

## Welcome to the 123<sup>rd</sup> edition of the UPEI Newsletter!



*Image Source: European Parliament website.*

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 of the EU. There were 720 MEPs to elect, following a redistribution of seats after the exit of the United Kingdom.

The turnout was for the second time slightly higher than five years before: 51.05% against 50.66% in 2019 and 42.61% in 2014.

Based on an analysis of Weber Shandwick at the UPEI regulatory update on 21 June, the following outcome can be noted:

- The centre-right European People's Party (EPP) and the centre-left Socialists and Democrats are the first and the second political groups in the European parliament and together have a relative majority of the votes in the Parliament. This means that a pro-European, and a relatively pro-Green Deal stance is expected to be maintained by the Parliament's majority.
- The Liberals (Renew) and the Greens have spotted the biggest losses, with a significant reduction number of seats in the Parliament.
- The far-right parties gained less support than what was expected in the polls, although larger Member

States (e.g. France, Germany, Austria, Italy) saw a consistent increase in the percentages gained. To add, once the still numerous non-affiliated MEPs position themselves in political groups, this might mean that the Eurosceptic parties (ECR/ID) overtake the Liberals and the Greens in their presence in the Parliament - which could, in turn, lead to a shift towards less 'ambitious' environmental legislation.

- A regular update on the constitution of the political groups is available on the website of the [European Parliament](#).
- It is also interesting to note that, in the Parliament's Environment and Industry Committees, both responsible for the relevant files of the EU energy, climate, transport and industry policies, and likely to be the leading Committees on future environmental legislation, a balance has been achieved between newly elected MEPs, and incumbent 'heavy-weights' - meaning that many influential MEPs that have a history on energy and environment files have maintained their positions. It remains to be seen whether they will choose to remain in the same Committees.

Following the elections, the next steps in the institutional process are:



*Image Source: European Council website.*



- The European Parliament will hold its constitutive plenary session in Strasbourg on 16-19 July. The session is crucial to any future engagements with the Parliament, as, beyond electing its leadership (Presidents, Vice-Presidents, Bureau etc), the Parliament will also approve the membership of each of its committees, which is currently under negotiation amongst the political groups. Following the plenary session, the names of all MEPs expected to work on files of interest in the next five years will be known.
- On 27, the European Council agreed upon a series of nominations:
- European Commission President: The incumbent Ursula Von der Leyen (Germany, European People's Party) has been put forward by the European Council as its candidate. Having been nominated on behalf of the European Council, she will now need to obtain 361 votes from the European Parliament in order to take on the role. The vote is likely to take place during the first Plenary of the European Parliament (16-19 July).
- European Council President: Antonio Costa (Portugal, Socialists & Democrats) has been elected President of the European Council for a two- and half-year term, with the possibility of renewal once. He will now coordinate the work of the Heads of States and represent the European Council externally.
- High Representative for Foreign Affairs and Security Policy/Vice President of the European Commission: Kaja Kallas (Estonia, Renew) was proposed as the HR/VP. If she is approved by the designated President of the European Commission, she will then be scrutinised by the Parliament in a dedicated hearing (likely to take place in September – October).
- After the Commission President has been approved by the Parliament, every Member State will propose to the Commission President-elect one or two Commissioner-candidate to take up a portfolio.
- Following their nominations for Commissioner and their assignment to a portfolio (trade, agriculture, energy, etc...) by the President-elect of the Commission, every Commissioner-candidate will be subject to a hearing by the European Parliament committee of most relevance to their portfolio. The hearings are expected to take place in September-October 2024.

- After the hearings, the Parliament will then 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 profile. This will be in the format of an 'assessment', based on which the President of the Commissioner can re-consider either the nomination as a whole or the specific portfolio assigned.
- Upon the conclusion of the hearings, the Parliament will be called to vote on the European Commission as a whole. This final vote is expected to take place in November or December.

Source: Weber Shandwick.

## Brussels News

### European Council Strategic Agenda 2024-2029



Image Source: European Council website.

