

Welcome to the 104 number of the UPEI newsletter!

Brussels News

European Commission work programme for 2023

Following its President's Speech on the State of the European Union (SOTEU) on 14 September, the European Commission presented its [work programme for 2023](#) on 18 October, titled "A Union standing firm and united". The Commission bases its programme on its analysis of three "realities" currently faced by the European Union: the need to act via a united approach to the multiplication of crises, the need to accelerate the radical transformation proposed at the beginning of the current legislature in 2019, and the need to provide EU citizens with fast reactions both to anticipate future challenges and answer the most pressing requirements, including the reduction of energy prices.



Image Source: European Commission.

The work programme is built on the six strategic priorities defined at the beginning of the current Commission mandate, and in the framework of which all initiatives are sorted. Of particular interest for UPEI are the following ones:

- Under priority "A European Green Deal":
 - (Potentially) legislative initiative on greening corporate fleets.

- EU Hydrogen Bank.
- (Targeted) revision of the legislation on chemicals (REACH).
- Under priority "An economy that works for people":
 - Revision of the Payments Services directive (PSD).

Amongst the legislative proposals already presented, the Commission proposes to give priority to conclude the negotiations on those related to the "Fit for 55" package.

The work programme does not include any piece of legislation proposal still expected for 2022, for example CO2 emission standards for heavy-duty vehicles, and a Regulation proposal on Euro 7/VII.

Source: EU website, Euractiv.

State of the EU

On 18 October, the European Commission published its annual [State of the Energy Union for 2022](#). The 2022 issue is the seventh of its kind and takes stock of the EU's energy policy response to the current energy crisis. It takes stock of energy supply and demand in the EU, diversification of energy supply, the just transition, and the impact on consumers and businesses. It details the European policy response to those challenges.



Image Source: European Commission.

The report describes the "REPowerEU" plan, that includes measures to save energy, diversify and secure supplies,



boost renewable energy deployment, and combine investments and reforms. The report's main findings are:

- All EU countries have implemented measures to tackle higher energy prices.
- The EU's gas storage reserves have surpassed 91%.
- The share of Russian pipeline gas in EU imports has dropped from 41% in 2021 to 9% in September 2022.
- Liquefied natural gas (LNG) is now a key source of supply, accounting for 32% of the EU's total net gas imports.
- The EU generated 12% of its electricity from solar from May to August 2022, and 13% from wind.
- The share of renewables in the electricity mix is expected to grow from 37% in 2021 to 69% in 2030.
- With the EU pledging more than €21 billion in the coming years for, electrolyser manufacturers in Europe have committed to increase their capacity to manufacture electrolysers tenfold, to 17.5 GW by 2025.
- In 2020, the EU surpassed its targets on emissions reduction (32%), energy efficiency (5 to 6% lower than the 20% target) and renewables (22.1%). Even if figures rebounded in 2021, they remained below pre-pandemic levels.
- After falling by more than 5% in 2020 due to COVID restrictions, fossil fuel subsidies in the EU remained fairly stable in 2021, as the increase in transport and industry was compensated by the decreasing in fossil subsidies in the energy sector.

As in past years, the report outlines the progress made towards the implementation of the European Green Deal and includes a detailed analysis of the achievement of the energy and climate 2020 targets. Finally, it outlines the EU's support to its neighbours and the new partnerships made to accelerate the global green and just energy transition.

Together with this report, the Commission is publishing [energy snapshots for each EU country](#) that provide an overview of its energy situation. The State of the energy union report is also accompanied by a wide range of detailed reports and annexes - some of which will be released in November. These reports concern:

- 2022 Report on energy subsidies in the EU; - EU Climate Action Progress 2022.

- 2022 Report on the Achievement of the 2020 Renewable Energy Targets.
- 2022 Report on the Achievement of the 2020 Energy Efficiency Targets.
- Guidance on cost-benefit sharing in cross-border renewable energy cooperation projects.
- Report on performance of support for electricity from renewable sources granted by means of tendering procedures.
- Report on Progress on competitiveness of clean energy technologies.
- Fuel quality report.
- Report on the functioning of the carbon market (ETS).

