

Brussels, 24 April 2020

## UPEI Feedback FuelEU Maritime initiative

UPEI – Europe's Independent Fuel Suppliers, welcomes the opportunity to provide initial comments to the Roadmap, and to be part of the preparatory process for the FuelEU Maritime initiative.

UPEI embraces the European Green Deal and ambition to reach climate neutrality by 2050 and therefore supports measures that bring down fuel consumption as well as boosting the deployment of all low- and zero-carbon marine fuels, contributing to the reduction of GHG emissions.

UPEI views on the inception impact assessment

UPEI calls for a unified approach to sustainable alternative fuels (SAF) for shipping and warns against a regulatory patchwork by which several pieces of legislation would set out diverging measures to respond to a similar policy objective, as we are experiencing in the road transport sector. Full consistency with REDII and AFID should be ensured. We however welcome the fact that the FuelEU initiative will include demand-side measures, which will be critical for the effective deployment of SAF.

UPEI welcomes the reference to well-to-wake as a basis for assessing the performance of different technologies. In parallel, strong sustainability criteria should be established for all technology solutions, in line with REDII. Such approach should also be promoted at IMO level to harmonise methodologies.

UPEI welcomes the reference to a mix of solutions, which should be able to compete on a level-playing field based on their overall environmental performance. As explained in <u>UPEI 2050 vision</u>, the use of existing technologies, drop-in SAF in particular, and the improvement of energy efficiency can reduce emissions immediately, while developing carbon neutral fuels to suit all needs and applications.

Finally, we encourage the European Union to advocate for global solutions at the level of IMO. As marine fuels is a truly international market, global solutions are best to effectively reduce GHG emissions while ensuring a level playing field among all market players. In the context in the FuelEU initiative, the European Commission should carefully assess the risk of carbon leakage and protect the international competitiveness of European bunker suppliers. In particular, we would appreciate a clarification of what is meant by "flag neutral" measures.

## **UPEI recommendations for the impact assessment**

There is currently no mention of quality in the roadmap. UPEI recommends that the European Commission also assesses technology options in light of their quality and their compatibility with existing and future engines and supply infrastructure. In parallel, the ISO should develop tests and fuel specifications to guarantee constant quality and therefore to provide confidence to shipowners and operators.



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UPEI supports the further assessment of blending or GHG emission requirements applied to vessels, as they can provide SAF producers and suppliers with a much needed investment certainty. In addition, we recommend to look at complementary incentives and support measures.

The impact assessment should take into consideration the development of SAF in other sectors of the industry and possible side-effects. It is important to development synergies, across transport modes in particular, and not to create a counter-productive competition for feedstocks and SAF.

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UPEI represents nearly 2,000 European importers and wholesale/retail distributors of energy for the transport and heating sectors, supplying Europe's customers independently of the major energy producers. They are the interface between producers and consumers, using their own infrastructure and flexibility to supply existing demand for conventional and renewable liquid fuels, as well as non-liquid alternatives as part of the energy transition. They cover more than a third of Europe's current demand. The organisation brings together national associations and suppliers across Europe.

Independent fuel suppliers bring competition to Europe's energy market and are able to respond rapidly to changes affecting supply, contributing to security on a local, national and regional level. They have developed and maintain a comprehensive infrastructure for the sourcing, storage and distribution of transport and heating fuels, with a commitment to delivering a high-quality service to all consumers, including those in remote areas.

Since 1962 UPEI has been advocating for a level playing field and fair competition to ensure an affordable, sustainable and secure energy supply for Europe's consumers. Today, in the context of the transition to a low carbon economy, UPEI and its members are also addressing the challenges of adapting the product range and meeting consumer demand through market-oriented solutions.

With its strong track record in pioneering the supply of renewable fuels in the EU, UPEI's members remain committed to delivering and embracing new, cost effective solutions which further promote energy efficiency and reduce pollutants and emissions.



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