Every five years, the European Council agrees upon a new strategic agenda to guide the work and priorities of EU institutions for the upcoming mandate. On 27 June, the Euro-pean Council adopted its [agenda](#) for 2024-2029, based on three pillars: a free and democratic Europe; a strong and secure Europe; a prosperous and competitive Europe. In the new global political landscape, the strategic agenda aims to make Europe more sovereign and better equipped to deal with the future challenges.

In terms of competitiveness, the agenda sets out the following priorities:

- reinforce the EU's sovereignty in strategic sectors and make Europe a techno-logical and industrial powerhouse, while promoting an open economy.
- close growth, productivity and innovation gaps with international partners and main competitors. This requires a significant collective investment effort,



mobilising both public and private funding, including through the European Investment Bank.

- strengthen economic security, reduce harmful dependencies and diversify and secure strategic supply chains, including by enhancing our maritime security.
- build up own capacity in sensitive sectors and key technologies of the future, such as defence, space, artificial intelligence, quantum technologies, semiconductors, 5G/6G, health, biotechnologies, net-zero technologies, mobility, pharmaceuticals, chemicals and advanced materials.
- promote innovation and research, as well as leveraging tools such as public procurement, is crucial in this endeavour.

In terms of climate policy, the European Council indicates:

*“On our path to climate neutrality by 2050, we will be pragmatic and harness the potential of the green and digital transitions to create the markets, industries and high-quality jobs of the future. We will provide a stable and predictable framework and create a more supportive environment for scaling up Europe’s manufacturing capacity for net-zero technologies and products.*

*We will invest in ample cross-border infrastructure for energy, water, transport and communications.*

*We will pursue a just and fair climate transition, with the aim of staying competitive globally and increasing our energy sovereignty. Accelerating the energy transition, we will build a genuine energy union, securing the supply of abundant, affordable and clean energy. This will require ambitious electrification using all net-zero- and low carbon solutions, and investment in grids, storage and interconnections.*

*We will develop a more circular and resource-efficient economy, driving forward the industrial development of clean technologies, reaping the full benefits of the bioeconomy, embracing clean and smart mobility with adequate network infrastructure. This will increase real income and purchasing power, thereby improving living standards for all EU citizens”.*

Source: European Council website.

## Priorities of the Hungarian Presidency (July-December)



Image Source: Hungarian Presidency of the European Council website.

Hungary has made its [priorities and work programme public](#). It will be limited in terms of legislative outcomes, as its timeframe will mostly encompass the transition of the EU institutions. Very little substantial legislative changes are expected. Below are the priorities of the Presidency with regards to EU energy policy:

- **Industrial competitiveness:** the overarching principle of the Presidency is facilitating a new European Competitiveness Deal, underpinned by a ‘technology-neutral industrial strategy.’ Hungary’s intention is to underpin this principle throughout all the files, but with particular focus on energy policy.
- **Energy taxation:** while the Energy Taxation Directive is not mentioned as a priority an early version of the meetings’ agendas of the Presidency has leaked, which shows an upcoming presentation of progress report on 10 December 2024. This could mean that the Presidency is not ready yet to initiate negotiations on the file but is ready to set the ground for the next Presidency (Poland).
- **2040 targets:** the Presidency will work towards ‘defining an ambitious, yet achievable, intermediate 2040 climate goal that guarantees that no citizen or Member State is left behind while ensuring the competitiveness and the security of energy supply of the EU throughout the green and just transition’.
- **“Fit for 55” package:** The presidency will monitor the implementation closely and will monitor the cooperation between Member States and the Commission on National Energy and Climate Plans.





- **Geothermal energy:** The Presidency will seek to adopt conclusions on the promotion of geothermal energy, in the context of decarbonization of the energy sector. The council's conclusion is non-binding but has the potential to set the course for new legislative action by the European Commission on the field.
- **EU funding for natural gas:** the Hungarian Presidency will support the promotion of access to targeted EU funding for natural gas infrastructure projects that enhance source and route diversification.
- **Electric Vehicles:** the Presidency will prioritise 'essential measures to support the market for electric vehicle production' under the remit of enhancing competitiveness.

In terms of industrial policy, the Presidency insists that *"the development of a technology-neutral industrial strategy requires continuous consultation with industry players."*

The Hungarian Presidency has also published the calendar of the Council meetings with a set of objectives, amongst which:

#### **Environment Council:**

"In addition to advancing and concluding on-going negotiations, the Hungarian Presidency also intends to play a role in defining the European environmental and climate policy objectives for the next legislative cycle." Two Councils meetings are planned.

