like gas storage unevenly distributed across Europe and the resulting difficult discussions and even disputes", neighbouring EU countries develop a "coordinated approach" on who will pay for what. The report also warns of "emerging dependencies on nuclear fuels".

- **Global cleantech competition and critical raw materials**

On future clean technologies, the report recommends caution. With an eye on China, it warns of "the risk of sabotage or unauthorised data transfer" and calls for cybersecurity measures which should be "rigorously incorporated in procurement for new infrastructure or generation assets." Similarly, it stresses that the EU's recent foreign subsidy probes in strategic sectors should continue to "ensure that third countries' investment in key energy infrastructure or assets may not pose a risk to public security or public order in the future." China's "assertive strategies" risk undermining Europe's attempts to diversify its critical raw materials supply. So, the EU should work more closely with "reliable partners" like the US. The report also proposes joint procurement actions by EU governments to secure critical raw materials.

- **Green diplomacy**

Large cross-border projects should be used to foster goodwill with "reliable energy partners, notably the North African gas and hydrogen pipeline connection to Italy; the EU candidate countries should get early (but gradual)

access to the single energy market. For Africa, increasingly courted by "other global players," the EU needs a fresh proposition that should be based on "local value," building up "green industry" value chains to complement the traditional mineral extraction.

- **Implementation – a new Clean Energy Delivery Agency**

A new implementing body should be created, which would have four main responsibilities: (1) Supporting hydrogen and other nascent technologies; (2) disbursing grants for cross-border grid projects; (3) overseeing subsidy programmes for renewables and nuclear; and (4) acting as a one-stop shop for certifications and general permitting support.

- **Mutual trust but national sovereignty remains**

While a range of technical and policy proposals are made, these need to be underpinned by a bolstered "mutual trust among Member States". The report stresses that national governments must retain the right to choose their own energy mix.

Source: EU website.

EU Economic Governance Framework

Both the European Parliament (on 23 April) and the EU Council (on 29 April) finally adopted the reform of the EU's Stability and growth Pact, which will enter into force as of 2025.

The reform's overall objective is to reduce debt ratios and deficits in a gradual, realistic, sustained and growth-friendly manner, while protecting reforms and investments in strategic areas such as digital, green or defense. At the same time, the new framework should provide room for counter-cyclical policies and help address existing macroeconomic imbalances.

- Under the new rules, all Member States will be asked to prepare a national medium-term fiscal structural plan that spans over 4-5 years, depending on the length of the national legislature. In their plans, Member States should commit to a multi-year public net expenditure path and explain how they will deliver investments and reforms that respond to the main challenges identified in the context of the European Semester, in particular in the country-specific recommendations.
- The reform updates the excessive deficit procedure. While the deficit-based excessive deficit procedure



remains unchanged, the debt-based excessive deficit procedure takes into account the operation of the new multi-annual framework. Consistent with earlier practice, the Council and the Commission will make a balanced overall assessment of all the relevant factors that affect the assessment of compliance with the deficit and/or the debt criteria of the member state concerned.

The text of the three pieces of legislation is available as follows:

- [Regulation of the Council and the European parliament on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation \(EC\) No 1466/97](#)
- [Council Regulation amending Regulation \(EC\) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure](#)
- [Council Directive amending Directive 2011/85/EU on requirements for budgetary frameworks of the Member States](#)

There is more information available on the [Economic governance framework](#) on the EU website.

Source: EU website.

Policy updates

European Energy Efficiency Financing Coalition



Image Source: European Commission website.

On 22 April, the European Commission officially launched the European Energy Efficiency Financing Coalition, aiming to put in place a platform for dialogue, experience sharing and the development of new cooperative initiatives on energy efficiency financing between the

European Commission, the Member States, and financial institutions.

The objective of the Coalition is to create a favourable market environment for energy efficiency investments and to facilitate the mobilisation of private financing for energy efficiency in support of the 2030 and 2050 EU energy and climate targets. Its work includes:

- facilitate the implementation of energy efficiency financial instruments and schemes under EU funding programmes.
- promote that these programmes foster or facilitate further private investment in energy efficiency projects.

The Coalition builds upon the results of the Energy Efficiency Financial Institutions Group (EEFIG), created by the Commission and the United Nations Environment Programme Finance Initiative (UNEP FI) in 2013. EEFIG served as a joint platform for cooperation and dialogue with financial institutions on energy efficiency and provided the Commission with concrete studies and recommendations on the way forward for energy efficiency financing. During its mandate, EEFIG published [DEEP – the de-risking energy efficiency platform](#). It is a pan-EU open-source database containing detailed information, evidence and analysis of over 20,000 industrial and buildings-related energy efficiency projects.

