

## UPEI-FETSA Joint Project: Energy for the Future

### Policy Asks and Recommendations for the 10<sup>th</sup> Legislative Mandate 2025-2029

#### **The new legislative mandate: an opportunity to deliver on the green transition.**

With the new European Parliament Members now officially in office, and with the formation of a Commission about to commence, it is time to establish the key priorities of the energy sector for the next five years. Over the past few months, there have been dissenting voices regarding the alignment of the Green Deal with industrial competitiveness. **UPEI**, the voice of Europe's independent fuel suppliers, and **FETSA**, the Federation of European Tank Storage Associations, firmly believe that achieving carbon neutrality by 2050—the ultimate climate goal—go hand in hand with the development of Europe's industry and its energy security.

We acknowledge the global imperative to shift towards more sustainable forms of energy, while also being aware of the challenges and potential impacts this transition may have on our current energy infrastructure and economy. Based on our collective experience and forward-looking analyses, we are convinced that **reaching the goals of carbon neutrality by 2050 and 90% GHG emission reduction by 2040 cannot effectively happen without liquid energy carriers** – UPEI and FETSA's members are therefore tirelessly working to share this conviction.

UPEI and FETSA, as representative associations of the green transition drivers, would like to use this opportunity to lay out the policy avenues available to ensure that the progress towards decarbonisation is not undermined, while allowing certainty for the liquid energy carriers delivering on that same decarbonisation.

Taking the above into consideration, we believe that **a collaborative, balanced approach is essential to ensure a smooth and efficient energy transition** that leaves no place or person behind. UPEI-FETSA would like to highlight a number of key areas as the basis for a just, equitable and agile energy transition, through the legislative mandate of the next five years:

#### **1. Uphold the Green Deal as a pillar of industrial competitiveness.**

The past five years have seen an array of environmental legislation, whose implementation could allow the EU to become a leader in innovative decarbonisation solutions. UPEI and FETSA believe that the swift, efficient implementation of the **“Fit for 55” package** will be critical to the development of a climate-resilient, decarbonised, and future-proof European economy.

We strongly encourage the co-legislators to ensure the finalisation of the implementation of outstanding legislation, starting from the revision of the **Energy Taxation Directive (ETD)**.

In our view, the energy crisis demonstrated the importance of **a coherent and durable framework for the taxation of energy products** that will incentivise the uptake of clean, secure supplies, while also enhancing Europe's strategic autonomy. Together with other regulatory instruments, such a framework can help set the right incentives for the widespread penetration of low-carbon fuels and electricity in the European economy.

A coherent and modernised Energy Taxation Directive has the potential to **send a powerful price signal for alternative energy sources**, supporting the demand created for the same energy products through other pieces of legislation, such as the **Renewable Energy Directive (RED)**. By prioritising the revision in the beginning of the mandate, co-legislators can ensure that Member States have time to ensure the coherent and uniform implementation of the new rules across the bloc.

In conjunction with the above considerations, it is imperative to remember that the "Fit for 55 Package" is not completed yet. The 2024-2029 mandate will see numerous Delegated and Implementing Acts to facilitate the enforcement of the different Directives and Regulations that were adopted in the previous legislative cycle. We strongly encourage all EU institutions to work together with a view to ensuring a balanced, yet diligent adoption of these acts, in order to provide much-needed regulatory certainty for European industries. Overlaps and inconsistencies amongst different pieces of legislation must be avoided.

## **2. Liquid energy carriers deserve their own space in future policies.**

Regardless of what the energy carriers of the future will be, storage and supply infrastructure will be key to deploy them. Fuel suppliers and storage operators are key to reaching climate neutrality, by storing and supplying low-carbon energy solutions while maintaining the EU's energy supply and security.

However, none of this can be achieved without securing investments to fund new technologies and decarbonisation solutions. Unfortunately, policy uncertainty in the areas of permitting, taxonomy compliance, regulated access to infrastructure etc. is holding back investment decisions which are paramount to ensuring healthy energy flows and the move towards net-zero. The success of such an energy transition (unprecedented since the transition from coal to oil) requires the introduction of realistic transitional regulations.

EU legislation should avoid the exclusion of any technology or fuel that has the potential to expedite the green transition in a cost-efficient way for Member States and consumers. The principle of climate inclusiveness should be systematically applied throughout the EU legislation. Bearing in mind the need to set binding 2040 targets towards zero emissions, we believe that the strong application of technological neutrality should be encompassed not only in the general decision-making framework, but also on legislation that might span from the new obligations in the coming years.

