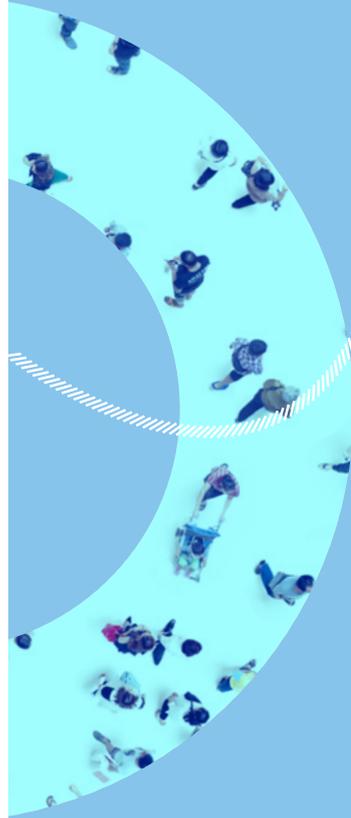


2023

UPEI  
ANNUAL  
REPORT



A SWIFT, JUST AND EQUITABLE  
**ENERGY TRANSITION**<sup>1</sup>

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.



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# PRESIDENT'S FOREWORD



2023 has been by many aspects a year of transition, marked by a series of uncertainties over the course of European and international energy policies, between addressing climate change and answering geopolitical or socio-economic challenges.

In terms of geopolitics, no diplomatic solution was found to stop Russian's invasion of Ukraine and the issue of the conflict remains highly uncertain, despite the strong Western support to Ukraine and its increased sanctions against Russia, but the energy crisis that surged in 2021/22 did not exacerbate and energy prices came down to more economically and socially acceptable levels. A new war exploded in the Middle East, but the conflict has so far been relatively contained with possibly more consequences on international trade than on oil and gas prices. In both conflicts, though, everything is highly volatile, and their outcome remains totally unpredictable, such as in many other areas of the world.

In terms of economic and social trends, at least in the European Union (EU), the strong case for pushing the Green Deal, including its both climate and environmental dimensions, has started to be questioned by policymakers and economic players who argue against its administrative complexity and economic costs that put the European economy in a difficult competitive situation against the rest of the world. The concept of "regulatory pause" initiated by the French President started making its way on the political scene, but it remains highly ambiguous: is it about taking stock of the already agreed legislation, ensuring its full

implementation throughout the EU, or is it about turning the back to what has been agreed and then opening regulatory uncertainties? This topic is likely to be one of the central elements of the campaign for the European elections to be held from 6 to 9 June 2024.

In this context, the outcome of the COP 28 held in Dubai in November may offer a "compass" of predictability to our sector, with an "agreement that signals the beginning of the end of the fossil fuel era by

laying the ground for a swift, just and equitable transition, underpinned by deep emissions cuts and scaled-up finance<sup>1</sup>". After intense discussions, the Parties adopted a "stock take" that calls upon "taking actions towards achieving, at a global scale, a tripling of renewable energy capacity and doubling energy efficiency improvements by 2030, accelerating efforts towards the phase-down of unabated coal power, phasing out inefficient fossil fuel subsidies, and other measures that drive the transition away from fossil fuels in energy systems, in a just, orderly and equitable manner, with developed countries continuing to take the

lead<sup>2</sup>". The Parties also acknowledged the scientific work of the IPCC, notably its 6<sup>th</sup> Assessment Report, recognising its findings that global greenhouse gas emissions need to be cut by 43% by 2030, compared to 2019 levels, to limit global warming to 1.5°C.

This outcome has confirmed what UPEI stated and committed to in our reviewed 2050 Vision, making for us 2023 the year of the energy transition. At our Spring General Meeting in Rotterdam on 19-21 April,

**2023 has been by many aspects a year of transition, marked by a series of uncertainties over the course of European and international energy policies, between addressing climate change and answering geopolitical or socio-economic challenges.**

hosted and co-organised by our Dutch Member NOVE, UPEI Members agreed upon the creation of a sixth permanent commission, devoted to the energy transition. It held its first meeting on 14 December, during which it started defining its scope, its areas of work and its priorities. The new commission's tasks are slightly different from other commissions as they aim to develop UPEI's knowledge on recent economic trends and technological developments, to assess risks and opportunities arising from EU policy developments, to organise exchange of views on relevant national developments, and to keep informed and involved policymakers and other industry stakeholders via policy and position papers. The Energy Transition commission will regularly hold webinars with external experts to nurture its reflections.

Meanwhile, the EU institutions have marched at full speed towards the final adoption of the "Fit for 55" legislation package and complementary legislation. UPEI has continued to be actively involved with influencing the shaping of this legislation: monitoring, analysing, and influencing remain at the core of our activities.