Source: EU website.

Eco-design of local space heaters

The European Commission has adopted [new Eco-design rules to reduce the energy consumption and facilitate repair of local space heaters](#) (both electric and those fuelled with gaseous or liquid fuels).

The new rules will replace the existing Eco-design measures and extend in particular the scope of eco-design to additional types of appliances such as electric towel rails and large tube heaters (typically in open plan factory areas). So-called 'slave heaters' (electric resistance heaters without inbuilt controls), which were previously excluded from the rules, are now also covered by the new requirements. In addition, the new measures introduce maximum energy consumption levels for low-power modes, such as the off or standby mode, for the products covered. Finally, manufacturers will be required to make available spare parts and related information for the purpose of repairing local space heaters.



Certain local space heaters (but not electric ones) are also covered by EU Energy Labelling requirements. These are currently also [under review](#), but this process is only expected to be finalised in 2025.

Related links

[European Commission Regulation \(EU\) 2024/1103 Energy efficiency – eco-design requirements for local space heaters \(review\)](#)
[Energy label and eco-design](#)

Source: Euractiv.

Communication on Clean Transition Dialogues



Image Source: European Commission website.

On 10 April, the European Commission adopted a Communication taking stock of a series of Clean Transition Dialogues on transforming Europe into a clean, resource-efficient, fair, and competitive economy. The purpose was to discuss with European industry and social partners how to strengthen and support the implementation of the European Green Deal, contributing to a reinforced industrial approach.

Nine Clean Transition Dialogues have taken place so far. Industry and social partners confirmed their strong commitment to shape and implement the European Green Deal. Social partners highlighted the importance of ensuring the social fairness of the transition, to create good quality jobs as well as the need for reinforced structured social dialogue. The Dialogues have focused on hydrogen, energy-intensives industries, clean tech, energy infrastructure, critical raw materials, forest-based bioeconomy, cities, clean mobility, and steel.

The Communication highlights several key building blocks that have been identified through the Dialogues which could support a reinforced industrial approach to deliver on the European Green Deal:

- an effective and simplified regulatory framework for businesses to deliver on the transition.
- action on energy prices.
- modern infrastructure.
- easier access to finance.
- and a stronger Single Market in a globally competitive environment.

Source: EU website.

Net-Zero Industry Act (NZIA)

On 25 April, the European Parliament definitely adopted the EU's Net-Zero Industry Act which defines an EU target of producing 40% of domestic needs for so-called 'net-zero' technologies in Europe. Its scope was significantly widened during the legislative process, now covering 19 technologies, including solar panels and wind turbines, traditional nuclear fission, CCS, biotech, and electricity grid technologies.



Image Source: European Commission website.

The Act introduces provisions to set out deadlines for permitting procedures related to new manufacturing sites for green technologies and new rules for public procurement and subsidy schemes. It requires Member States to ensure that permitting procedures for new factories or the expansion of existing ones should last 12 months for small-scale projects (production sites with a yearly manufacturing capacity of 1 GW) and 18 months for large-scale factories. It also requires public authorities to use criteria other than price - so-called qualitative - when buying technologies like roof solar panels or heat pumps or when organising auctions for large-scale renewable



energy projects such as wind parks or ground-mounted solar parks. These criteria are based on a “sustainability and resilience” contribution and are meant to give European manufacturers a competitive advantage over foreign producers. However, Member States have the option to disregard the new criteria in case they would lead to “disproportionate” additional costs (20% for public procurement and 15% for renewable energy auctions).

Source: Weber Shandwick, EU website.

Revision of Packaging and Packaging Waste Regulation (PPWR)

On 24 April, the European Parliament definitely adopted in plenary meeting a revision of the PPWR which aims to reduce packaging and restrict certain types.

It includes packaging reduction targets (5% by 2030, 10% by 2035 and 15% by 2040) and requires Member States to reduce, in particular, the amount of plastic packaging waste. To reduce unnecessary packaging, a maximum empty space ratio of 50% is set for grouped, transport and e-commerce packaging; manufacturers and importers will also have to ensure that the weight and volume of packaging are minimised.

