UPEI-FETSA Joint Project: Energy for the Future

Position Paper on the upcoming proposal for an Omnibus Simplification Proposal

February 2025

UPEI, the voice of Europe's independent fuel suppliers, and **FETSA**, the Federation of European Tank Storage Associations, welcome the Commission's intention to publish an Omnibus proposal with the intention to simplify and streamline the reporting requirements stemming from EU legislation.

The past five years have proven that there is an urgent need for Europe to move to more sustainable industrial activities, while also ensuring our security and competitiveness in the global playing field. These three objectives – competitiveness, security and sustainability (including the goals of carbon neutrality by 2050 and 90% GHG emission reduction by 2040) cannot effectively happen without liquid energy carriers

The members of UPEI and FETSA **recognise the efforts made by the EU institutions to establish corporate sustainability reporting rules and frameworks that promote responsible business**, in particular with regards to high-impact sectors such as energy, mining, manufacturing and heavy industry. As the associations representing two sectors that are key for the decarbonisation of energy supplies, we believe that transparency and accountability in operations are key to ensure a sustainable future for our companies.

We have now fully analysed and assessed the complexities of the different regulatory frameworks that were adopted during the last few years, and whose implementation is imminent (and therefore overlapping): from ensuring that companies disclose on a broadened range of sustainability topics through the **CSRD**, to mandating risk-based due diligence across supply chains through the **CSDDD**, and incentivising green investments through the **Taxonomy Regulation**.

Harmonise frameworks to enable corporate responsibility

The implementation of the aforementioned frameworks has proven to create added administrative and regulatory hurdles for companies, and particularly for small and medium enterprises in the EU. **Liquid fuel suppliers and storage providers, which are already required to report extensively under many of the legislative pieces of the Fit for 55 (EU ETS, CBAM, Renewable Energy Directive, and many more), are also asked to duplicate their disclosure efforts to satisfy the new obligations under the multiple sustainability legislations** – disclosures that often do not align those required by the Fit for 55. The three frameworks all include overlapping environmental impact reporting and also mandate a duplication of efforts to assess value chains and sustainability, biodiversity, and climate-related risks. What is more, the Taxonomy puts in place separate disclosure requirements for companies' activities, which need to be assessed in complementarity with the non-financial reporting and due diligence reporting obligations of the CSDDD.

Any simplification effort should address these fundamental issues, with the aim to create one harmonised set of ruless companies can use to ensure they remain transparent and accountable for their activities.

Align corporate sustainability rules with Fit for 55 responsibilities

The harmonisation of these rules with the goals of the European Green Deal and the Fit for 55 package is another issue that should be pursued through the new Omnibus simplification proposal. Emissions reporting obligations under the EU ETS and CBAM, as well as reporting regarding the usage of renewable energy and energy efficiency targets create regulatory complexity that is unique to the energy sector. What is more, despite the Fit for 55 legislation being largely concluded in the previous mandate, a number of delegated and implementing acts will be required to implement the new rules, already foreseeing a large amount of technical effort required on behalf of companies to align with the technical requirements these acts will bring forward. The misalignment in the entry into force of these obligations - with some pieces of legislation entering into force much earlier, while the CSRD sector-specific standards are still under development by the European Financial Reporting Group (EFRAG) - creates further regulatory uncertainty, in particular for independent fuel suppliers with limited resources.

UPEI and FETSA therefore recommend that the Omnibus Simplification proposal pays particular attention to the changes brought about by the Fit for 55 package for the energy sector, in particular to ensure the competitiveness of the sector that will drive the EU's decarbonisation. It is vital that reporting obligations create opportunities for a competitive advantage, rather than adding additional barriers to sectors that are working to enable the green transition.

Overall, UPEI and FETSA emphasise that the new Omnibus simplification proposal must address the regulatory overlaps and create enabling conditions for companies in the EU to report on their obligations, plans and responsibilities. At the same time, the proposal must acknowledge the need of the EU energy industry for regulatory clarity and certainty and ensure that changes to existing frameworks do not cause further administrative burden to companies that have already made an effort to comply with the new requirements.

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.