With the support of our commissions, who met fifteen times in 2023, and/or in the framework of various European industry coalitions where UPEI is a member, we issued nine statements and eight position papers, providing technical input and urging policy-makers "to consider that all technological and financial solutions must be fully mobilised to reach the climate neutrality goal of the Paris Agreement" and "to acknowledge the strategic role of clean molecules used in industry, energy supply, transport, and buildings to meet the 2050 climate targets. These include, and are limited to, Renewable Fuels of Non-Biological Origin (RFNBOs), advanced biofuels, feedstocks used for decarbonisation of industry (...), as well as carbon capture usage and storage (CCUS) technologies<sup>3</sup>". The final compromise on the Regulation on CO<sub>2</sub> emission standards for light-duty

vehicles and – as I am writing this foreword in February 2023 – a similar compromise on heavy-duty vehicles seem to indicate that policymakers are starting to understand the message.

Adopting legislation is only a part of the process, implementing and applying it are at least equally important. Whereas the implementation of EU legislation is the subject of quite numerous "implementing measures" at EU level and of national measures at Member States level, its application is the task of economic operators. This is why UPEI organised in September a webinar during which our public affairs consultant Weber Shandwick gave a first comprehensive explanation of the "Fit for 55" legislative package based on the final texts agreed between the EU institutions and published on the EU Official Journal.

Also, EU Expert Groups play an essential role in the EU policy making and implementing. This is why UPEI actively seeks to join these and to participate in their activities. Amongst these groups are the Excise Contact Group, where UPEI's expert was re-ap-

pointed in December, the Renewable and Low-Carbon Fuels Value Chain Industrial Alliance, where UPEI is represented in two Roundtables, the ETS2 stakeholders' group of the Expert Group on Climate Change Policy, and the Oil Coordination Group, where UPEI was invited twice in 2023 to participate as a guest. UPEI is also an active member of several informal industry coalitions, not least the Stuttgart working group set up in September "to contribute to the development by the European Commission (...) of a proposal for registering vehicles running permanently on CO<sub>2</sub> neutral fuels in conformity with EU law and the Renewable Energy Directive sustainability criteria".

At its General Meeting in October in Copenhagen, hosted and co-organised by our Irish/Danish member DCC Energi, UPEI partially renewed its Board membership for the next three years: Erik de Vries



**Policy makers should acknowledge the strategic role of clean molecules used in industry, energy supply, transport, and buildings to meet the 2050 climate targets.**



was re-elected Vice President, Ondřej Jančařík was elected Vice President in replacement of Ivan Indráček, who we gladly continue to count as Chair of the Retail Stations Commission, and I was re-elected President. Our Board will continue to listen and serve you while we move further through the energy transition.

In Copenhagen, we also welcomed for the first time two members from Poland: UNIMOT has joined us as Business Partner, and E100 International as guest members. We trust that this will mark the beginning of a long and fruitful cooperation with an important EU country.

Let me as President – but I trust that I also speak on behalf of the Board – thank the Secretariat: without their commitment and work, our achievements would not have been possible.

I will not close this foreword without a feeling of sadness: indeed, we lost end 2023 a very long-standing member of UPEI and active contributor: our British association the Downstream Fuel Association (DFA), which, as we understand it, is stopping its activities on 1<sup>st</sup> April 2024. But we will seek new ways to keep UPEI links with the United Kingdom.

<sup>1</sup> Source: [United Nations Press release “COP28 Agreement Signals “Beginning of the End” of the Fossil Fuel Era” 13 December 2023](#)

<sup>2</sup> Source: [United Nations Press release “COP28 Agreement Signals “Beginning of the End” of the Fossil Fuel Era” 13 December 2023](#)

<sup>3</sup> Source: [Joint UPEI FETSA Statement ahead of the COP 28, 29 November 2023](#)

I wish you an enjoyable reading of our 2023 annual report.