Source: EU Website.

EU Action Plan on digitalising the energy system



Image Source: European Commission.

On 18 October, the European Commission also presented an [Action Plan](#) aiming at boosting the take up of digitalisation by the energy system. The plan is built around three themes:

- helping consumers increase control over their energy use and bills through new digital tools and services, with a strong governance framework for a common European energy data space;
- controlling the energy consumption of the ICT sector including through an environmental labelling scheme for data centres, an energy label for computers, measures to increase transparency on the energy consumption of telecommunication services and an energy efficiency label for blockchains;
- strengthening the cybersecurity of energy networks through new legislation including a Network Code for



cybersecurity aspects of cross-border electricity flows under the EU Electricity Regulation and a Council Recommendation to improve the resilience of critical infrastructures.

A [proposal for a Council Recommendation](#) was published at the same time as the Action Plan, aiming at maximising and accelerating the work to protect critical infrastructure (as defined by each Member State) in three priority areas: preparedness, response and international cooperation, with focus put to the key sectors of energy, digital infrastructure, transport and space.

Source: EU Website.

EU Hydrogen Strategy



Image Source: European Commission.

As indicated in the RePowerEU Plan proposed by the European Commission on 18 May, the European Commission ambitions to have **10 million tonnes of domestic renewable hydrogen** produced and 10 million tonnes imported by 2030, to replace natural gas, coal and oil in hard-to-decarbonise industries and transport sectors.

More on these ambitions was unveiled by European Commission Executive Vice-President in a keynote speech at the opening of the Hydrogen Week on 25 October. He focused on 4 priorities:

- Accelerate investments in renewables and address lengthy permitting processes.
- Provide regulatory certainty on the definition of renewable hydrogen and the principle of additionally: since speed and substance are of utmost importance the legal instrument (delegated act or an amendment of the RED) will have to be selected based on “what works fastest”.

- Finalise the legislative work on the market design for hydrogen and on renewable targets and hydrogen sub-targets, currently in the hands of the European Parliament and the EU Council.
- Funding: since renewable hydrogen is not yet cost-competitive, public finance is needed. In this respect the next Innovation Fund Large Scale Call will be launched on 3 November, with a budget of €3 billion, with €1 billion for electrification and renewable hydrogen production and use in industry, €700 million for clean-tech manufacturing of key components for renewable energy, energy storage, and renewable hydrogen. and €300 million to support mid-sized pilot projects with deep decarbonisation potential. This will be completed by a European Hydrogen Bank that should bring more funding, and at the same time de-risk the market in Europe, both for domestically produced and imported hydrogen. The pilot phase of the Bank will start in the third quarter of 2023 with a contracts-for-difference scheme under the Innovation Fund to support 100% of the cost gap in comparison to grey hydrogen produced in the EU.

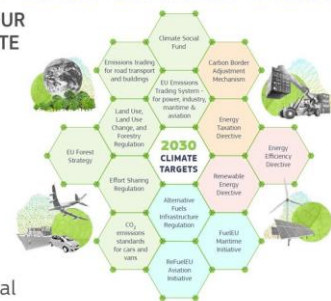
Source: European clean Hydrogen Newsletter, October 2022.

Policy updates

“Fit for 55” package

EUROPEAN GREEN DEAL

REACHING OUR 2030 CLIMATE TARGETS



#EUGreenDeal



Image Source: European Commission

In October, the European Parliament and the EU Council made progress towards the adoption of the “Fit for 55” legislative package.

In particular, the first [agreement](#) of the EU Council and the European Parliament regarding the Regulation on CO2 emission standards for car and vans was reached on 27 October.



