

## Welcome to the 122<sup>nd</sup> edition of the UPEI Newsletter!



Image Source: Visite Alsace website.

In May, the EU institutions entered the final phase of the electoral campaign for the next legislative term (2024-2029). However, while the European Parliament did not meet, either in Plenary or in Committees, both the European Commission and the EU Council continued to advance the policy, legislative and regulatory agenda. Also, the Commission and the Parliament started the preparation of the hearings that the candidate Commissioners will have to pass before being elected. These hearings aim to check the level of expertise of the candidates in their respective future portfolio, but also their adherence to the European project and the values enshrined in the EU Treaties.

## Brussels News

### Net-Zero Industry Act (NZIA)



Image Source: European Commission website.

On 27 May, the EU Council definitely adopted the NZIA, which will enter into force one day after its publication in the EU Official Journal, expected end June. The Act aims to boost the EU's leadership in the clean-tech sector. Main measures of the Act include:

- Benchmark for the manufacturing capacity of strategic net-zero technologies to meet at least 40% of the EU's annual deployment needs by 2030. The benchmark aims to provide predictability, certainty and long-term signals to manufacturers and investors and allows progress to be tracked. To support carbon capture and storage projects and increase the availability of CO2 storage sites in Europe, the NZIA also sets a target of 50 million tonnes of annual injection capacity in EU geological CO2 storage sites by 2030.
- In addition to setting objectives, the new Regulation improves the conditions for investment in net-zero technologies by simplifying and accelerating permitting procedures, reducing administrative burden, and facilitating access to markets. Beyond the financial criteria, public authorities will have to consider sustainability, resilience, cybersecurity, and other qualitative criteria in procurements procedures for clean technologies and auctions for the deployment of renewable energy. Member States will be given the opportunity to support a set of net-zero technologies such as solar photovoltaic, wind, heat pumps, nuclear technologies, hydrogen technologies, batteries, and grid technologies by establishing 'strategic projects' which would benefit from priority status at national level, shorter permitting timelines and streamlined procedures.
- Energy-intensive industries such as steel, chemicals or cement that produce components used in these net-zero technologies and that invest in decarbonisation can also be supported. The creation of Net-Zero Acceleration Valleys will further facilitate the establishment of clusters of net-zero industrial activity in the EU.



- The NZIA includes measures for investment in education, training, and innovation with the establishment of Net-Zero Industry Academies to train 100,000 workers within three years and support the mutual recognition of professional qualifications.
- Regulatory sandboxes will be established for testing innovative net-zero technologies under flexible regulatory conditions.
- Finally, the Net-Zero Europe Platform will serve as a central coordination hub, where the European Commission and Member States can discuss and exchange information as well as gather input from stakeholders.

The European Commission published on 27 May a set of [Questions and Answers](#) and a general overview of the [Net-Zero Industry Act](#).

Source: EU website.

### REPowerEU Guidance Documents



Image Source: European Commission website.

On 13 May, the European Commission published a series of guidance documents related to REPowerEU. This programme was adopted in response to the hardships and global energy market disruption caused by Russia's invasion of Ukraine and works towards three objectives: a) save energy, b) diversify energy supplies and c) produce clean energy.

These guidance documents concern the improvement and streamlining of permitting procedures and auctions for renewables.

### • Faster and simpler permitting procedures

In the [updated Recommendation on speeding up permit-granting procedures and its accompanying guidance](#), the European Commission highlights ways to improve planning and permitting procedures for renewable energy and related infrastructure projects in the EU. The updated permitting guidance provides examples of good practice on faster and simpler permit-granting procedures, highlights the importance of digitalisation and community participation, human resources and skills; and outlines how to best handle site selection procedures and network connections.

The Commission has also adopted a [guidance document on designating renewables acceleration areas](#). Under the revised [Renewable Energy Directive](#), these are locations where the deployment of renewable energy projects is not expected to have significant negative environmental impacts and the necessary procedures are therefore fast-tracked to ensure the quick deployment of specific technologies. Key elements for selecting such areas are the availability of digital tools for planning and mapping, and data on the renewable energy capacity and on the potential environmental impact. In its guidance, the Commission also highlights the role of proper stakeholder engagement and public consultation to facilitate a successful designation of such acceleration areas.