- The first will be held in Luxembourg on 14 October and will focus on international negotiations. The Presidency will seek agreement on European negotiating positions ahead of the [COP29 climate talks](#), which will be held from 11 to 22 November in Azerbaijan and plans a discussion on the implementation of the EU's chemicals strategy.
- The second will take place in Brussels on 17 December, where ministers will aim to reach a general approach on the regulation on the prevention of plastic granulate losses. They also plan to discuss progress on the regulation on circularity requirements for vehicle design and end-of-life vehicle management.

On non-legislative activities, an exchange of views is planned on Europe's yet-to-be-decided 2040 climate target, and on the reports from the various international climate meetings.

#### **Energy Council**

Two Energy Councils are also planned. While the 15 October meeting does not yet have a detailed agenda, the one on 16 December will include an exchange of views on the member States' national energy and climate plans, and on the future of energy policy and the governance of the Energy Union. The conclusions on promoting the deployment of geothermal energy will be submitted for approval on the same day.

#### **Transport Council**

The Transport Council will meet on 5 December with on the agenda a discussion on the regulation on accounting of transport greenhouse gas emissions.

*Source: Hungarian Presidency of the European Council website.*

## **Policy updates**

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#### **Motor Vehicles Approval**

On 27 June 2024, the EU Official Journal published UN Regulation No 83, on uniform provisions concerning the approval of vehicles with regard to the emission of pollutants according to engine fuel requirements [Regulation 2024/1312](#) on Emissions According to Fuel Requirements was published in the Official Journal of the European Union. The Regulation establishes technical requirements for the type- approval of motor vehicles with regard to idling emissions (Type 2 test), crankcase emissions (Type 3 test) and exhaust emissions at low ambient temperature (Type 6 test) for emissions of gaseous compounds. In addition, this Regulation lays down rules for in-service conformity.

*Source: AEC website.*

#### **Revision of Implementing Regulation (EU) 2018/20665 on reporting of green-house gas emissions**

Following the revision of the ETS Directive in the framework of the "Fit for 55" legislative package, the European Commission needs to update several regulatory acts for the implementation of the ETS, amongst which the rules on monitoring and reporting emissions.

It has published a [draft](#) for the revision of Implementing Regulation (EU) 2018/20665 on reporting of greenhouse gas emissions. The deadline for comments is 29 July 2024. The Regulation shall apply to the monitoring and



reporting of greenhouse gas emissions specified in relation to the activities listed in Annex I and III to Directive 2003/87/EC, to activity data from stationary installations to aviation activities, including non-CO<sub>2</sub> aviation effects, and to released fuel amounts from activities referred to in Annex III to that Directive. from 1 January 2021, emissions, activity data and released fuel amounts occurring; from 1 January 2025, non-CO<sub>2</sub> aviation effects.

The monitoring and reporting of non-CO<sub>2</sub> aviation effects from 2025 shall cover all non-CO<sub>2</sub> effects from aviation activities listed in Annex I to the Directive involving an aerodrome located in the EEA. However, in respect of the monitoring and reporting of non-CO<sub>2</sub> aviation effects taking place in 2025 and 2026, such reporting shall only be re-quired in respect of routes involving two aerodromes located in the EEA, and routes from an aerodrome located in the EEA departing to Switzerland or to the United Kingdom. In respect of 2025 and 2026, the non-CO<sub>2</sub> aviation effects taking place from other flights may be reported on a voluntary basis.

*Source: EU website.*

### **Determination of CO<sub>2</sub> emissions and fuel consumption for heavy duty vehicles – updated rules**

Commission Regulation (EU) 2017/2400 on the determination of CO<sub>2</sub> emissions and fuel consumption for heavy-duty vehicles introduced a methodology and a simulation tool to determine and objectively compare the performance of heavy-duty vehicles.

The Commission has opened a [call for evidence](#) inviting comments on a draft amending this methodology to include vehicles running on hydrogen and other new technologies, and to improve, correct and clarify the existing procedure. The call is open until 1st August 2024.

