

Sustainable Heating with Liquid Fuels UPEI's plea for a technology neutral EU climate and energy policy

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Introduction

Increasingly, the European Union (EU) and its Member States enact new legislation and regulations aiming at banning the use of liquid fuels to heat buildings, and more generally at restricting the use of heating boilers. Recent examples include the revised proposal to revise the Energy Performance of Building Directive, the work undertaken by the European Commission as regards eco-design and eco-label criteria for space and water heaters or plans under discussion in Ireland, in Germany or in Finland to address greenhouse gas emissions and the energy crisis.

UPEI and its members are strongly committed to the EU 2030 targets and to the 2050 net-zero objective. As independent suppliers of heating oil to millions of SMEs and private consumers in all urban and rural territories throughout Europe, our members put at the disposal of our societies a very dense distribution infrastructure that can supply fossil but also all sustainable fuels that are compatible with the existing energy installations in place in households or in small factories. Low carbon and renewable liquid fuels are drop-in fuels: they can be progressively added to the fuel mix without changes to the infrastructure which guarantees a fair and just transition. Their deployment would be an easy win.

A legislation respecting technology neutrality.

It is therefore of the essence to keep a technology neutral approach in all buildings-related energy legislation. The energy transition of buildings needs a variety of solutions to complement the diversity of situations in which European citizens find themselves. Provided that they contribute to the net-zero objective, no energy or technology should be disregarded. Legislation and regulatory measures need to keep the door open for all solutions which can reduce emissions in new and existing buildings. In the present energy and geo-political crises, the EU cannot afford to discriminate.

No legislation should encourage the ban of technical systems based on liquid fuels, as it could lead to the disproportionate and discriminatory ban of low-carbon and renewable fuel technologies, provided that they fulfil the decarbonisation objectives. Instead, legislation should be based on emission thresholds or on the definition of a percentage of renewables with a combination of technology (e.g., hybrid systems) and low carbon and renewable liquid fuels.

No legislation should refer to "fossil fuel system", as its nature depends on the type of energy (e.g., fossil, or renewable) used to power it. The reference to "fossil fuels" heating systems should therefore be abandoned to recognise heating boilers are a neutral technology that can also be operated with carbon-neutral liquid fuels. Instead of enacting de-facto ban on specific technologies, legislation should always provide the opportunity to promote low-carbon and



renewable liquid fuels by encouraging investments and incentives to accelerate the replacement of old and inefficient heaters across Europe with modern and highly efficient appliances, including more efficient condensing boilers and hybrid systems.

Advantages of liquid fuels.

As highlighted in our joint paper [“Heating with liquid fuels - Pathway for a sustainable future”](#), issued in 2021, liquid fuels present many advantages as they

- Provide suitable solutions for off grid areas.
- Are cost efficient.
- Offer an easy combination with renewable energies.
- Deliver high energy intensity.
- Are easy to transport and store.
- Guarantee the security of supply.
- Are suitable for the existing building stock.
- Ensure highly efficient heating.
- Are proven and reliable technology.

In short, liquid fuels can contribute to a sustainable energy transition that is socially and financially acceptable, two dimensions which too often are absent from the EU legislative debate. It is unrealistic to build on a system of subsidies for the installation of alternative technologies (e.g., heat pumps), as the amount of money required cannot be supported by many EU Member States. Carbon neutral liquid fuels are much more affordable.

UPEI Recommendations to reach the 2030 and 2050 targets.

These recommendations build on three dimensions:

- **EFFICIENCY:** the EU and the Member States should support and speed up the replacement of obsolete and inefficient heating systems through financial and policy incentives for the installation of modern boilers.
- **HYBRID:** the installation of hybrid heating systems for most houses should be promoted (e.g., solar linked to liquid fuel-condensing boilers). This would provide substantial emission reductions while maintaining a secure supply of energy for citizens.
- **CARBON-NEUTRAL FUELS:** a stable and enabling policy framework should be put in place, which includes grants for research and innovation on carbon neutral liquid fuels as a substantial long-term contribution to the reduction of carbon emissions from heating.