MEMBERS' NEWSLETTER

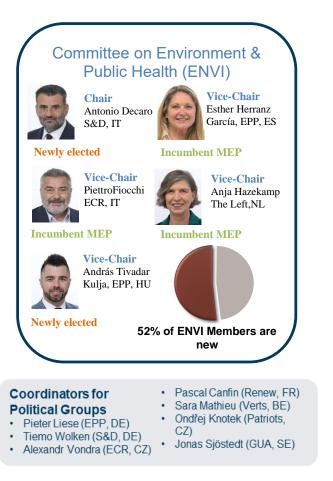


🔆 July – August 2024 | N. 124

Welcome to the 124th edition of the UPEI Newsletter!

Following the June elections for the European Parliament, the European Union continued to organise itself for the new parliamentary term 2024-2029.

The European Parliament held its constitutive plenary session in Strasbourg on 16-19 July, during which it elected its President, Vice-Presidents, Bureau, and the members, chairs, and political coordinators of each of its committees. Of particularly importance for UPEI are the ITRE (industry, energy, and research), the ENVI (environment and public health), and the TRAN (transport). The main players can be seen here:







Coordinators for Political Groups • Jens Gieseke (EPP, DE) • Johan Danielsson (S&D, SE)	:	Jan-Christoph Oetjen (Renew, DE) Kai Tegethoff (Verts, DE) Siegbert Frank Does (ESN, DE) Meria Kylonen (GLIA, El)	
Roberts Zile (ECR, LV)	•	Merja Kyllonen (GUA, FI)	

Infographics' source: Weber Shandwick.

During this plenary session, the European Parliament also elected Ms von der Leyen as President-elect of the European Commission, after hearing and discussing her "Political Guidelines" (see article below). Following her presentation, a debate occurred with the MEPs, which can be streamed <u>here</u>. She received 401 votes in favour, 284 against, and 15 abstentions (and 7 void votes), whereas the absolute majority is 361.

She immediately started liaising with the Member States to receive candidate names. On 29 August, she had received the name of candidates from 24 Member States; Belgium, Bulgaria, and Italy's candidates were still missing.

The next steps are going to be the following:

- On 2nd September (date to be confirmed) the President-elect will share an organigramme of the new Commission, assigning a portfolio (trade, agriculture, energy, etc...) to each candidate. This step is submitted to very intense negotiations with the Member States.
- In September/October and maybe November, each candidate will be submitted to a hearing by the European Parliament's committee of most relevance to their portfolio, after which the Parliament will issue a report, highlighting whether the candidate is an appropriate nomination both to be a member of the College of Commissioners, and for their particular portfolio. This will be in the format of an assessment, based on which the President-elect can re-consider either the nomination as a whole or the specific portfolio assigned.
- In November or December, upon the conclusion of the hearings, the Parliament will be called to vote on the European Commission as a whole, who, after the formal nomination by the European Council, can start executing its mandate. June was dominated by the elections for a new European Parliament, that took place from 6 to 9 in each of the 27 Member States if the EU. There were 720 MEPs to elect, following a

redistribution of seats after the exit of the United Kingdom.

Source: Weber Shandwick and UPEI Secretariat.

Brussels News

European Commission-elect Political Guidelines

EUROPE'S CHOICE	
POLITICAL GUIDELINES FOR THE NEXT EUROPEAN COMMISSION 2024-2029	
Ursula von der Leyen Candidate for the European Commission President	
	Strasbourg 18 July 2024

Image Source: European Commission website.

On 18 July, the candidate designated for the position of European Commission President, Ms. von der Leyen, presented her <u>Political Guidelines</u> to the European Parliament which will define the new President's priorities for 2025-2029.

The following ones are the most relevant to UPEI:

European Competitiveness

- Reduction of administrative burden: each Commissioner will be tasked with focusing on reducing administrative burdens and simplifying implementation, as a way of reducing red tape and reporting.
- A new Vice-President for Implementation, Simplification, and Interinstitutional relations to 'stress test the EU acquis'.
- Upcoming proposals to simplify and codify legislation, as well as to harmonise national laws that complicate business deployment across the EU, with a view to reducing businesses' costs to failure.