*Source: EU website.*

### **14th package of sanctions against Russia (Energy)**

On 24 June, the EU Council definitely adopted a new package of sanctions against Russia, part of which linked to energy: these target liquified natural gas (LNG), and vessels which support Russia's war. In Ukraine.

As regards LNG, the package prohibits all future investments in, and exports to, LNG projects under construction in Russia such as Arctic LNG 2 and Murmansk LNG. It will also prohibit, after a transition period of 9 months, the use of EU ports for the trans-shipment of

Russian LNG. Moreover, the package prohibits the import of Russian LNG into specific terminals which are not connected to the EU gas pipeline network.

Also, a measure is targeting specific vessels contributing to Russia's warfare against Ukraine, which are subject to a port access ban and ban on provision of services. These vessels can be designated for a broad array of reasons such as their support through the transport of military equipment for Russia, the transport of stolen Ukrainian grain and support in the development of Russia's energy sector, for instance through the transport of LNG components or transshipments of LNG. This measure also targets tankers part of Russia's dark fleet which circumvent the EU and "Price Cap Coalition's" caps, while adopting deceptive shipping practices in disregard of international standards.

A complete overview of the 14th package is available in the European Commission [Q&A](#).

*Source: EU website.*

## **References**

### **EEA Report on CO<sub>2</sub> Emissions from New Cars and Vans**

On 10 June 2024, the European Environment Agency (EEA) [published provisional data](#) showing that average CO<sub>2</sub> emissions from all new cars registered in Europe in 2023 continued to decrease and were 1.4% lower than in 2022. Average CO<sub>2</sub> emissions from new vans also continued to fall and were 1.6% lower than in 2022.

These provisional data show that, in 2023, 10.7 million new cars were registered in Europe, which translates to an increase of 13.2% compared to 2022. Almost a quarter of these new car registrations were electric – either fully or plug-in hybrid. Among the re-ported countries, the fleet share of electric cars was highest in Norway, Sweden and Iceland, reaching 90.5%, 60.7% and 60.4%, respectively. In 2023, 1.2 million new vans were registered in Europe, which is 20.2% above the 2022 levels. The share of electric vans reached 8% in 2023. More than half of the fully electric vans were registered in three countries: France, Germany and Sweden. The EEA collects and makes available information new vehicles registered in Europe in accordance with Regulation (EU) 2019/631. These data are based on the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) and include new vehicle registrations in EU Member States,



Iceland, and Norway. The data released are based on data provided by countries and remain provisional until vehicle manufacturers have reviewed them later this year in order to correct factual errors. The EEA will subsequently publish the final datasets and the Euro-pean Commission will confirm whether individual manufacturers or pools have met their annual specific CO2 emission target.

Source: *EEA website*.

### Latest statistics from Eurostat on energy production and imports

In 2023, according to preliminary data, the [EU's](#) natural gas supply decreased to 12.8 million terajoules (TJ), a 7.4% decline compared with 2022, marking the lowest value since 1995. Even sharper decreases were registered for coal: brown coal supply de-creased by 24.2% to 222 840 million tonnes, and hard coal supply dropped by 20.4% to 130 437 million tonnes. Both figures are the lowest recorded since the data series began. In terms of oil and [petroleum products](#), the supply totalled 526 862 thousand tonnes, indicating a 1.5% drop compared with 2022.

The supply of renewable energies increased by 4.4% compared with 2022, amounting to around 10.9 million TJ in 2023. In 2023, [renewable energy](#) was the leading source of electricity in the EU, accounting for 44.7% of all electricity production. Renewables generated 1.21 million [Gigawatt-hour](#) (GWh), marking an increase of 12.4% compared with 2022. Electricity generated from [fossil fuels](#) decreased by 19.7% compared with the previous year, contributing 0.88 million GWh, or 32.5% of the total electricity pro-duction.

Nuclear plants produced 0.62 million GWh or 22.8% the EU energy production, reflecting a 1.2% increase in production in 2023.

Source: [Statistics Explained article on energy production and imports](#).

### Europe's Sustainability Transitions Outlook (Report by the European Environment Agency)

A new strategic foresight report, published by the European Environment Agency (EEA) calls for the need to further align European economic, social and security policies with the climate and environmental objectives.