**Johan Deleu**



# ABOUT UPEI



# UPEI PRESIDING BOARD AND COMMISSION CHAIRS 2023



**JOHAN DELEU**  
(Brafc0, Belgium)

**PRESIDENT**

**IMPORT | TRADE | WHOLESALE COMMISSION CHAIR**



**Erik de Vries**  
(NOVE, The Netherlands)

**VICE PRESIDENT**

**BUNKERING COMMISSION CHAIR**



**Ivan Indráček**  
(SČS, Czech Republic)

**VICE PRESIDENT**

**RETAIL STATIONS COMMISSION CHAIR**



**Ondřej Jančařík**  
(Eurowag, Czech Republic)

**VICE PRESIDENT** (from 01/01/2024)

**FUEL PAYMENTS COMMISSION CHAIR**



**Christian Heise**  
(DCC, Denmark)

**VICE PRESIDENT**

**ENERGY TRANSITION COMMISSION CHAIR**



**Carsten Müller**  
(MEW, Germany)

**VICE PRESIDENT**

**UPEI MEMBERSHIP DEVELOPMENT**

## UPEI SECRETARIAT



**Pierre Lucas**

**SECRETARY GENERAL**



**José Luis Mira Mira**

**COMMUNICATIONS AND OFFICE MANAGER**

## UPEI EXPERTS



**Ondřej Jančařík**

**FUEL CARDS**



**Uta Weiss**

**FUEL QUALITY, BIOFUELS RETAIL HEATING COMMISSION CHAIR**



**Maximilian Brockmann**

**COMPULSORY STOCKS OF OIL**



**Teresa Sayers**

**FUEL LABELLING**



**Brian Worrall**

**HEATING OIL**



**Erik de Vries**

**MARITIME TRANSPORT**



**Sarah Schmitt**

**RETAIL SECTOR**



**Letizia Pasqualini**

**ENERGY TRANSITION**



**Johan Deleu**

**SUSTAINABLE TRANSPORT**



**Inga Tölke**

**TAXATION**



**Britta Mølgaard**

**ENERGY TRANSITION**

# UPEI COMMISSIONS

UPEI covers a wide spectrum of downstream activities. In order to address all the topics and issues identified at the business level by the membership, as well as policy developments at EU level that affect the business, six Commissions were created – one for each of the main business activities of UPEI membership.

## BUNKERING COMMISSION



- Decarbonisation
- Fuel quality
- Sustainable fuels
- Taxation
- Emission Trading Scheme (ETS)

## RETAIL HEATING COMMISSION



- Energy efficiency
- Building legislation
- Bio heating oil

## IMPORT / TRADING / WHOLESALE COMMISSION



- Biofuels
- Compulsory stocks obligations
- Energy taxation
- Fuel quality
- Emission Trading Scheme (ETS)
- Research and Development and Innovation

## RETAIL STATIONS COMMISSION



- Alternative fuels infrastructure
- Fuel labelling, blends and additives
- Technical regulations for stations
- Trends in retail sector

## FUEL PAYMENTS COMMISSION



- Fuel cards and apps
- Payment services legislation
- Fraud
- Innovation
- Trends in the payment area

## ENERGY TRANSITION COMMISSION



- Carbon neutral alternatives
- Investment context
- Social/societal acceptance of the energy transition
- National trends
- R&D and innovation