### • Improved auction design

The documents published outline standard elements for the design of auctions for renewable energy: the [Commission's recommendation and guidance](#) will make auctioning procedures more harmonised, in line with the NZIA (see above). The Recommendation and accompanying Guidance document will help Member States to design auctions that take into consideration objectives such as quality, contribution to resilience and environmental sustainability. The use of non-price criteria will allow higher value-added projects to be rewarded. It will help to develop Europe's net-zero technology manufacturing ecosystem and ensure that projects are realised fully and on time. This will ensure that the clean energy transition goes hand in hand with a strong industrial base in Europe.

To further enhance visibility and predictability for investors across the whole renewables value chain, the Commission has also updated the [Union Renewables Development Platform](#), an online system where Member States will publish basic information about their auction



schedules. This information should include the timing and frequency of the auctions, the auctioned capacity, the planned budget and the eligible technologies -as required by the Renewable Energy Directive. The Platform will provide companies with a single point of information for all renewable energy auctions planned across the EU.

Source: Agence Europe and EU website.

## Policy updates

### Sustainable Reporting



Image source: European Commission website.

On 2 May, the ISSB (that develops international accounting and sustainability standards) and EFRAG (that provides Technical Advice to the European Commission in the form of draft EU Sustainability Reporting Standards and/or draft amendments to these Standards in application of the Corporate Sustainability Reporting Directive) published [guidance material](#) to illustrate the high level of alignment achieved between the IFRS Sustainability Disclosure Standards and the European Sustainability Reporting Standards (ESRS) and how a company can apply both sets of standards, including detailed analysis of the alignment in climate-related disclosures.

The document has been designed to reduce complexity, fragmentation and duplication for companies applying both ISSB Standards and ESRS. As international companies are increasingly mandated to disclose sustainability-related information through the ISSB Standards and ESRS, EFRAG and the ISSB are committed to creating efficiencies where possible to advance transparency, comparability, and accountability. Companies utilising this guidance will be better able to collect, govern and control decision-useful data once.

The guidance:

- describes the alignment of general requirements including on key concepts such as materiality,

presentation, and disclosures for sustainability topics other than climate; and

- provides information about the alignment of climate disclosures and what a company starting with either set of standards needs to know to enable compliance with both sets of standards. 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.

Source: Agence Europe website.

### Alternative Fuel Infrastructures Regulation (AFIR) & Connecting Europe Facility.

In order to help deliver an environmentally sustainable transport network, the EU will support 42 projects with more than EUR 424 million of funding for the roll-out of alternative fuels supply infrastructure. They have been selected under the Alternative Fuels Infrastructure Facility (AFIF) of the [Connecting Europe Facility \(CEF\)](#), the EU funding programme supporting European transport infrastructure. The objective of the CEF AFIF call for proposals is to support the deployment of alternative fuel supply infrastructure, contributing to decarbonising transport along the TEN-T network

With this selection, AFIF will support approximately 4,200 electric recharging points along the European TEN-T road network, 48 hydrogen refuelling stations for cars, trucks and buses and the electrification of ground handling services in 21 airports.

A [new AFIF call](#) for applications is currently open for which the first submission dead-line is 24 September 2024.

With a total budget of EUR 1 billion for the 2024-2025 period, the AFIF will keep on funding projects through the combination of CEF grants and financing from financial institutions. It is implemented through a rolling call for proposals launched on 29 February 2024, with 3 cut-off dates for the submission of proposals until the end of 2025.

Next steps: following the EU Member States' approval of the selected projects on 9 April 2024, the European Commission will adopt the award decision in the coming weeks, following which the results will become definitive. The European Climate, Infrastructure and Environment Executive Agency (CINEA) has started the preparation of the grant agreements with the beneficiaries of the successful projects.



For more information

- [List of selected projects](#)
- [Background document on the call](#)
- [Connecting Europe Facility 2021-2027](#)
- [Call's webpage](#)
- [Transport Infrastructure & Investment](#)

Source: EU website.

### CO2 standards emission for High Duty Vehicles (HDVs)



Image Source: Pixabay website.