How can Europe stay the course on sustainability amid shocks and crises? How do we anchor environment and climate priorities with other emerging ones like security,

competitiveness, and fairness without losing sight of the long-term sustainability objective of 'living well within the limits of our planet'?

Failing to do so would put the coherence of EU's strategic agenda at risk, hamper implementation of crucial climate, environment, and sustainability objectives, and reduce Europe's ability to deal with ongoing multiple shocks and crises.

The "[Europe's Sustainability Transitions Outlook](#)" report highlights the need to take a broader view on such priorities as security, competitiveness or fairness. It recognises that Europe's socio-economic systems and wellbeing of its citizens depend crucially on a healthy and resilient natural environment, a stable climate and long-term sustainable use of resources.

Source: *EEA website*.

## UPEI News



THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

### 18/06/2024 | UPEI Bunkering Commission Meeting

On 18 June 2024, the Bunkering commission met to further discuss on how to improve the work of UPEI commissions and review the most recent developments in our sector, such as the FuelEU Maritime Regulation, the Emission Trading System (ETS 2), the Renewable Energy Directive (RED III), the Energy Taxation Directive (ETD), and the Corporate Sustainability Reporting Directive (CSRD).

Attendants also discussed the latest developments in the Renewable and Low-Carbon Fuels Value Chain Alliance (RLCF), as well as national legislative developments, including national and sub-national implementation of EU legislation.

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



## 19/06/2024 | UPEI Webinar on Hydrogen

Together with UPEI Associate Member AVIA International, and Weber Shandwick, the Secretariat organised a webinar on hydrogen in the framework of the UPEI Energy Transition commission. In this respect, Luis Cervilla, Vice President Public Affairs, and Maria Tanou, Associate Public Affairs, Weber Shandwick, provided guidance on the EU hydrogen policy and presented the state of play of the latest regulatory developments.

Participants were also reported by Alain Schwald, Project Manager, Business Development & Deputy Head of Sales" Schätzle AG and "Deputy CEO", AVIA VOLT Suisse AG, on the Swiss hydrogen system.

You may find more information [here](#).

## 21/06/2024 | UPEI EU Legislative and Regulatory Update

On 21 June 2024, UPEI organised together with Weber Shandwick the second EU Legislative and Regulatory Update webinar presented by Luis Cervilla, and Maria Tanou, Weber Shandwick.

A wide range of topics were covered, such as the EU 2040 Target, the Net-Zero Industry Act (NZIA), the CO2 Emissions Standards for HDVs, the Energy Taxation Directive (ETD), the Payment Services Directive (PSD3) & Payment Services Regulation (PSR), and the RED III implementation by the Member States, followed by a debate on Members concerns and doubts.

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

## 28/06/2024 | UPEI Board Meeting

The UPEI Board met on 28 June in Cologne (Germany), focusing its meeting on several major action items:

- a) Discussion on UPEI finances, administrative/internal matters, and membership/business partners evolution.
- b) Outcome of the UPEI Spring General Meeting 2024 in Hamburg and next General Meetings arrangements.
- c) Discussion on EU Policy Developments, including the UPEI policy paper for the next parliamentary term (2024-2029) and the "Energy for the Future" general update.

It was agreed on organising an extra meeting on 7 August, via online, to further discuss on the above-mentioned topics.

More information will be sent via UPEI circulars to UPEI

Members and Business Partners.

## UPEI Circulars

12/2024 [UPEI Spring General Meeting Draft Minutes](#)

13/2024 [UPEI Autumn General Meeting Preliminary Details & Arrangements](#)

## UPEI Diary

### August 2024

|       |                                |
|-------|--------------------------------|
| 07/08 | UPEI Board Meeting             |
| 29/08 | UPEI Retail Heating Commission |

### September 2024

|       |                                   |
|-------|-----------------------------------|
| 12/09 | UPEI Energy Transition Commission |
| 24/09 | UPEI Board Meeting                |

## UPEI Autumn General Meeting 2024



[DOCS & INFO SOON](#)

[UPEI AUTUMN GENERAL MEETING](#)  
[16, 17 & 18 October 2024](#)  
[Rome, Italy](#)