- A new 'SME and competitiveness check' across new proposals, to ensure no additional administrative burden.
- A new 'European Competitiveness Fund', as part of the new Multiannual Financial Framework, focusing on strategic sectors.
- Expansion of research spending, in alignment with the new strategic priorities, through expanding the European Research Council and the European Innovation Council.
- Investment: the new Commission will seek to be an 'investment' Commission, through measures such as:
- Putting in place risk-absorbing measures to make it easier for companies to obtain finance by banks, investors, and venture capital.
- Review the Public Procurement Directive, to give preference to European products in public procurement for strategic sectors.

Environment, Energy & Climate

The new Commission must 'stay the course' on all the goals previously set out in the 2019-2024 mandate, 'including those set out in the European Green Deal'.

- A new 'Clean and Industrial Deal' will be deployed 'in the first 100 days of the mandate' with a view to enhancing EU competitiveness. This will aim to speed up decarbonisation and bring down energy prices.
- The new Commission will continue to support the implementation of the existing legal framework for 2030. A proposal to enshrine the 90% emissions reduction target in the European Climate Law will be prepared. The Commission will also define the EU energy & climate vision ahead of COP30 in Brazil.
- In terms of investments, the Commission, will scale up investments in clean energy infrastructure (renewables, low-carbon tech, grid infrastructure, storage capacity, and carbon capture and utilisation -CCU - infrastructure).
- A new aggregate demand mechanism to go beyond gas and include hydrogen and critical raw materials.
- Finally, her political priorities allude to a targeted amendment in favour of e-fuels to the LDV standards, to ensure 'a technology-neutral approach, in which efuels have a role to play through a targeted

amendment of the regulation as part of the foreseen review.'

- A new Industrial Decarbonisation Accelerator Act, which will support companies (particularly in energyintensive sectors) with investments in development, production, and diffusion in clean tech industry, and speed up planning & permitting.
- To further reduce dependencies on fossil fuels, the new Commission will work on developing 'the governance needed' for a 'true Energy Union'.
- A new European Climate Adaptation Plan, to support Member States notably on preparedness and planning and ensure regular science-based risk assessments.

Source: Weber Shandwick website.

Policy updates



Image Source: European Commission website.

CO2 Storage

On 23 July 2024, the European Commission published four revised Guidance Documents supporting the implementation of Directive 2009/31/EC on the geological storage of carbon dioxide (CCS Directive). These updates aim to streamline permitting procedures and support sustainable CO2 storage solutions.

The updates provide Member States with enhanced guidance on identifying suitable geological areas for CO2 storage and adopting a balanced, risk-based approach for financial provisions for storage permits. Key updates focus on new CO2 storage technologies in mafic/basalt rocks



and depleted hydrocarbon reservoirs, carbon capture and storage (CCS) value chain aspects, corrosion and safety issues, and the regulatory transition from hydrocarbon production to CO2 storage. The documents also provide additional guidance for Member States in determining geological areas suitable for CO2 storage or exploration.

The updates are the first step in providing guidance for specific permitting processes for Member States toward establishing an EU market for CO2 storage services and to attract investments to this emerging industry, in line with the <u>Industrial Carbon Management (ICM) strategy</u>.

Furthermore, this additional guidance is particularly relevant to the recent implementation of the <u>Net Zero</u> <u>Industry Act (NZIA) regulation</u>, which recognises CCS as a strategic net-zero technology. The Act sets an EU-wide objective of fifty million tonnes of annual CO2 injection capacity to be made available by 2030, and a corresponding obligation for oil and gas companies to contribute to the achievement of this objective. NZIA also introduces a requirement for Member States to make all geological data related to potential CO2 storage sites publicly available.

To explain the main changes and address questions from the consultation period, the European Commission will hold in-person capacity-building workshops on 17 and 19 September, which will also be live-streamed. More information about the technical update of the CCS Directive Guidance Documents can be found on the EU website. Registration can be made via this <u>form</u>.