1  
ITW

1  
RETAIL STATIONS

4  
BUNKERING

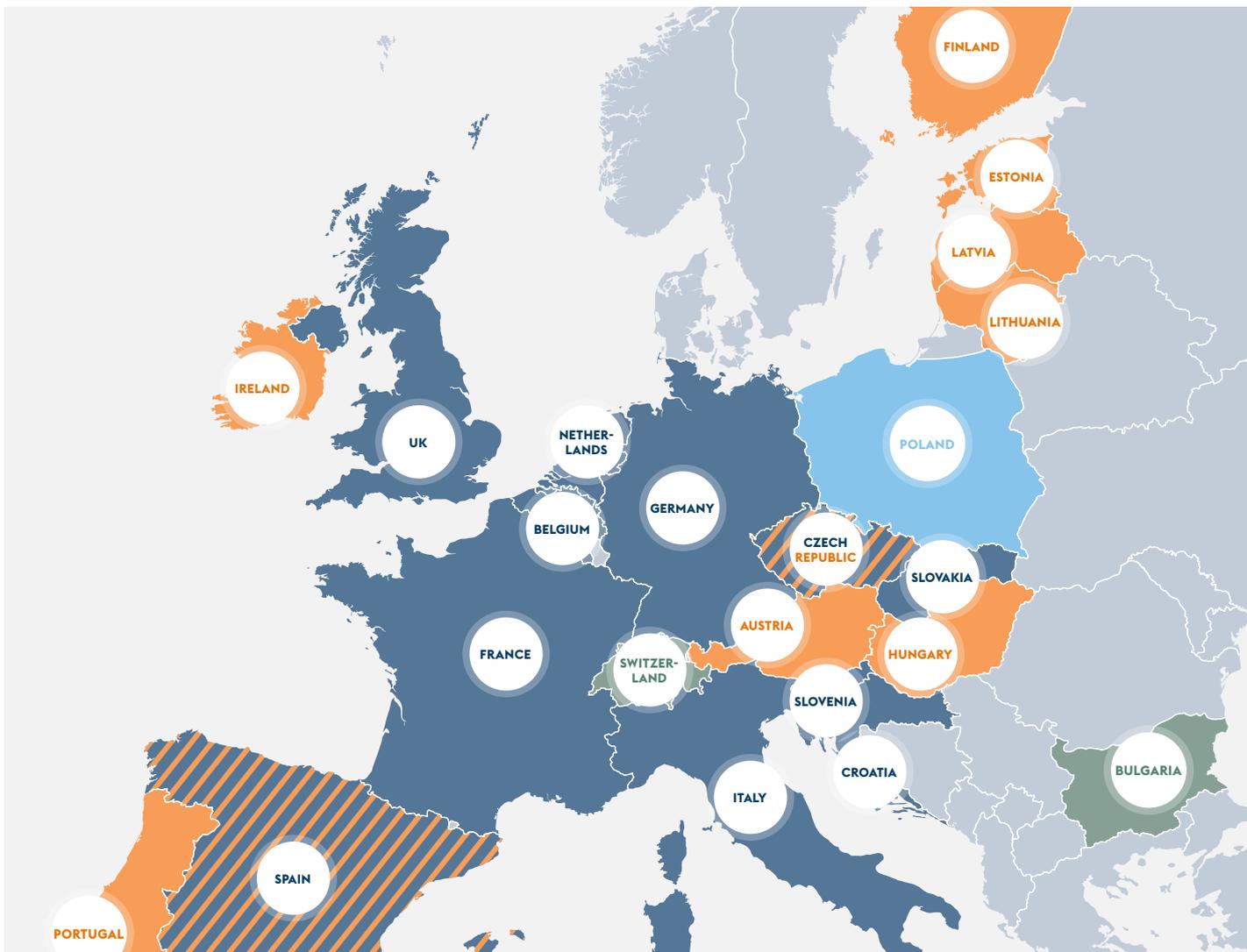
4  
RETAIL HEATING

4  
FUEL PAYMENTS

1  
ENERGY TRANSITION

**= 15 commission meetings in 2023**





**NATIONAL ASSOCIATIONS**

**BELGIUM**

Brafco – [www.brafco.be](http://www.brafco.be)

**CROATIA**

HUP – [www.hup.hr](http://www.hup.hr)

**CZECH REPUBLIC**

SČS – [www.scs.cz](http://www.scs.cz)

**FRANCE**

FFPI – [www.ffpi.fr](http://www.ffpi.fr)

**GERMANY**

MEW – [www.mew-verband.de](http://www.mew-verband.de)

**ITALY**

ASSOPETROLI – ASSOENERGIA  
[www.assopetroli.it](http://www.assopetroli.it)

**THE NETHERLANDS**

NOVE – [www.nove.nl](http://www.nove.nl)

**SLOVAKIA**

SČSSR – [www.scssr.sk](http://www.scssr.sk)

**SLOVENIA**

SNNK-WPC – [www.world-petroleum.org](http://www.world-petroleum.org)

**SPAIN**

UPI – [www.upienergia.es](http://www.upienergia.es)

**UK**

DFA – [www.downstreamfuel.org.uk](http://www.downstreamfuel.org.uk)



**COMPANIES**

**AUSTRIA**

Stiglechner – [www.stiglechner.com](http://www.stiglechner.com)

**CZECH REPUBLIC**

W.A.G. Payment Solutions a.s.  
[www.eurowag.com](http://www.eurowag.com)

**ESTONIA**

Olerex AS – [www.olerex.ee](http://www.olerex.ee)

**FINLAND**

SEO – [www.seo.fi](http://www.seo.fi)

**HUNGARY**

Mabanaft Hungary Kft – [www.mabanaft.hu](http://www.mabanaft.hu)

**IRELAND**

DCC Energy Limited – [www.dcc.ie](http://www.dcc.ie)

**LATVIA**

AS VIRŠI-A – [www.virsia.lv](http://www.virsia.lv)

**LITHUANIA**

UAB Gelvybe (Lithuania)  
[www.facebook.com/gelvybe/](http://www.facebook.com/gelvybe/)

**PORTUGAL**

PRIO Energy – [www.prio.pt/en/](http://www.prio.pt/en/)

**SPAIN**

OnTurtle – [www.onturtle.eu/en/](http://www.onturtle.eu/en/)  
Andamur – [www.andamur.com](http://www.andamur.com)



**ASSOCIATES**

**BULGARIA**

Benzin Bg – [www.benzin.bg](http://www.benzin.bg)

**SWITZERLAND**

AVIA International  
[www.avia-international.com](http://www.avia-international.com)



**(GUEST MEMBER)**

**POLAND**

Company: E100 International Trade Sp. z o.o.