- The targets are approved without changes to the Commission proposal:
 - 55% CO2 emission reduction target for new cars and 50% for new vans by 2030 compared to 2021 levels.
 - 100% CO2 emission reduction target for both new cars and vans by 2035.
- Based on the Council position, there will be a review in 2026,
 - the Commission will thoroughly assess the progress made towards achieving the 100% emission reduction targets and the need to review these targets, taking into account technological developments, including with regard to plug-in hybrid technologies and the importance of a viable and socially equitable transition towards zero emissions.
- The Commission will develop a common EU methodology, by 2025, for assessing the full life cycle of CO2 emissions of cars and vans placed on the EU market, as well as for the fuels and energy consumed by these vehicles. Based on this methodology, manufacturers may, on a voluntary basis, report to the Commission on the life cycle emissions of the new vehicles they place on the market.
- The Recital 9a included in the Council General Approach has been kept: “Following consultation with stakeholders, the Commission will make a proposal for registering after 2035 vehicles running exclusively on CO2 neutral fuels in conformity with EU law, outside the scope of the fleet standards, and in conformity with the Union’s climate neutrality objective”. However, as a recital, it is not legally binding.

Both the Council and the European Parliament completed their respective internal discussions and adopted their General Approach or Report, respectively, providing the green light to start their trilogue negotiations on the following pieces of legislation:

- Revision of the Renewable Energy directive (RED III): trilogue started on 6 October; a second is planned for 9 November.
- Alternative Fuels Infrastructure Regulation (AFIR): trilogue started on 27 October; a second meeting is planned for 30 November.

- FuelEU Maritime: trilogue started on 27 October; the second meeting date has not been agreed yet.
- ReFuelEu Aviation: two trilogue meetings took place (on 8 September and on 13 October; a third one is scheduled for 8 December.
- Revision of the Emission Trading scheme (ETS): two trilogue meetings took place (on 11 July and on 10 October); a third one is scheduled on 10 November.

It is likely that the trilogues might be completed - and therefore the final legislative texts adopted and published - before end 2022, still under Czech Presidency.

Source: Weber Shandwick

UPEI NEWS

20-21/10/2022 | UPEI Autumn General Meeting 2022



On 20 and 21 October, UPEI members, associate member and business partners gathered for the first in-person [UPEI Autumn General Meeting](#) since 2019. The meeting was held in Dublin at the Clontarf Castle and was the occasion to celebrate UPEI’s 60th anniversary with the participation of former Presidents and members of the Secretariat staff. Some 45 delegates attended the event.

Following an informal networking dinner downtown Dublin on 19 October, the first morning was devoted to a general overview of current UPEI’s activities presented by the President, the five Commission Chairs and the Secretary General, highlighting the numerous EU policy files monitored by UPEI and the topics where UPEI actively advocates, either on its own or as a member of industry coalitions.



During the Policy Conference, participants heard and discussed with speakers from DCC on “[Leading with Energy](#)”, from bft on “[Efuels: a campaign not just for Germany](#)”, from AVIA/Schätzle on “[The Swiss Hydrogen Eco-system](#)” and from Weber Shandwick on “[Recent EU legislative developments](#)”. Each presentation was followed by an active Q&As session, and completed by a panel debate moderated by Weber Shandwick, focusing on the current energy crisis and ways to overcome it. The afternoon was concluded by a presentation of the reviewed UPEI Vision for 2050 by the Secretary General.

UPEI delegates and guests gathered in the evening at the invitation of DCC in the Clontarf Castle for UPEI’s 60th anniversary Formal Dinner, marked by tributes to the past, present, and future of UPEI and a quiz.

During the statutory meeting on Friday 21, members adopted the budget for 2023, with in terms of revenue includes a membership and associate membership fee increase of 5% to take into account the inflation, expected to be 6.5% in 2023 in Belgium. They also extended until the end of his mandate as Board member (31 December 2023) the function of Johan Deleu as President of UPEI.

Finally, the Oil Market Journal provided a market overview with a focus on the [Russian Oil Supply](#), following by Q&As.

04/10/2022 | UPEI Retail Stations Commission

The latest UPEI Retail Stations Commission meeting addressed the state of play of the issues that are considered a priority for UPEI. In particular, the European Parliament and the Council positions on the most relevant “Fit for 55” package files, such as the Alternative Fuels Infrastructure Regulation (AFIR), the Review of CO2 emission standards for light-duty vehicles or the upcoming review of CO2 emission standards for heavy-duty vehicles. After a discussion on the EU Future Mobility Strategy, and an agreement for UPEI to be more involved, the Secretariat gave an overview of the upcoming EU embargo on Russian fuels, and delegates discussed national developments with regards to governmental measures on fuel prices.