More reading:

- The Net Zero Industry Act
- Carbon Capture and Storage Directive
- Industrial Carbon Management
- <u>Press Release: Commission sets out how to</u> <u>sustainably capture, store and use carbon to reach</u> <u>climate neutrality by 2050</u>
- Q&A: Industrial Carbon Management

Source: Weber Shandwick website.

FuelEU Maritime Regulation

On 23 July, the European Commission published a set of Q&As, based on questions put forward by stakeholders, on the implementation of the FuelEU Maritime Regulation. The Q&As follows an article by article (and annexes) approach and covers definitions of terms used, issues linked primary obligations and timelines, requirements for energy use on board by ships, onshore

power supply, and the certification of fuels and emission factors, among other topics. Further questions and answers, for other Regulation Articles, will be published later.

The questions and answers were prepared by the European Commission's Directorate-General for Mobility and Transport and do not commit the European Commission. They do not alter the legal effects of the legal text.

Source: EU website.

EU SAF Clearing House

On 9 July, the EU Aviation Safety Agency (EASA) announced that the EU SAF Clearing House is now operating, which mission is to remove as many barriers as possible to support the EU & International deployment of SAFs as well as the approval of new SAF pathways.

The EU SAF Clearing House acts as a one-stop-shop to provide fuel producers with everything that is required for an efficient evaluation against the ASTM D4054 standard, including "pre-screening", partial funding for testing, and report writing.

For the aviation industry to meet its decarbonisation targets and mandates, a substantial increase in SAF supply will be required. SAF currently represents less than 0.05% of total EU aviation fuel use. A diverse variety of fuel production pathways and feedstocks will be key to achieve those targets.

To be used in commercial aircraft, drop-in SAF must go through an exhaustive approval process to fulfill strict certification criteria and prove that their physical and chemical characteristics are almost identical to fossilbased jet fuel and can therefore be safely blended. This enables SAF to be used within the existing global fleet and does not require any adaptation to the aircraft or fuel supply infrastructure.

The project of the EU SAF clearing House is funded by the European Union and managed by EASA. It will establish a network of European and international testing facilities and, in addition to the evaluation services, guide fuel producers in assessing the environmental impacts of their products and in meeting strict eligibility criteria.

The website of the project will be available soon at <u>www.eusafclearinghouse.eu</u> and more information can be obtained at: <u>info@eusafclearinghouse.eu</u>.



See also an infographic overview of the <u>services of the EU</u> <u>SAF Clearing House</u>.

Source: EASA website.

EU Hydrogen Policy



Image Source: European Commission website.

EU SAF Clearing House

• Publications on the EU Official Journal

Both the <u>Gas and Hydrogen Package</u> Regulation and the Regulation on the <u>reduction of methane emissions in the</u> <u>energy sector</u> were published on the EU Official Journal on 15 July.

Source: EU Official website.

• Report by the European Court of Auditors (ECA)

The European Court of Auditors has published a <u>Special</u> report 11/2024: The EU's industrial policy on renewable hydrogen – Legal framework has been mostly adopted – time for a reality check.

In this report, the Court considers that the EU has had mixed success in providing the building blocks for the emerging renewable hydrogen market. While the European Commission has taken a number of positive steps, challenges remain all along the hydrogen value chain, and the EU is unlikely to meet its 2030 targets for the production and import of renewable hydrogen. The auditors call for a reality check to ensure that the EU's targets are realistic, and that its strategic choices on the way ahead will not impair the competitiveness of key industries or create new dependencies.

The European Commission set overly ambitious targets for the production and import of renewable hydrogen, i.e. ten million tonnes each by 2030. These targets were not based on a robust analysis but were driven by political will. Moreover, achieving them has had a bumpy start. Member States' differing ambitions were not always aligned with the targets. Moreover, in coordinating with the Member States and industry, the Commission failed to ensure that all parties were pulling in the same direction.