# CONTEXT



**UPEi**

THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

# THE EU POLICY CONTEXT IN 2023

2023 was by many aspects a year of stocktaking and hesitant progress in energy policies at global and EU levels, while climate change continued its race towards record breaking temperatures, with 2023 being the warmest year ever recorded, according to the EU research programme Copernicus<sup>1</sup>.

At international level, the COP28 concluded its work with a series of commitments, including for the first time a “swift, just and equitable transition”<sup>2</sup> away from fossil fuels, to be reached via reducing by 43% the emission of GHG, by tripling global renewable energy capacity and by doubling the rate of energy efficiency improvements by 2030. In its special report on “The oil and gas industry in the net zero transition”, the International Energy Agency (IEA) assessed that today’s policy settings will

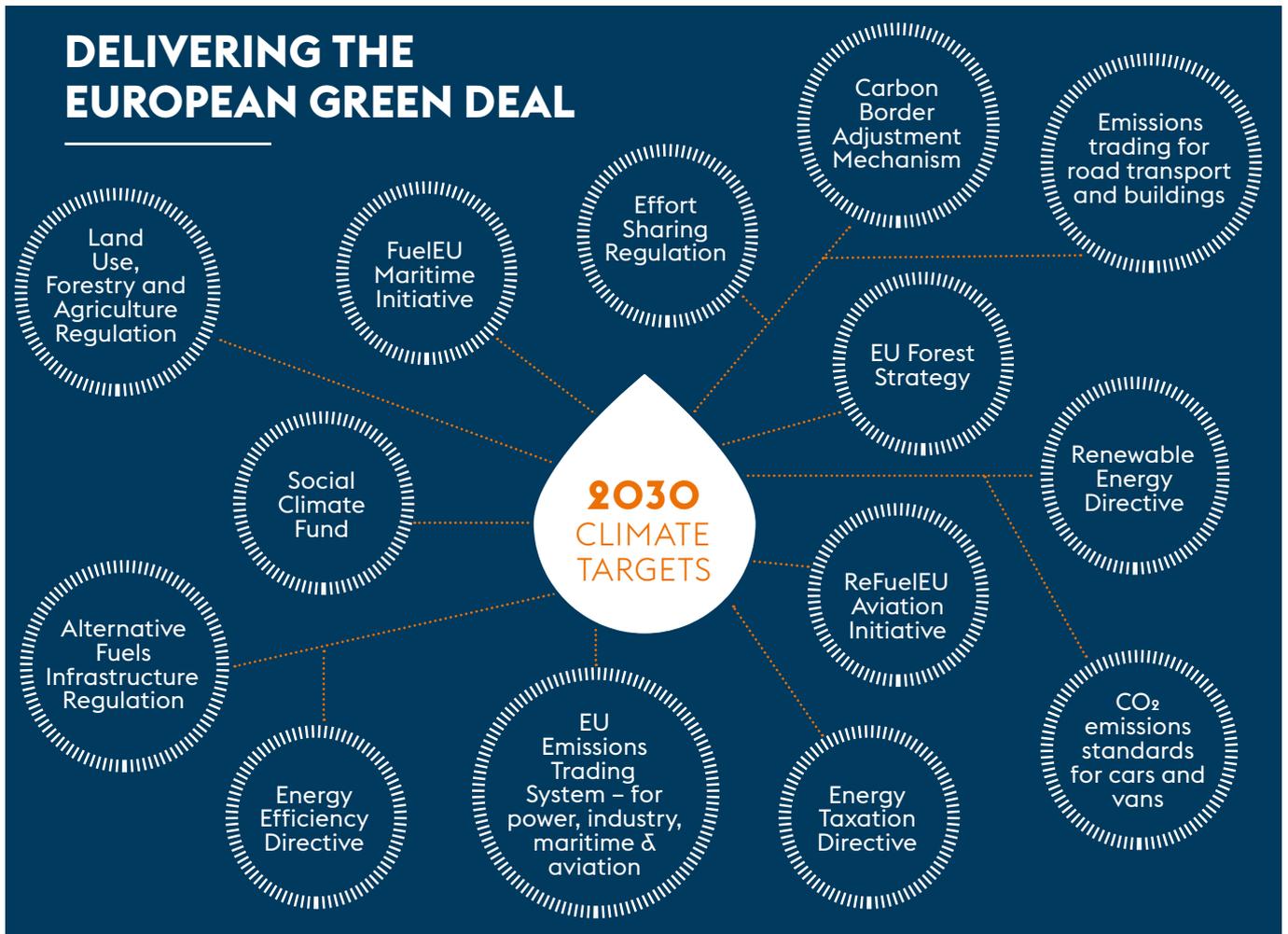
lead to peaks in demand for all fossil fuels well before 2030 and to a decline by 45% in 2050 according to current government promises, and even 75% in order to reach 1.5 °C. However, the IEA considers that the oil and gas industry is well placed to scale up some crucial technologies for the net zero transition and that “energy transition can happen without the engagement of the oil and gas industry, but the journey to net zero will be more costly and difficult if they are not on board”<sup>3</sup>.