Certain single use plastic packaging types will be banned from 1 January 2030. These include packaging for unprocessed fresh fruit and vegetables, packaging for foods and beverages filled and consumed in cafés and restaurants, individual portions (for e.g. condiments, sauces, creamer, sugar), accommodation miniature packaging for toiletry products and very lightweight plastic carrier bags (below 15 microns).

To prevent adverse health effects, the revised Regulation includes a ban on the use of per- and polyfluorinated alkyl substances or PFASs above certain thresholds in food contact packaging.

Specific 2030 reuse targets are foreseen for alcoholic and non-alcoholic beverages packaging (except e.g. milk, wine, aromatised wine, spirits), transport and sales packaging, as well as grouped packaging. Member States may grant a five-year derogation from these requirements under certain conditions.

Final distributors of beverages and take-away food will have to offer consumers the option of bringing their own container. They will also be required to endeavour to offer 10% of products in a reusable packaging format by 2030.

All packaging (except for lightweight wood, cork, textile, rubber, ceramic, porcelain, and wax) will have to be recyclable by fulfilling strict criteria.

Measures also include minimum recycled content targets for plastic packaging and minimum recycling targets by weight of packaging waste.

By 2029, 90% of single use plastic and metal beverage containers (up to three litres) will have to be collected separately (via deposit-return systems or other solutions that ensure the collection target is met).

Source: Euractiv.

Renewable hydrogen projects

On 30 April, the European Commission awarded some €720 million to seven renewable hydrogen projects in Europe, selected through the first competitive bidding process under the [European Hydrogen Bank](#).

The funds for this auction come from the revenues of the EU Emissions Trading System. The winning bidders will produce renewable hydrogen in Europe and will receive a subsidy to bridge the price difference between their production costs and the market price for hydrogen, which is currently driven by non-renewable producers. The European Hydrogen Bank is therefore contributing to the scale-up of cleaner fuels which will contribute to the decarbonisation of European industry. The renewable hydrogen which they produce will be used in sectors such as steel, chemicals, maritime transport, and fertilisers.

The seven selected projects were the winners of an oversubscribed auction which attracted 132 bids in total. Together, the winning bidders plan to produce 1.58 million tonnes of renewable hydrogen over ten years, avoiding more than 10 million tonnes of CO₂ emissions. The selected projects are located in four European countries. They submitted bids between €0.37 and €0.48 per kilogram of renewable hydrogen produced and met the other qualification requirements. The subsidy ranges from €8 million to €245 million.

[Here](#) are the selected projects.

The European Commission plans to launch a second European Hydrogen Bank auction by end 2024. It will draw on the lessons learned from this pilot auction and also further consult stakeholders before launching the next auction.

Source: EU website



CO2 emission standards for High Duty Vehicles (HDVs)

On 10 April, the European Parliament definitely adopted in plenary the revised Regulation on CO2 emission standards for HDVs. Average emissions of new lorries will have to be reduced by 90% by 2040, compared to 2019, with intermediary steps of 45% as of 2030, 65% as of 2035. For city buses, rules are even stricter, and include a complete phase-out of new diesel vehicles by 2035.

This aims to see the number of zero-emission vehicles, such as battery-electric and hydrogen-fuelled lorries, boosted, while the number of new diesel vehicles will have to be drastically reduced. In 2023, diesel lorries still accounted for [96% of all new lorry sales](#), according to ACEA.

The text is based on a compromise negotiated between the Member States in the EU Council and was adopted after an attempt by two political groups in the European Parliament to reintroduce in the text definitions for CO2-neutral fuels, CCF, methodologies as amendments to the agreement's text. This would have nullified the agreed text and imposed a re-negotiation with the EU Council and the attempt was rejected.

The EU Council is expected to formally adopt the text shortly, so that it can be published on the EU Official Journal.

Source: Euractiv.

Energy Performance of Buildings Directive (EPBD)

On 12 April, the EU Council definitely adopted the revised EPBD, which implementation will heavily rely on Member states, notably as regards their national renovation plans.

In short, the text aims to get Europe's housing stock ready for net zero by 2050, by prescribing the renovation of badly performing public and private buildings.

Member States will be asked to present their plans by 2026 to achieve a 20% to 22% reduction in residential buildings' energy use by 2035, with 55% of gains coming from the bottom 43% of worst-performing buildings. The rules for public buildings and offices are stricter. By 2030, the bottom 16% of worst-performing buildings must be renovated, and the bottom 26% by 2033. From 2030, new buildings should be climate-friendly by design – both energy efficient and connected to a clean source of heat. National plans can also include a pathway to phasing out fossil fuels in heating by 2040, and mandatory solar panels on rooftops, if economically feasible, from 2025.