On the other hand, the auditors give credit to the Commission for proposing most legal acts within a brief period: the legal framework is almost complete and has provided certainty that is key to establishing a new market. However, agreeing on the rules that define renewable hydrogen took time, and many investment decisions were deferred. Project developers also defer investment decisions because supply depends on demand, and vice versa.

Building up an EU hydrogen industry requires massive public and private and investment, but the Commission does not have a full overview of needs or of the public funding available. At the same time, EU funding – estimated by the auditors at 18.8 billion euros for the 2021-2027 period – is scattered between several programmes, thus making it difficult for companies to determine the type of funding best suited for a given project. The bulk of EU funding is used by those member states with a high share of hard-to-decarbonise industry, and which are also more advanced in terms of planned projects, i.e. Germany, Spain, France, and the Netherlands.

However, there is still no guarantee that the EU's hydrogen production potential can be fully harnessed, or that public funding will allow the EU to transport green hydrogen across the bloc from countries with good production potential to those with high industrial demand.

The auditors call on the Commission to update its hydrogen strategy, based on a careful assessment of three important areas: how to calibrate market incentives for renewable hydrogen production and use; how to prioritise scarce EU funding and which parts of the value chain to focus on; and which industries the EU wants to keep and at what price, given the geopolitical implications of EU production compared to imports from non-EU countries.

Source: ECA website.

Hydrogen Valleys

The European Commission has published a Staff Working Document Towards a roadmap for accelerating the



deployment of Hydrogen Valleys across Europe: challenges and opportunities.

This Staff Working Document follows-up on the Joint Declaration on Hydrogen Valleys of 2023 by analysing the challenges and opportunities for accelerating the deployment of Hydrogen Valleys across Europe. The lessons learned may also be useful in terms of speeding up global deployment and assist in facilitating the necessary interconnections of Hydrogen Valleys both on land and at sea.

In the Joint Declaration on Hydrogen Valleys signed with leading hydrogen stakeholders in March 2023, the Commission announced a Roadmap for accelerating the deployment of Hydro-gen Valleys across Europe. Through a public consultation, stakeholders highlighted the key challenges and opportunities for the renewable hydrogen sector. This Staff Working Document takes stock of the achievements to date, and outlines the strategic priorities and actions being implemented to have at least 50 Hydrogen Valleys under construction or operational by 2030 within the EU.

Source: EU website.

• Standardisation

The CEN and CENELEC Technical Boards (BTs) have decided to create a CEN and CENELEC Coordination Group on Hydrogen (CEN-CLC/COG H2). The aim is to ensure more coherence across the complete set of hydrogen standards. CEN and CENELEC Members are invited to nominate representatives to the coordination group.

The primary objective of establishing the CEN and CENELEC Coordination Group on Hydrogen is to have more coordination on hydrogen standardization across the entire value chain, while considering the effective structures already in place. Comprehensive coordination is essential in order to avoid overlaps and duplication of work, identify gaps, and allocate work where needed. The group aims to establish coordination mechanisms between technical bodies to enable the effective running and allocation of standardization activities on hydrogen. The activities will foster and contribute to the implementation of the EU Hydrogen Strategy, supporting the further development of hydrogen production, transmission, storage and distribution infrastructures, as well as industry use and end-use appliances throughout the EU.

The kick-off meeting of CEN-CLC/COG H2 will take place on 29 August 2024. The first, virtual session will be followed by a second meeting in Berlin on 24 and 25 October 2024. <u>DIN, the German Institute for</u> Standardization.

Source: CEN-Cenelec website.

Implementing measures

On 10 July was published on the EU Official Journal a <u>Commission Implementing Decision</u> amending the 2020 Decision as regards the total quantities of cancelled EU ETS allowances that may be taken into account for certain Member States' compliance with the 2018 Regulation on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030.

Source: EU Official Journal.

European Commission Consultation on the revision of the Common Method to compare the performance of heavy-duty vehicles CO2 emissions and fuel consumption

On 1st August, the European Commission closed a <u>consultation</u> on the revision of the Common Method to compare the performance of heavy-duty vehicles CO2 emissions and fuel consumption.