An instance of this principle applied in practice would be the legal encapsulation of e-fuels in the EU legislative framework by the European Commission, as mandated by the recently

adopted **Regulations on CO2 emission standards of light-duty vehicles and heavy-duty vehicles**. The integration of low-carbon solutions for cars, vans, buses, and trucks would encapsulate the significant technological advancements in the mobility sector and would contribute to the resilience and competitiveness of the EU transport market and a significant impact on European industry.

A second dimension of cementing a resilient energy sector in the EU is corporate reporting responsibilities. While transparency and accountability are crucial in high-impact sectors such as ours, conflicting reporting obligations can stifle innovation, increase operational costs, create unnecessary administrative burdens, and weaken the competitiveness of European industry. Streamlining reporting obligations that stem from the Corporate Sustainability Due Diligence Directive (CSDDD), the Corporate Sustainability Reporting Directive (CSRD) and the upcoming sector-specific European Sustainability Reporting Standards to avoid duplication and enhance cohesion can help provide much needed legislative clarity, reduce costs, enhance competitiveness and allow the Europe's energy storage and supply providers to focus their efforts on pursuing their sustainability ambitions.

### **3. Ensure energy security is a priority for a strong Europe in the world.**

The past few years have demonstrated the criticality of ensuring that Europe can remain secure when it comes to its energy supply and usage. Russia's war of aggression against Ukraine, and the resulting energy crisis, were indicators against the fragility of Europe's economy when its energy supply is at stake, with wide-ranging economic and social impacts. Fortifying Europe against external shocks comes hand-in-hand with protecting and reinforcing critical sectors, including energy supply and storage. UPEI and FETSA members are core to Member States' economic resilience and preparedness, with storage and supply chain flows being instrumental to ensuring the continuation of the functioning of national economies.

As such, UPEI and FETSA call upon the new EU policymakers to ensure that the principles of security of supply is enshrined not only in the **National Energy and Climate Plans (NECPs)**, but also in any **new pieces of legislation** in the new mandate. In parallel, any new framework should also ensure that **EU defence funding lines are used to develop, and ensure the resilience of, energy infrastructure that is inherently dual use in nature**, all across the EU. This will ensure that energy security and strategic autonomy remain the basis for a resilient European energy sector, while also reducing dependencies and enabling the EU to strengthen its infrastructure across sectors and uses.

With this in mind, UPEI and FETSA called for a critical revision of **Directive 2009/119/EC (the 'Oil Stocks Directive')**. The increased geopolitical volatility observed within and outside of the EU creates an urgent need to re-assess the EU framework for compulsory energy storage in order to upgrade capacities to address future crises. The current rules do not include any EU mandated stocks for gas/LNG, nor for alternative energy carriers such as hydrogen or liquids that can be used to store hydrogen more easily, neither do they include mandated stocks for low-carbon and renewable liquid fuels. It is therefore imperative that

the new mandate includes a strategic assessment of Member States' future needs for stockpiling, ensuring flexibility and adaptability to demand, with a view to the inclusion of future green solutions, including but not limited to clean hydrogen, e-fuels, green methanol, green ammonia and advanced biofuels, as defined by the Renewable Energy Directive (RED) and by the 'Gas and Hydrogen Markets' Directive.

## **About UPEI**

[UPEI](#) represents European importers and wholesale/retail distributors of energy and related service providers to European transport and heating customers, independently from the major producers. Operating from the energy production gate to the final consumer, UPEI members supply conventional energy and increasingly its molecule and electron-based renewable and sustainable alternatives. Independent suppliers, covering more than a third of Europe's demand, play a crucial role in an evolving market by bringing competition which is vital to the economy. Their independence enables them to respond rapidly to changes in terms of market structure, products, and services, contributing to security of supply on a local, regional, and national level.

## **About FETSA**

Members of [FETSA](#) are businesses engaged in bulk storage and energy infrastructure across Europe. Bulk liquid and liquified gas terminals are present in ports, airports, logistics platforms and along rivers, canals, and pipelines. In total FETSA represents 141 companies operating 743 terminals across Europe.

These tank storage terminals provide an essential interface between sea, road, rail, inland waterways, and pipeline logistics. They are critical links in the supply chain for energy carriers, chemicals, animal feeds and fats, oils, and other substances, helping to balance out supply and demand and ensure companies and consumers have access to these products. Many tank storage terminals are designated as Critical National Infrastructure by the EU and national governments due to their importance in providing energy to society. The storage capacity represented by FETSA also includes strategic reserves held for emergencies (such as NATO stocks and IEA mandated reserves) and supply disruptions.