**POSITION - 09 July 2020**

***EU RENOVATION WAVE***
***Liquid heating fuels can contribute to the energy transition***

On behalf of 4 associations active in the heating oil industry, namely ECFD (European Confederation of Fuel Distributors), Eurofuel (European Heating Oil Association), FuelsEurope (European Petroleum Refiners Association), UPEI (Europe's independent fuel suppliers), we would like to express our serious concerns regarding some of the proposals of the Renovation Wave questionnaire, and in particular the proposals to "ban the sale or use of fossil fuel heating systems by a certain date" for residential or non-residential buildings, or to "replace old boiler by a heat pump".

These proposals are in full contradiction with the **principle of technology neutrality** which has been repeatedly confirmed in the European Union's climate and energy policy. The proposed measure discriminates against technologies based on liquid and solid fuels without substantiation and without appreciation for the innovation that has already taken place and is ongoing. This innovation has resulted in significant efficiency gains and increasing integration of new fuel types (e.g. biofuels) as well as renewable energies. The principle of technology neutrality is essential to permit all technologies to compete on an equal basis towards a defined objective. This is an essential principle to uphold in order to allow the further evolution of liquid fuel based heating technologies, in order to offer solutions for new buildings but, more importantly, existing customers - especially those who currently have no alternative to liquid based heating.

These proposals also contradict the **principle of proportionality**. Alternative measures can be identified in pursuit of the objectives of renovation and of the European Green Deal in general, which would be less disruptive and discriminatory. In particular, all sustainable alternative fuels and energies should be allowed to compete on an equal basis in terms of energy efficiency and greenhouse gas emissions, encouraging innovation in a sector where there is no one-size fits all solution.

Before proposing rash technology bans, the **role of sustainable liquid fuels for heating** should be acknowledged. They provide numerous benefits to consumers and to the wider energy system:

- Liquid fuels are a **reliable** option as they provide efficient energy storage solutions and enjoy a high degree of suitability for more variable climate conditions.
- Thanks to their **flexibility**, liquid heating technologies can be easily supplied everywhere with no need of the grid and are easily adaptable to newer forms of liquid fuels (e.g. bioliquids) as well as renewable energy input (e.g. hybrid systems).
- **Affordability** is another asset of liquid fuels: consumers only pay for the energy they use without being subject to providers' and network's tariffs.

Proposals to ban heating systems based on combustion technology are counter-productive because they stop innovation, thus discouraging any investment in sustainable technology with liquid fuels. Such heating systems could easily be developed and are likely to be taken up quickly once the fuel is on the market. The technology to produce **renewable liquid fuels** is already available:

- HVO (Hydroteated Vegetable Oil: produced from used cooking oil, residues from the food industry and from vegetable oils which are not intended for food) is a mature technology and the fuel is available at an industrial scale.
- BtL (biomass-to-liquid) can be generated from a variety of vegetable raw materials (algae, waste, wood or straw).
- E-fuels are synthesized in a catalyst driven process called the "Fischer-Tropsch" process, which has been known for decades (PtL: Power-to-Liquid process).

We strongly believe in keeping the market open and improve consumers' information so that everyone has fair conditions to choose the most appropriate heating system for their specific situation. Bans would impact the most families living in rural areas with no infrastructure connections and poor families, as there is a real lack of affordable alternatives for them. Energy efficiency should be addressed in a socially acceptable way, with incentives which take into account the well-known issue of **energy poverty**.

In light of these considerations, the following measures should be considered instead of banning technologies altogether:

1. Encourage innovation: a technology-neutral and objective-driven approach represents the best way forward as excessive intervention of authorities in the selection of technologies can easily result in blocking innovation;
2. Encourage / subsidise the immediate replacement of all standard efficiency boilers
3. Encourage / subsidise the installation of energy conservation measures in sustainable liquid fuel heated homes;
4. Encourage the installation of hybrid sustainable liquid / heat pump / electric heating solutions for those who wish to convert now, and for the main market from mid-2020's;
5. Provide incentives to help the transition. This evolution will take place progressively, first with drop-in fuels, to finally achieve 100% fossil free fuels, designed to run on existing domestic boilers. Such a transition should be encouraged by ensuring that carbon neutral fuels are competitive towards other energy carriers.

**CONTACT**
Any questions about heating with oil and other liquid fuels? Contact our representatives in Brussels:


**ECFD**
European Confederation of Fuel Distributors
www.fuel-distributors.eu

Johan Mattart
jmattart@fuel-distributors.eu
Tel: +32 (0)2 502 42 00

**Eurofuel**
European Heating Oil Association
www.eurofuel.eu

Sandrine Devos,
Secretary General
sandrine.devos@eurofuel.eu
Tel: +32 (0)2 893 97 82

**FuelsEurope**
European Petroleum Refiners Association
www.fuelseurope.eu

Alain Mathuren,
Communication Director
alain.mathuren@fuelseurope.eu
Tel: +32 (0)2 566 91 19

**UPEI**
The Voice of Europe's Independent Fuel Suppliers
www.upei.org

Cécile Nourigat,
Secretary General
info@upei.org
Tel: +32 (0)2 740 20 20