<sup>1</sup> Source: <https://climate.copernicus.eu/copernicus-2023-hot-test-year-record>

<sup>2</sup> Source: <https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era>

<sup>3</sup> Source: <https://www.iea.org/reports/the-oil-and-gas-industry-in-net-zero-transitions>

## “FIT FOR 55” PACKAGE AND COMPLEMENTARY LEGISLATION



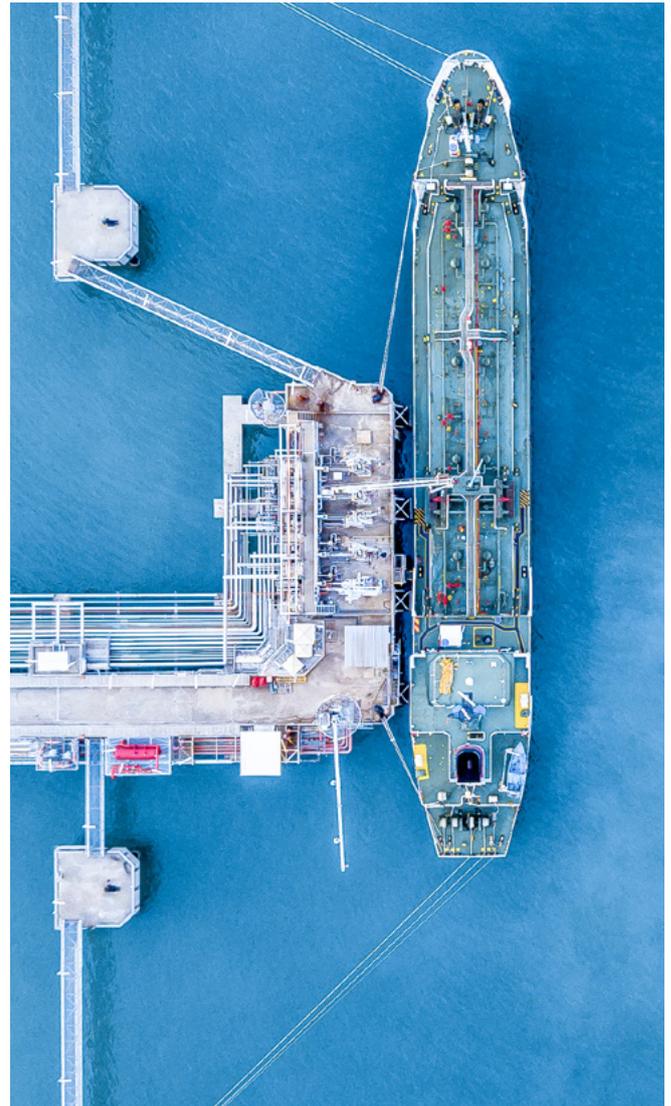
The EU energy, transport, climate, and industry agenda continued to be dominated by the adoption of the “Fit for 55” legislative package and subsequent legislation such as the gas package, a regulation on type-approval of motor vehicles or a Regulation proposal on CO<sub>2</sub> standards for heavy-duty vehicles (HDVs), as well as a set of new initiatives in transport, the “Greening of Transport” package. Of great relevance for UPEI was also the presentation of two pieces of legislation revising the Payment System Directive (PSD II).

Under the Swedish and then Spanish Presidencies of the European Council, and in the relevant committees of the European Parliament, work was diligently carried out to adopt the negotiation positions of each institution and then to ensure a successful outcome of the trilogue negotiations.

By end 2023, the following pieces of legislation were definitely adopted:

- » CO<sub>2</sub> emission performance standards for LDVs. [Regulation published in the EU Official Journal.](#)
- » Efforts Sharing Regulation Land Use Change and Forestry. [Regulation published in the EU Official Journal.](#)
- » Emissions Trading Scheme (ETS) – procedure completed. Regulations published in the EU Official Journal: [ETS2](#), [ETS maritime](#), carbon border adjustment mechanism [CBAM](#) and [Social Climate Fund](#).
- » Renewable Energy Directive (RED III) – [Published in the EU Official Journal.](#)
- » Fuels EU Maritime – [Published in the EU Official Journal.](#)
- » Alternative Fuels Infrastructure Directive – [Published in the EU Official Journal.](#)
- » Energy Efficiency Directive – [Published in the EU Official Journal.](#)
- » REFuelEU Aviation – [Published in the EU Official Journal.](#)