On 13 May, the EU Council definitely adopted the text of the compromise reached with the European Parliament on the revised Regulation on CO2 standards emission for High Duty Vehicles (HDVs). The text will be published shortly on the EU Official Journal.

Meanwhile, the European Commission published a set of [Q&As](#), indicating in particular in question 4 is about the role of renewable C-neutral fuels. Here the Commission takes the art. 15 timeline (2027) and not the recital 13b timeline (“within a year from entry into force”) as a reference for review and methodology for registering C-neutral fuels vehicles: “In 2027, the Commission will review the effectiveness and impact of the regulation. The Commission will assess a possible methodology for registering heavy-duty vehicles running exclusively on CO2 neutral fuels, in conformity with EU law and climate neutrality objectives, a methodology for the determination of full lifecycle CO2 emissions of new heavy-duty vehicles, the role of sustainable renewable fuels in the transition to climate neutrality, and the role of a carbon correction factor.”

Source: EU website.

### Delegated Act on biogas and biofuels (RED II)

After the European Parliament on 23 April, the EU Council on 13 May did not object to the adoption by the European Commission of a delegated act amending Annex IX of the Renewable Energy Directive (RED II) adding raw materials for the production of biofuels and biogas as follows:

- **in Part A (advanced technologies)**, the following feedstocks are added: “ (r) Fuel oils from alcoholic distillation; (s) Raw methanol from kraft pulping stemming from the production of wood pulp; (t) Intermediate crops, such as catch crops and cover crops that are grown in areas where due to a short vegetation period the production of food and feed crops is limited to one harvest and provided their use does not trigger demand for additional land, and provided the soil organic matter content is maintained, where used for the production of biofuel for the aviation sector; (u) Crops grown on severely degraded land, except food and feed crops, where used for the production of bio-fuel for the aviation sector; (v) Cyanobacteria.”.
- **in Part B (mature technologies)**, the following feedstocks are added: “ (c) Damaged crops that are not fit for use in the food or feed chain, excluding substances that have been intentionally modified or contaminated in order to meet this definition; (d) Municipal wastewater and derivatives other than sewage sludge; (e) Crops grown on severely degraded land excluding food and feed crops and feedstocks listed in Part A of this Annex, where not used for the production of biofuel for the aviation sector; (f) Intermediate crops, such as catch crops and cover crops, and excluding feedstocks listed in Part A of this Annex, that are grown in areas where due to a short vegetation period the production of food and feed crops is limited to one harvest and provided their use does not trigger demand for additional land and provided the soil organic matter content is maintained, where not used for the production of biofuel for the aviation sector.”.

Source: Agence Europe website.

### Weights and Dimensions Directive (revision)

In July 2023, the European Commission proposed a revision of the Weights and Dimensions Directive, that sets maximum authorised dimensions of HDVs used in national and international commercial transport and the



maximum authorised weights of HDVs used in international commercial transport.

This ensures that Member States cannot restrict the circulation of vehicles, which comply with these limits from performing international transport operations within their territories.

In the EU Council, main recent developments in this file include:

- Working party meetings took place on 24 April and 8 May. Another one is likely to take place until end May.
- The Belgian Presidency has attempted to foster progress with the negotiations and presented a compromise proposal and non-paper for discussion. A new version is expected to be presented soon.
- Most Member States are concerned with the negative impact of additional weight allowances on road infrastructure. Many are not interested in increasing those weight allowances.
- Thus, current discussions stand on three tonnes of additional weight allowances for zero-emission vehicle combinations.
- Deadline for exceptional weight allowances stands at 2034, as proposed by the Commission.
- There is a proposal for Euro 6 HDVs to have a limit of forty-four tonnes, meaning that only Euro 7 HDVs would be allowed higher weight allowances.

Source: CLEPA website.

## Euro 7 Regulation

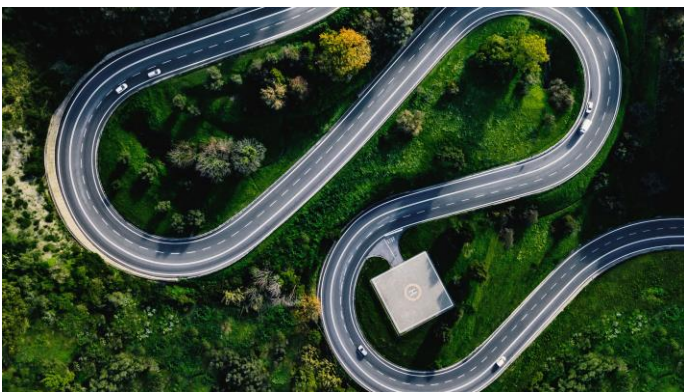


Image Source: ACEA website.