Source: Euractiv.

Application of Alternative Fuel Infrastructure Regulation (AFIR)

On the occasion of the entry into effect of the AFIR, the European Commission published on 17 April a [Q&A document](#) aiming at clarifying its application, and in particular the application of its article 5 (recharging infrastructure).

Source: EU website.

Payment Services legislation (PSR/PSD3)

On 23 April, the European Parliament approved in plenary its ECON committee reports on the Payment Services Directive (PSD3) and Regulation (PSR).

Article 2.2j remains the same as the one voted on February 14th (Belka report), that is to say:

(j) services based on specific payment instruments that meet one of the following conditions:

(i) instruments allowing the holder to acquire goods or services only in the physical or virtual premises of the issuer or within a single limited network of service providers under direct commercial agreement with a professional issuer.

(ii) instruments which can be used only to acquire a very limited range of goods or services, including, but not limited to, instruments restricted to use in business-to-business transactions.

(iii) instruments valid only in a single Member State, which are provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer, and which cannot be converted into cash.

The trilogue negotiations are expected to start after the finalisation of the Council's general approach, approximately in the first half of 2025 (TBC) under the Polish Presidency.

Source: EUROWAG.

Gas package

On 11 April, the European Parliament definitely adopted the "gas package" consisting of Regulation and a Directive presented in 2021 by the European Commission, fundamentally, the package gives more legal certainty to



potential hydrogen grid investors, while targeting a better coordination of future network planning. The texts lay the legal foundations for a European hydrogen market, marking the beginning of the phase-out of natural gas. Hydrogen network planning will be overseen by the EU entity for Hydrogen Network Operators (ENNOH). This newly-created body will present in 2026 a ten-year development plan for Europe's hydrogen infrastructure – working in concert with the gas operator body ENTSOG. From 2028, ENNOH will operate independently on a follow-up development plan for the hydrogen network.

On hydrogen, the Commission proposed a clear separation of local hydrogen and gas grid operators, but the European Parliament agreed that municipal utilities that operate gas networks today can add hydrogen grids to their portfolio in the coming years, provided that they meet the exemption criteria of having fewer than 100,000 customers.

The new rules will also empower Member States to unilaterally ban Russian gas imports.

Source: EU website.

Carbon removals and carbon farming (CRCF) Regulation

On 10 April, the European Parliament adopted in plenary the [provisional agreement](#) reached between the European Parliament and the EU Council on the CRCF Regulation, establishing the first EU-wide voluntary framework for certifying carbon removals, carbon farming and carbon storage in products generated in Europe. The Regulation establishes EU quality criteria and outlines monitoring and reporting processes in order to facilitate investment in innovative carbon removal technologies, as well as sustainable carbon farming solutions, while addressing greenwashing.

The European Commission has also published a [FAQ](#) on the matter.

Source: Euractiv.

Regulation on methane emissions reduction in the energy sector

On 10 April, the European Parliament adopted in provisory the text agreed with the EU Council on a Regulation on methane emissions reduction in the energy sector. The [provisional agreement](#) was reached between the European Parliament and the Council on 15 November 2023.

Source: EU website.

Environmental Crimes Directive

On 26 March, the EU Council definitely adopted the final agreement reached with the European Parliament on the Environmental Crimes Directive, which establishes criminal offences and penalties to protect the environment more effectively and end impunity for environmental crimes in the EU.

The new legislation establishes that a list of conducts that have an impact on the environment can be subject to criminal prosecution even when its author in possession of a permit in specific cases, notably where the permit has been obtained by bribery or where it violates higher legal requirements (such as environmental principles).

The new Directive also harmonises and sets minimum and maximum penalties for natural and legal persons. The directive raises the prison sentences ranging from 3 to 10 years for individuals and significant additional penalties. As far as companies are concerned, the Council introduced a fixed amount to determine fines (24 million euros or 40 million depending on the type of offence). It increases the number of environmental offences from 8 to 20 compared to the 2008 directive and sets minimum standards, allowing Member States to be more ambitious. Finally, the text improves access to justice, information, the role of civil society, the enforcement chain and cross-border cooperation in the fight against environmental crime.