Two important pieces of the original “Fit for 55” legislative package were not adopted before end 2023: concerning the Energy Performance of Buildings Directive (EPBD), the trilogue negotiations were completed in December 2023, but the formal endorsement by European Parliament and the EU Council had to be moved to 2024. On the other hand, the revision of the Energy Taxation Directive (ETD) did not move further enough either under Swedish or Spanish Presidency of the EU Council, where Ministers have to agree unanimously. The Rapporteur in the European Parliament insisted that the European Commission tables a new Impact Assessment in the light of the energy crisis before moving further with the analysis of the proposal.



## – Implementation

As regards RED II (still legally binding until RED III has been fully implemented by the Member States), three important Delegated Acts were also adopted a) defining under which conditions hydrogen, hydrogen-based fuels or other energy carriers can be considered as RFNBOs<sup>4</sup> b) providing a methodology for calculating life-cycle greenhouse gas emissions (GHG) for RFNBOs and c) on a methodology to determine the share of biofuel and biogas for transport resulting from biomass being processed with fossil fuels in a common process (co-processing). Delegated Acts a) and b) were completed by a Q&A issued by the European Commission services.

The next step for the “Fit to 55” legislative package will be its implementation by the Member States. An important step will be in June 2024 when they have to present their revised National Energy and Climate Plans (NECPs), which set out

<sup>4</sup> Renewable Fuels of Non-Biological Origin.

each country's national roadmap to collectively meet the EU's target of 55% net greenhouse gas emission reductions by 2030, and the corresponding energy and climate objectives, as revised in the different pieces of the "Fit for 55" legislative package. These NECPs were first submitted in the form of drafts in June 2023, allowing the European Commission to analyse them and present its remarks in December:

- » the draft NECPs are not yet sufficient to reduce net greenhouse gas emissions by 55% by 2030; current measures would lead to a reduction of 51%.
- » further ambition is needed to close a gap of 6.2 percentage points in the effort sharing sectors compared to the 40% target.
- » there is a gap of around -40 to -50 million tonnes of CO<sub>2</sub> equivalent (MtCO<sub>2</sub>eq) compared to the -310 MtCO<sub>2</sub>eq target under the Land Use, Land Use Change and Forestry (LULUCF) Regulation, showing that an enhancement of the carbon sink is necessary.
- » for renewable energy, the current drafts would lead to a share of 38.6-39.3% of renewables in the energy mix by 2030, compared to the 42.5% target in the revised Renewable Energy Directive in the RED III.
- » for energy efficiency, the current drafts would lead to 5.8% energy efficiency improvements, compared to the target of 11.7% in the revised Energy Efficiency Directive.

### – Complementary legislation

Further pieces of legislation, complementary to the "Fit for 55" legislative package, were presented or discussed in 2023, such as the Euro 7, a Regulation proposal on CO<sub>2</sub> standards for HDVs, or the hydrogen and gas markets decarbonisation package. A "Greening of Transport" package was also presented by the Commission in June 2023, including a proposal on "CountEmissionsEU" (common methodological approach for companies to calculate their greenhouse gas emissions).

Moreover, the Commission presented policy or legislative initiatives related to specific segments of the energy sector, such as a wind power package, a European hydrogen bank, preparatory work for an industrial carbon management strategy (to be presented in 2024), while putting in motion its solar strategy presented in 2022.

### – Beyond the "Fit for 55" legislative package and 2030: emissions target for 2040

As required by the Climate Law of 2021, the European Commission launched a "call for evidence" in March with a consultation document aiming at gathering input on the adoption of an intermediate climate target for 2040. The

process will end up in 2024 with the formal adoption of the target, most likely to be accompanied by new legislative proposals – a "Fit for 90" legislative package?

### – Transversal legislation

Legislation that affects the entire industry or even economy, generally aiming at consolidating the EU Internal Market, was examined by individual UPEI commissions, such as

- » The revision of the PSD2 (PSD3 and PSR) of major importance for the fuel cards sector.
- » The revision of EU Customs Union.
- » The Corporate Sustainability Reporting Directive.
- » The revision of the Late Payments Directive.
- » The revision of the Packaging and Packaging Waste Directive.

## EU INDUSTRY COMPETITIVENESS

2023 was marked by a growing concern of the declining global competitiveness of the EU industry and the need to address, amongst others, the Inflation Reduction Act (IRA) proposed by the US Administration in Summer 2022.