On 8 May 2024, Regulation 2024/1257 on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for

such vehicles, with respect to their emissions and battery durability (Euro 7) was published in the Official Journal of the European Union.

The date from which new types of light-duty vehicles have to be compliant is 29 November 2026, with new heavy-duty vehicles required to comply with Euro 7 standards from 29 May 2028. The development of implementing legislation continues through discussions in the AGVES (Advisory Group on Vehicle Emission Standards).

Source: AECC website.

## European Commission Q&As on the EU Regulation to reduce methane emissions in the energy sector

On 27 May the European Commission published a short set of [Q&As](#) on the Regulation to reduce methane emissions in the energy sector, definitely adopted by the EU Council on the same day.

Source: EU website.

## Energy Programmes updates

### 1. Hydrogen

- **Interlinked Model (ILM) 2024 progress report**



Image source: European Commission website.

On 8 May, ENTSOG (European Network of Transmission System Operators for Gas) and ENTSO-E (European Network of Transmission System Operators for Electricity) have published their Interlinked Model (ILM) 2024 progress report. This report delivers a dual assessment methodology for electricity and hydrogen. The report also includes recommendations for the use of integrated models in the Cost Benefit Analyses of the respective ENTSO-E and ENTSOG Ten-Year Network Development Plans (TYNDPs).

To reach the decarbonisation objectives set by the European Union, the future energy system is a system based on strong cooperation amongst different energy systems at the transmission and distribution levels. An increasingly integrated system can offer flexibility, allowing more efficient use of energy sources and



increased uptake of carbon-neutral energy. In this context, understanding the behavior of such a system becomes paramount.

This publication of the report represents a new milestone for coordinated system planning across sectors, in the context of Article 11 of Regulation 2022/869. Article 11(10) of the TEN-E Regulation is amended by the Hydrogen and Decarbonised Gas Package to require ENTSO-E, ENTSG, and the new ENNOH (European Network of Network Operators for Hydrogen) to jointly submit to the European Commission and the EU Agency for the Cooperation of Energy Regulators (ACER) by 31 October 2025 a consistent and progressively integrated model that ensures consistency between single sector Cost-Benefit methodologies based on common assumptions.

The Interlinked Model report is available on the ENTSG website [here](#) and on the ENTSOE website [here](#). To participate in the public consultation, stakeholders are invited to provide feedback until 18 June 2024 by following the link [here](#).

Source: ENTSG website.

- **Hydrogen project 'IPCEI Hy2Move'**

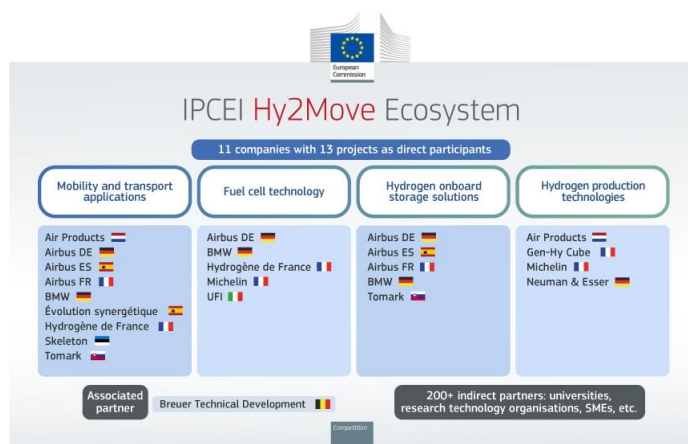


Image source: European Commission website.

The European Commission has approved on 28 May, under EU State aid rules, a fourth Important Project of Common European Interest ('IPCEI') to support research, innovation and the first industrial deployment in the hydrogen value chain. The project contributes to the EU's target of 90% reduction of emissions from the mobility and transport sectors, in order for the EU to become climate-neutral by 2050.