The Directive must be transposed into national law within 24 months of its entry into force.

Source: EU website.

UPEI News



THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

05/04/2024 | UPEI Fuel Payments Commission

On 5 April 2024, the Fuel Payments Commission met to review the most recent developments in our sector, such as national measures implementing the revision of the



Payment Service Directive 2 (PSD2), including the guidelines on the limited network exclusion under PSD2, or the two European Commission proposals for a Payment Service Directive (PSD3) and a Payment Services Regulation (PSR), both revising the PSD2.

Attendants also discussed the latest developments in the revision of the VAT Directives (ViDA), as well as the application of the Vega International Case, giving special attention to the implementation of the VAT Committee Guidelines at national level. Roundtables on Members States latest news were organised as well.

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

17-19/04/2024 | UPEI Spring General Meeting



On 17, 18, and 19 April, UPEI Members, Associate Members and Business Partners gathered for the UPEI Spring General Meeting. The meeting was held, at the invitation and with the support of MEW and Mabanft, in Hamburg (Germany) at the Steigenberger Hamburg Hotel with some 60 delegates attending the event.

Following a visit to the Next Gate Power-to-Liquid demonstration and an informal networking dinner on 17 April, the UPEI Spring General Meeting kicked off with a first session devoted to a general overview of UPEI’s activities presented by the President, Johan Deleu, and the six Commission Chairs, highlighting UPEI’s priorities and advocacy efforts, either on its own or as a member of industry coalitions.

During the Policy Conference, participants heard and discussed with speakers Luis Cervilla, and Maria Tanou, Vice President Public Affairs, and Associate Public Affairs at Weber Shandwick, who provided an update on the EU

Policy files monitored and considered as a priority by UPEI, and Michael Unteutsch, Manager at Frontier Economics, who gave a general overview of efuels latest developments.

Roundtables and a Panel discussion on UPEI expectations from the new European institutions after the June elections, the future of the combustion engine, and next stages of the energy transition were organised afterwards, which offered further opportunities for participants to exchange useful information and opinions.

At the invitation of Mabanft, UPEI delegates and guests gathered in the evening in the Am Kai Hamburg Restaurant for UPEI’s Formal Dinner, which offered further opportunities for members to network.

During the statutory meeting on Friday 19 April, members approved the UPEI 2023 accounts, with a first debate on membership fees for 2025, and discussed on a new UPEI membership system.

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

Find all the information [here](#).



Business Partners’ Focus

Mabanft – Fuelling our tomorrow



M A B A N A F T

The Mabanft Group is a leading independent and integrated energy company providing its customers with innovative energy solutions for their transportation, heating, industrial and agricultural needs. The group is active in import, distribution and marketing of petroleum



products, natural gas liquids, chemicals and biofuels, and supports its customers' transition to cleaner fuels by providing alternative long-term solutions.

We know our customers, their markets and their needs. We are able to provide fuels and additional services to end markets. And with our readily available customer access points, we can supply alternative, lower-carbon fuels through our own supply network. Located at key hubs for international trade and domestic fuel distribution, we have an extensive (bio)fuel storage infrastructure that gives us and our customers unique import and market access at key locations in Germany, Hungary and Denmark. At the same time, we are able to manage price risk, optimise logistics and coordinate integrated supply chains. Finally, we aim to meet the growing demand for alternative fuels by building a supply pipeline with access to global supplies of alternative, lower-carbon fuels such as e-fuels, next-generation biofuels, ammonia, LPG or methanol. What's more: We are integrating upstream investments in new energy value chains into our existing logistics.

More information on Mabanaft on our [website](#) and on [LinkedIn](#).

UPEI Circulars

- 09/2024 [UPEI Board meeting Decisions & Actions](#)
- 10/2024 [UPEI Autumn General Meeting 2024 \(Rome\) Hotel Reservation](#)

UPEI Diary

May 2024

- 27/05 UPEI Retail Stations Commission Meeting.
- 30/05 UPEI Commission Chairs and Experts Brainstorming Meeting

June 2024

- 18/06 UPEI Bunkering Commission Meeting.
- 19/06 UPEI Energy Transition Commission. Webinar on Hydrogen.
- 28/06 UPEI Board Meeting.

UPEI Autumn General Meeting 2024



UPEI SPRING GENERAL MEETING
16 -18 October 2024
Rome, Italy

DEADLINE BOOKING ROOM: 15 MAY 2024