

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

### Position paper on the Commission's upcoming Clean Industrial Deal

February 2025

UPEI, the European Association of Independent Fuel Suppliers, and FETSA, the Federation of European Tank Storage Associations, welcome the upcoming 'Clean Industrial Deal', and urge the Commission to use it as an opportunity to address the principal concerns of the energy sector to create an EU economy that is truly clean, resilient, competitive, and secure.

This includes enhancing coherence of regulatory conditions, truly embedding the principle of technological neutrality, and incentivising investment in independent fuel suppliers and bulk liquid storage companies. **Ahead of the publication of the Clean Industrial Deal in February 2025, we would like to take this opportunity to offer our recommendations and express the sector's priorities for the new Deal, to ensure competitiveness and sustainability in the years to come.**

#### **The new Clean Industrial Deal should build on the European Green Deal to foster competitiveness and clarity**

A swift and efficient implementation of the "Fit for 55" package is the cornerstone of a resilient, decarbonised and competitive European economy. With this ambitious legislative package in place, and the energy sector already adapting its processes to comply with and exceed its new obligations, it is now necessary to build on the EU Green Deal and introduce necessary adjustments and methods to make the EU economy not just clean, but also competitive. **We urge the Commission to not waste the momentum created by the EU Green Deal and the Fit for 55, but to complement it with the Clean Industrial Deal to create a joint plan for decarbonisation and competitiveness.**

The Clean Industrial Deal should introduce necessary adjustments to the EU Green Deal to strengthen industry and increase competitiveness, allowing the European economy to be equally sustainable and competitive.

As added value to the European Green Deal, UPEI and FETSA believe that the **Clean Industrial Deal is an opportunity to truly embed the principle of technological neutrality in EU climate policy, as a way to ensure the effectiveness of the Fit for 55 Package.** It is entirely essential that EU legislation does not exclude any technology or fuel that can facilitate the clean transition in a cost-efficient way for Member States and consumers. This principle is essential for the Clean Industrial Deal to deliver a growth-conducive regulatory framework which supports industry and innovation. In particular, the Clean Industrial Deal should demonstrate the Commission's commitment of technological neutrality through the legal inclusion of e-fuels and biofuels in the EU legislative framework, through a targeted revision in the Regulations on CO<sub>2</sub> emission standards of light-duty vehicles and heavy-duty vehicles. By reinforcing the production and potential of biofuels within the EU, leveraging policy frameworks, and creating a robust European value chain, biofuels can play a pivotal role in the Clean Industrial Deal, fostering energy independence, sustainability, and economic growth.

Beyond that, the technology neutrality principle should be prioritised in all upcoming revisions of energy-related legislation, and of course, across all new actions envisioned in the Clean Industrial Deal.

## The Clean Industrial Deal should align regulatory conditions with the ambition for enhanced competitiveness

**The Clean Industrial Deal is an opportune moment to start creating the right regulatory conditions for the enabling sectors of the EU's decarbonisation.** To achieve this at EU level, the first step is to acknowledge the need for simplification and reduction of administrative burden for EU companies, particularly for high-impact sectors that already have to align their activities with the new environmental obligations stemming from the past legislative mandate. UPEI and FETSA urge the Commission to follow through on their simplification intention, especially with regards to the energy sector.

**We welcome the Commission's intention to create a predictable and simplified regulatory environment as a pillar of the Clean Industrial Deal.** A cornerstone of such a new, simplified environment is corporate reporting requirements. Transparency and accountability are paramount to high-impact sectors such as ours, yet conflicting reporting obligations can stifle innovation, increase administrative burden and associated costs, and weakens the competitiveness of our industry. **Streamlining reporting obligations would 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.**

## Enabling investments to incentivise a thriving industry

A competitive energy industry is imperative to achieve the goal of an autonomous, strong and competitive European economy. **As such, UPEI and FETSA urge the Commission to use the opportunity of the Clean Industrial Deal to further incentivise investments towards independent fuel suppliers and local storage operators, including chemical storage, for the creation of a well-functioning and competitive energy market.** Such a market, characterised by security of supply and a level playing field, will in turn make up the necessary conditions to deliver secure and affordable energy to European consumers.

To support a just transition for European communities, the Clean Industrial Deal must also recognise the diversity in transition paths and investment needs across EU regions, due to the different challenges and starting points.

A competitive market for the energy sector requires improved investment conditions. **The new Clean Industrial Deal should focus on bridging the investment gap currently facing EU industry.** In this regard, we welcome the proposed revision of the EU's public procurement regime in this area, as public procurement is an important market force which can contribute to creating favourable investment conditions for the energy sector in Europe

In addition, UPEI and FETSA also urge the Commission to align net-zero strategic projects included in the EU Net Zero Industry Act (NZIA) with the green Taxonomy, ensuring that investments in strategic projects such as hydrogen technologies, sustainable alternative fuels, RFNBOs and energy storage, are taxonomy-aligned and thus incentivised. We also underline the strategic importance of expanding biofuel production, including investment in infrastructure for the storage and distribution of biofuels to ensure efficient delivery and accessibility. This includes investment in advanced biofuels derived from waste and non-food feedstocks such as lignocellulosic biomass, algae, and agricultural

residues, in line with circular economy principles and ensuring minimal competition with food production.

It is also essential that such projects benefit from simplified funding access, which will in turn be part of the necessary steps to create better investment conditions in the energy sector. Targeted incentives for biofuel use in hard-to-abate sectors such as aviation, marine, and heavy-duty transport, where electrification is not yet viable, is also of strategic importance.

UPEI and FETSA also welcome the expected **Industrial Decarbonisation Accelerator Act**, which will support industries and companies through the transition and will channel investment in infrastructure and industry, particularly in energy-intensive sectors. In this effort, we urge the Commission to consider the important role played by independent fuel suppliers and bulk liquid storage companies in a healthy and competitive energy market, ensuring that such actors are given special consideration under the new Act, in order to ease their transition to a greener business model and help them contribute to the green transition.

### **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.