Commission Regulation (EU) 2017/24002 introduced a common method to compare the performance of heavyduty vehicles placed on the EU market as regards their CO2 emissions and fuel consumption. It lays down provisions for the certification of components with an impact on CO2 emissions and fuel consumption of heavyduty vehicles, introduces a simulation tool to determine and declare CO2 emissions and fuel consumption of those vehicles, and lays down, inter alia, requirements for Member States' authorities and manufacturers to verify the conformity of the certification of the components and the conformity of the simulation tool operation.

The scope of this Regulation was expanded by Commission Regulation (EU) 2022/13793 to cover medium lorries and heavy buses and to add new technologies such as hybrid and pure electric vehicles, dual-fuel vehicles, and waste heat recovery.

The European Commission consulted stakeholders on an amendment that will adapt the regulation to this new scope and modify the methodology to include vehicles running on hydrogen and other new technologies and to improve, correct, and clarify the existing procedure.



Source: EU Website.

New European Commission Calls

On 2 August, the European Commission published three calls for comments related to:

- <u>Greenhouse gas emissions from offshore ships and</u> <u>zero-rating of sustainable fuels – monitoring and</u> <u>reporting (update)</u>. This Delegated Regulation amends Annexes I and II to Regulation (EU) 2015/757 on the monitoring, reporting and verification of greenhouse gas emissions. The Delegated Regulation clarifies the requirements for offshore ships and updates the rules applicable to sustainable fuels. Commission adoption planned for Q4 2024.
- <u>Renewable fuels</u> <u>sustainability certification</u> (<u>update of implementing act</u>): Voluntary and national certification schemes help to demonstrate compliance with EU rules to check sustainability and greenhouse gas emissions saving criteria for renewable fuels. These detailed rules are set out in Commission Implementing Regulation (EU) 996/2022. This initiative will revise the rules and standards on reliability, transparency, independent auditing, and supervision of certification bodies. Commission adoption planned for Q4 2024.
- <u>Renewable fuels</u> accreditation of certification <u>bodies (update of implementing act</u>): Voluntary and national certification schemes help to demonstrate compliance with EU rules to check sustainability and greenhouse gas emissions savings criteria for renewable fuels. These detailed rules are set out in Commission Implementing Regulation (EU) 996/2022. This initiative will revise the rules on the accreditation of certification bodies. Commission adoption planned for Q4 2024.

Source: EU Website.

EU Transport infrastructures investments

On 17 July, the European Commission informed that it has selected 134 transport projects to receive over €7 billion in EU grants from the <u>Connecting Europe Facility</u> (CEF), the EU's instrument for strategic investment in infrastructure.

Around 83% will support projects that deliver on the EU's climate objectives, improving and modernising the EU network of railways, inland waterways, and maritime

routes along the <u>trans-European transport (TEN-T)</u> <u>network</u>.

- Around twenty maritime ports in Ireland, Spain, Finland, the Netherlands, Germany, Malta, Lithuania, Cyprus, Croatia, Greece, and Poland will receive support for infrastructure upgrades, some of which will enable them to supply shore-side electricity to ships, or transport renewable energy.
- Work on inland waterway infrastructure will improve cross-border connections between France and Belgium in the Seine-Scheldt basin, and between Romania and Bulgaria on the Danube. Inland ports in Austria, Germany and the Netherlands will also receive funding, so that they may continue to promote Europe's network of rivers and canals for sustainable transport.
- For road transport, launching cooperative Intelligent Transport Systems and Services (ITS) and creating new, safe, and secure parking areas will increase safety for individuals and professionals alike.
- Air traffic management projects will continue to develop a Single European Sky so that air transport becomes more efficient, safer, and more sustainable.

Next steps: following the approval of the list of 134 projects by the Member States, the Commission will officially adopt the financing decision and the European Climate, Infrastructure and Environment Executive Agency (<u>CINEA</u>) will then start preparing grant agreements.