Participants heard and discussed a presentation from Energex on [\(Un\)security of Oil Supply](#), based on a study carried out for MEW.

The next meeting is scheduled to take place at the end of 2022 or the beginning of 2023, via online.

Find all the information [here](#).

18/10/2022 | UPEI Joint Heating Commission

On 18 October, the Joint Heating Commission met under the chairmanship of Eurofuel, in a hybrid format. Topics on the agenda included:

- Availability of products/security of supply.
- Contrasted evolution of the image of the oil industry.
- Review of EU legislation currently in the preparatory phase.
- Possible common lobbying/advocacy activities.
- Preparation of a joint brochure on demand and offer of low carbon and renewable liquid fuels for heating.
- Presentation by associations of initiatives of common interest.

Participants also discussed about a draft joint position paper on the Revision of the Energy Efficiency of Buildings Directive (EPBD), which was submitted to each association for comments, a draft structure for a common brochure on the demand and offer for low carbon and renewable liquid fuels for heating and heard about national initiatives related to green fuels ready label for boilers, burners and components, developed together with boiler and component manufacturers.

Find all the information [here](#).

Source: UPEI Secretariat, Eurofuel.

Fuel Payments Commission – International Vega Case

On 21 October, the European Commission DG TAXUD made public a [working paper](#) previously shared with the Member States, related to the EU Court of Justice’s Vega International case on fuel cards. The objective of this working paper is to reach a consensus between the Member States on the application of the VAT Directive to fuel cards based on the Court’s ruling, essentially to agree on whether the fuel cards business consists of providing a service or a good.

The Commission services analysis (as detailed in the working paper) could - if accepted by the Member States - be a fundamental threat to the fuel cards issuers. The UPEI Fuel Payments Commission will therefore meet on 8 November online to discuss the matter and agree on following up actions towards the EU and the Member States.



Interactions with the EU: UPEI joins the RLCF Alliance

On 28 October, UPEI received via letter from the Director General of the European Commission's DG MOVE (Mobility and Transport) a confirmation of its membership in the [Renewable and Low-Carbon Fuels Value Chain Industrial Alliance](#) established by the European Commission in April 2022. The objective of this new Alliance is to ensure that aviation and waterborne transport have sufficient access to renewable and low carbon fuels, while considering the future use of these fuels in road transport, and thus contributing to a reduction in the transport sector's greenhouse gas (GHG) emissions by 90% by 2050.



The Alliance has created four Roundtables:

- Roundtable 1 - The availability of feedstocks, synergies among sectors and the so-called "Just transition".
- Roundtable 2 - Production pathways and value chain – Aviation.
- Roundtable 3 - Production pathways and value chain – Waterborne Transport.
- Roundtable 4 - Access to public and private finance.

UPEI has send a candidature to designate an expert in Roundtable 3 and is waiting for the European Commission decision.

BUSINESS PARTNERS' FOCUS

RMC Service GmbH



RMC Service GmbH is an Austrian mobility service provider with headquarters in Salzburg, which offers its services throughout Europe. Starting with cashless fuel

supply, toll bills and VAT refunds through to roadside assistance and fine payments can be processed via RMC.

RMC was created in 2021 as part of a merger between the two well-known and long-established fuel card providers dts and Wölfl and relies heavily on digitization and automation. In the meantime, it is also possible to pay cashless and without a fuel card via mobile phone in Europe via RMC...



Find more information about RMC Service [here](#).

UPEI Circulars

13/2022 [UPEI Autumn General Meeting 2022. Final arrangements.](#)

UPEI Diary

November 2022

08/11 UPEI Fuel Payments Commission meeting.

December 2022

TBC UPEI Bunkering Commission meeting.
12/12 UPEI Fuel Payments Commission meeting.
16/12 UPEI Board meeting.

February 2023

01/02 UPEI Joint Heating Commission meeting.

April 2023

20-21/04 UPEI Spring General Meeting 2023.