

UPEI Position

Proposal for a Regulation on the deployment of alternative fuels infrastructure

In a context of peaking energy prices, it is crucial to follow the path of the energy transition while mitigating adverse effects on consumers and businesses alike. UPEI members are committed to the EU climate objectives and have developed their own [2050 vision](#) which outlines short and long-term recommendations for a carbon neutral society and highlights their own contribution.

UPEI members are fully committed to provide flexible, affordable, and clean energy to consumers in order to meet Europe's short- and long-term climate objectives. UPEI members are in a unique situation within the fuel supply market. Today's individual fuel suppliers bring expertise, sound consumer knowledge and an established, comprehensive infrastructure which already delivers low carbon, energy efficient products in an affordable and competitive manner. Independent fuel suppliers are not producers of liquid fuels and therefore have the freedom to diversify the products that they supply. [They have invested into hydrogen, biofuel, CNG/LNG, LPG refueling and electricity recharging points](#). However, they need regulatory predictability and consumer demand as a guarantee for investments in renewable and low carbon alternative fuels.

KEY RECOMMENDATIONS on the proposal for a Regulation on the deployment of alternative fuels infrastructure (AFIR)

- It is essential to maintain a broad definition of alternative fuels, encompassing a wide range of solutions, allowing to effectively bring the emissions of diverse vehicles and uses down, in the short term as well as in the longer term;
- Supply and demand-side measures should go hand-in-hand, to avoid the artificial development of a refuelling infrastructure which would not be justified by consumer demand and enhancing an ecological, economical and socially acceptable transition. UPEI therefore welcomes the fact that electric charging targets for light-duty vehicles (LDV) are partly fleet-based;
- In order to boost investment into electric charging infrastructure, in a way that is commensurate with the deployment ambition set out in the proposal, provisions on costing and payment should remain practical, allowing independent players to compete fairly, and should not harm first movers.

Please find more details on UPEI position in continuation.

Ensure fair competition

UPEI stresses the need to guarantee a level playing field across Europe, with equal market access and fair competition. It is important to ensure that further legislative requirements do not place independent players and SMEs at a competitive disadvantage in future.

The scale of investment required to provide the infrastructure for these alternative fuels (in particular for hydrogen and CNG/LNG) is major and matched in terms of risk, given that consumer demand has not yet reached a significant level. How these issues are to be addressed

in order to ensure that there is sufficient investment to provide the new infrastructure will largely depend on the incentives that Member States adopt, in particular to encourage consumers to move towards alternatively fuelled vehicles.

Regarding the deployment of electric charging infrastructure, power transfer limitations and barriers to accessing the grid should be lifted to allow all players to compete fairly on this emerging market.

Other alternative fuels, however, such as synthetic fuels, can be quickly deployed with immediate and important environmental benefits, making them an efficient solution. The existing infrastructure is then re-purposed at no cost.

Facilitate access to the electric charging market

In order to cost effectively reach the deployment targets set out in the proposal, it is crucial that all players, including independent and smaller companies can enter and compete on the electric charging infrastructure market. Restrictive requirements on payment could create a situation whereby only big and established companies can operate. For example, not allowing operators of public recharging points with a power output equal to or more than 50 kW to accept electronic payment through devices using an internet connection (e.g. with QR code) would exclude the first movers and give undue power to credit card providers, which services are expensive and burdensome (article 5 paragraph 2).

Ensuring the return on investment for charge point operator is the best way to boost private investment into electric charging infrastructure. Builders of charge points offer the best conditions to their registered users, which are bound by contracts, based on the type of customers, making the environment more competitive. While ad hoc charging should always be accessible, charge point operators should be able to apply different pricing structures depending on the type of customer, in a reasonable and transparent manner (article 5 paragraph 4).

Keep data provisions practical

While UPEI supports the general objective of providing customers with more detailed information on recharging and refueling infrastructure, certain elements of the proposal are neither justified nor necessary:

- Often the owner of a recharging point, if different from the operator, is not involved in its daily operation (it can be a private individual owning the space allocated), hence there is no benefit in making the owner contact information available, in addition to the contact information of the operator (article 18 paragraph 2a point iv);
- It is not necessary to mandate the disclosure of ID codes for both the operator and the mobility service provider, it should be either/or depending on the operating set up (article 18 paragraph 2b point i).

Recognise communication efforts done at retail stations level and do more general, digital communication on AF benefits

The implementation of the common fuel labelling system¹ has been a success. Surveys and pilot actions undertaken in the context of the Fuel Price Comparison² initiative have clearly shown that its impact on consumers is expected to remain limited. No further step should be taken in

¹ CEN standard EN 16942, "Fuels-Identification of vehicle compatibility-Graphical expression for consumer information"

² COMMISSION IMPLEMENTING REGULATION (EU) .../ ... on a common methodology for alternative fuels unit price comparison in accordance with Directive 2014/94/EU of the European Parliament and of the Council

terms of communicating alternative fuels at the level of retail stations. However, more awareness raising on alternative fuels is greatly needed. This Regulation should provide for the development of online tools and campaigns to inform consumers as part of Member States' measures to support the uptake of alternative fuels (i.e. demand-side measures).

Concluding remarks

It is essential that the obligations arising from the AFID review and their impact on industry and consumers be examined not in isolation but together with other 'Fit for 55' proposals, including the proposals for the revision of the Energy Taxation Directive, the Emission Trading Scheme, the Energy Efficiency Directive, the Renewable Energy Directive as well as the FuelEU Maritime proposal. Negotiations should be conducted with a view at the entire package to avoid regulatory inconsistencies, maximise synergies and guarantee the most cost-effective achievement of the objectives.

UPEI and its members, representing nearly 2,000 European importers and wholesale/retail distributors of energy for the transport and heating sectors, look forward to constructively working with the EU institutions to make Europe's climate policy a success.

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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.