The results are provisional and will only become definitive once the Commission adopts the corresponding award decision.

Background: The 134 projects have been selected from a total of 408 applications submitted under this call for proposals, which closed on 18 January 2024. EU funding will take the form of grants, which will be used to co-finance total project costs. Under the <u>CEF Transport</u> programme for 2021-2027, €25.8 billion are available for grants to co-fund TEN-T projects in the Member States. Since 2014, CEF has <u>supported over 1,500 projects</u> with €37.5 billion in the transport sector (excluding to projects selected today).

Also, on 18 July, an <u>updated TEN-T Regulation</u> started enhancing efforts to create a sustainable and resilient transport network within the EU. It encourages sustainable transport modes, digitalisation, and



multimodality, while addressing climate challenges and military mobility.

More information is available here

Source: EU website.

Standardization

The CEN has started a project aiming at establishing guidelines and criteria for products produced without burning fossil fuels. It will outline requirements for manufacturing processes and energy use, including:

- Producing all product components without using fossil fuels.
- Operating production facilities solely on renewable energy.
- Demonstrating renewable energy use in manufacturing and transport.
- Banning the incineration of hydrocarbon-based waste for energy at production sites.
- Allowing the use of hydrocarbon-based materials if not burned in production.

A more comprehensive description of the project is to be found <u>here</u>. A kick-off meeting of the workshop took place on 8 August: the agenda is available <u>here</u>.

Source: CEN-Cenelec website.

UPEI News



THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

29/08/2024 | UPEI Retail Heating Commission Meeting

The Retail Heating commission met on 29 August 2024 to address the state of play of the issues which are considered a priority for UPEI. In this respect, the Secretariat followed up on the Commissions' Chairs an Experts brainstorming meeting on 30 May 2024, presented the first elements (political guidelines) of the new Parliamentary term (2024-2029), and gave an overview of adopted and pending legislation. A discussion on national developments followed, focusing on restrictions on the use of heating oil. The commission also review the agenda for the Joint Heating Commission Meeting scheduled for 13 September 2024 and build UPEI's position on the topics covered in.

You may find all the information available on the <u>UPEI</u> dedicated website.

Business Partners' Focus

Instantic



Instantic was the first to launch a unique cardless mobile solution for payment authorisation back in 2013. Today, the solution has evolved in what we know as FuelCode[™] that is market proven forecourt B2B mobile payment method with a range of BMS and ERP tools to choose from.

Besides, it can easily replace or add a digital solution to already existing plastic fleet cards. As more businesses join Instantic, it creates a vast ecosystem for additional sales and network spanning, directly connecting fuel retail - fleet card - CRT businesses.

Beyond FuelCode, Instantic offers a comprehensive suite of digital solutions. Our platform supports fuel retailers and CRT companies in enhancing customer management, streamlining accounting processes, and implementing custom purchase rules that fit their specific operational requirements.

Our team brings a wealth of experience to the table. Based on Founder and CEO, Gundars Ozols, previous successful fuel card business, we've now transitioned to



developing solutions that better align with the industry. With an industry experience of 20 years and understanding all ins and outs, Instantic has created tools that reduce card administration costs by more than 30%.

≡instantic Intelligent Fuel Retail Management Platform



instantic.com

We invite you to connect with our team on <u>LinkedIn</u> or visit our <u>website</u> to learn more about how Instantic can support your business.

UPEI Circulars

14/2024 UPEI Board Meeting 28/06 – 08/07/2028 Decisions & Actions

UPEI Diary

September 2024

- 10/09 UPEI Retail Stations Commission
- 12/09 UPEI Energy Transition Commission
- 16/09 UPEI ITW Commission
- 17/09 Weber Shandwick EU Regulatory Update
- 24/09 UPEI Board Meeting
- 26/09 UPEI Bunkering Commission

October 2024

- 01/10 UPEI Commissions' Update
- 16-18/10 UPEI Autumn General Meeting

UPEI Autumn General Meeting 2024