The project, called '[IPCEI Hy2Move](#)', was jointly prepared and notified by seven Member States: Estonia, France, Germany, Italy, Netherlands, Slovakia and Spain.

The Member States will provide up to €1.4 billion in public funding, which is expected to unlock additional €3.3 billion in private investments. As part of this IPCEI, 11 companies with activities in one or more Member States, including small and medium-sized enterprises ('SMEs') and start-ups, will undertake 13 innovative projects.

IPCEI Hy2Move will cover a wide part of the hydrogen technology value chain, by supporting the development of a set of technological innovations, including:

The development of mobility and transport applications to integrate hydrogen technologies in transport means (road, maritime and aviation). This includes, for example, fuel cell vehicle platforms for use in buses and trucks.

The development of high-performance fuel cell technologies, which use hydrogen to generate electricity with sufficient power to move ships and locomotives.

The development of next generation on-board storage solutions for hydrogen. For the use in aircraft, lightweight, yet robust hydrogen tanks are necessary ensuring safety and efficiency in flight conditions.

The development of technologies to produce hydrogen for mobility and transport applications, in particular for supplying hydrogen refuelling stations on-site with pressurised, 99.99% pure fuel-cell-grade hydrogen.

IPCEI Hy2Move complements the first three IPCEIs on the hydrogen value chain. The Commission approved IPCEI 'Hy2Tech' on [15 July 2022](#), which focuses on the development of hydrogen technologies for end users. IPCEI 'Hy2Use' was approved on [21 September 2022](#) and focuses on hydrogen applications in the industrial sector. IPCEI 'Hy2Infra', approved by the Commission on [15 February 2024](#), concerns infrastructure investments, which are not covered by the first two IPCEIs. Hy2Move focuses exclusively on specific challenges and objectives that arise for hydrogen technology in mobility and transport applications.

The completion of the overall IPCEI is expected by 2031, with timelines varying in function of the individual projects and the companies involved. Around 3,600 direct jobs are expected to be created.

Source: EU website.



## 2. Nuclear

### European Industrial Alliance on Small Modular Reactors (SMRs)



Image Source: European Commission website.

On 29 and 30 May, the [Industrial Alliance on SMRs](#) organised its first General Assembly. It aims to facilitate and accelerate the development, demonstration, and deployment of SMRs in Europe by the early 2030s. To achieve these goals, the alliance will formulate a strategic action plan, together with technology roadmaps, to

- identify the most promising, advanced safe and cost-effective SMR technologies eligible for alliance support.
- support SMR projects, strengthening the European supply chain (including fuel and raw materials), by addressing possible gaps, and providing guidance to SMR projects from inception to deployment.
- identify investment barriers, analyse funding opportunities, and explore new financial blending options for SMR development.
- establish ways to inform and engage potential industrial users of SMRs such as energy-intensive industries, hydrogen producers, etc.
- identify future needs for research on SMRs and advanced modular reactors (AMRs), pinpointing skill gaps along the supply chain that could be addressed under the Euratom Research and Training Programme and by national programmes.
- strengthen exchanges and contacts between project promoters, European nuclear safety regulators and regulatory authorities in the EU countries.
- promote public engagement about SMRs by working with relevant civil society organisations and NGOs.
- facilitate the establishment of a Nuclear Skills Academy under the NZIA and identify future competences and skill development needs.
- cooperate with relevant international bodies to help European SMR projects reach international markets.

Source: EU website.

## References

The International Energy agency (IEA) has published a series of reports:

- an “[Energy Technology Perspectives Special Report](#)” produced in response to a re-quest from the G7 in 2023. It benefits from the insights gathered during a [High-level Dialogue](#) on Diversifying Clean Technology Manufacturing held at the IEA headquarters in Paris in November 2023. It also builds on analysis conducted as part of the latest edition of the IEA’s flagship technology publication, [Energy Technology Perspectives](#), and two [Special Briefings](#) on the topic of clean technology manufacturing during the course of 2023. Its structured to provide decision makers with an analytical toolkit to design and evaluate their strategies for clean technology manufacturing. Acknowledging that there is no “one size fits all” approach, it lays out guiding principles that can help inform future planning.
- In support of the [9th Annual Global Conference on Energy Efficiency](#) in Nairobi, the [Energy Efficiency Policy Toolkit 2024: From Versailles to Nairobi](#). The toolkit aims at helping governments to contribute to the global target of doubling energy efficiency progress by 2030, as agreed in the [UAE Consensus](#) reached at COP28 in Dubai and in the [Versailles Statement](#) at the IEA’s 8th Annual Global Conference on Energy Efficiency. The [2024 Policy Toolkit](#) focuses on how the global doubling goal can be achieved and provides 12 concrete policy tools that address the efficiency of buildings, appliances, industry, and vehicles. The Toolkit also contains a set of strategic principles and policy packages advanced by the IEA that can help governments seeking to implement efficiency policies rapidly and effectively.
- A [special report, Strategies for Affordable and Fair Clean Energy Transitions](#) exploring the issues of affordability and fairness that have moved towards the centre of debates about clean energy transitions in many countries. The global energy crisis revealed the vulnerabilities and risks inherent to today’s fossil fuel-based energy system, while bringing the benefits of transitions – such as greater energy security, improved air quality, reduced emissions, and less



exposure to volatile fuel prices – into sharper relief. But even as clean energy technologies become increasingly cost-competitive, they still require a step-change in investment to overcome the inertia that favours incumbent fuels and technologies. As living costs have increased around the world, important questions have emerged about how to pay for clean energy transitions, as well as how the costs and benefits will be shared. Low-income households, in particular, risk being locked out of transitions if they cannot afford the up-front costs.

Source: IEA website.

## UPEI News

---



THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

### 03/05/2024 | UPEI ITW Commission Meeting

On 3rd May 2024, the ITW commission met to review the most recent developments in our sector, such as the EU Customs Code revision, the EU VAT system revision (VAT in the Digital age – ViDA), the Excise Duties (February 2024 update), as well as the outcomes of the “Fit For 55” package. In particular, the Emission Trading System (ETS 2), and the Energy Taxation Directive (ETD).

Attendants also discussed the situation on Russian embargo oil and petroleum products together with the EU policy perspectives for the next parliamentary term (2024-2029). Participants had also the opportunity to discuss on national legislative developments, including national and sub-national implementation of EU legislation.

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

### 27/05/2024 | UPEI Retail Stations Commission Meeting

On 27 May, the Retail Stations commission met to review the most important topics of interest. In particular, it was given an update on the current legislative and regulatory context at EU level. Specifically, the CO2 Emissions Standards for High Duty Vehicles (HDVs), the Euro VI and Euro VII, the Renewable Energy Directive (REDIII), including implementing acts, and the Alternative Fuel Infrastructure Regulation (AFIR), the Packaging and Packaging Waste Directive revision, or the Corporate Sustainability Reporting Directive (CSRD) implementation.

Attendant also followed up on work of the Stuttgart Working Group on Monitoring Methodologies for CO2 neutral fuels and debated on the current situation of efuels.

Finally, a debate on national development took place, giving special attention to the HVO100 taxation per Member State.

Find all the information [here](#).

### 29/05/2024 | UPEI Webinar ETS 2 Monitoring and Reporting

Together with UPEI Expert, Inga Tölke, the Secretariat organised a webinar on the Emission Trading System (ETS2), providing guidance on monitoring and reporting.

Inga introduced the scope of the ETS 2, further discussed on the types of fuel covered by the ETS 2 under the Article 3 (af) of the Directive, as well as constraints that difficult the ETS 2 reporting obligations. She also explained who the obliged party is and the ETS 2 implementation timeline.

More information available [here](#).

## UPEI Circulars

---

11/2024 [EU Regulatory Update \(Weber Shandwick\)](#)

## UPEI Diary

---

### June 2024

- 18/06 UPEI Bunkering Commission Meeting.
- 19/06 UPEI Energy Transition Commission. Webinar on Hydrogen.
- 21/06 UPEI & WS EU Regulatory Update.
- 28/06 UPEI Board Meeting.





## UPEI Autumn General Meeting 2024

---



**UPEI AUTUMN GENERAL MEETING**  
**16, 17 & 18 October 2024**  
**Rome, Italy**