On 1<sup>st</sup> February, the European Commission presented a "Green Deal Industrial Plan", with, in particular, a proposal for a Net-Zero Industry Act (NZIA), to support industrial manufacturing capacity and strategic/multi-country projects in net-zero products, notably by means of faster permitting procedures and the development of European standards. The Plan also proposed an adjustment of State aid rules, by transforming the Temporary Crisis Framework put in place just after the invasion of Ukraine by Russia, into a Temporary Crisis and Transition Framework, and by revising the Green Deal General Block Exemption Regulation. Both measures aim to provide more flexibility to the Member States to boost the development and the deployment of renewable and sustainable energy and climate change-related sectors.

The NZIA was discussed throughout 2023 in the European Parliament and the EU Council, with the first adopting its position in November and the second its "general approach" in December as their respective mandates for the negotiations with each other early 2024.

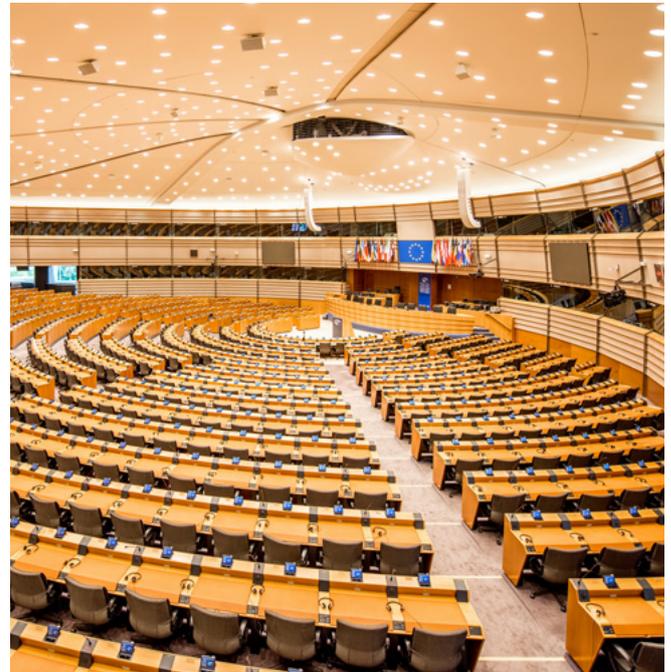
Meanwhile, another element of the Green Deal Industrial Plan, the "REPowerEU" presented in 2022 was definitely adopted early 2023. Amongst other measures, Member States are required to add a new "REPowerEU" chapter to their national recovery and resilience plans (RRPs) of the "NextGenerationEU" recovery plan, which will allow them

to receive grants and funds financed from the sale of Emissions Trading System allowances (€20 billion), from the Brexit Adjustment Reserve (€5.4 billion) and from remaining loans of the Recovery and Resilience Fund that Member States can use for “REPowerEU” purposes (€225 billion).

In terms of finances, the European Commission presented a new package of measures to strengthen the foundations of the EU sustainable finance framework. The aim of this package is to ensure that this framework continues to support companies and the financial sector, and to encouraging the private funding of transition projects and technologies. Specifically, the Commission is adding additional activities to the EU Taxonomy and proposing a new regulation for Environmental, Social and Governance (ESG) rating providers, with the aim to increase transparency on the market for sustainable investments. The package also includes recommendations on transition finance, aiming to provide guidance as well as practical examples for companies and the financial sector.

In parallel, the European Union further reflected on its economic security. In June, the Commission presented a [European Economic Security Strategy](#), exploring ways to minimise the risks in the context of increased geopolitical tensions and accelerated technological shifts, while pre-

serving maximum levels of economic openness and dynamism. The strategy identified four risk categories to be addressed as a matter of priority: supply chains, physical and cyber-security of critical infrastructures, technology security and technology leakage, and weaponisation of economic dependencies or economic coercion.



## SANCTIONS AGAINST RUSSIA

Throughout 2023, the EU Council adopted further sanctions against Russia and its allies (Belarus and Iran) in the framework of its war against Ukraine.

The EU Council decided to prolong the measures adopted in 2014 and throughout 2022, and adopted three new packages of sanctions, including strengthening bilateral and multilateral cooperation with third countries to hamper sanctions’ circumvention, prohibiting the transit of goods and technology via Russia and tightening export restrictions.

Importantly, it also agreed upon a level of price cap for Russian petroleum products: the price cap for petroleum products traded at a discount to crude oil was set at USD 45 per barrel and traded at a premium to crude was set at USD 100 per barrel. The level of the cap was established in close cooperation with the international “Price Cap Coalition” and became applicable as of 5 February 2023. According to the Centre for Energy and Clean Air (CREA)<sup>5</sup>, the price cap has cut Russia’s export earnings

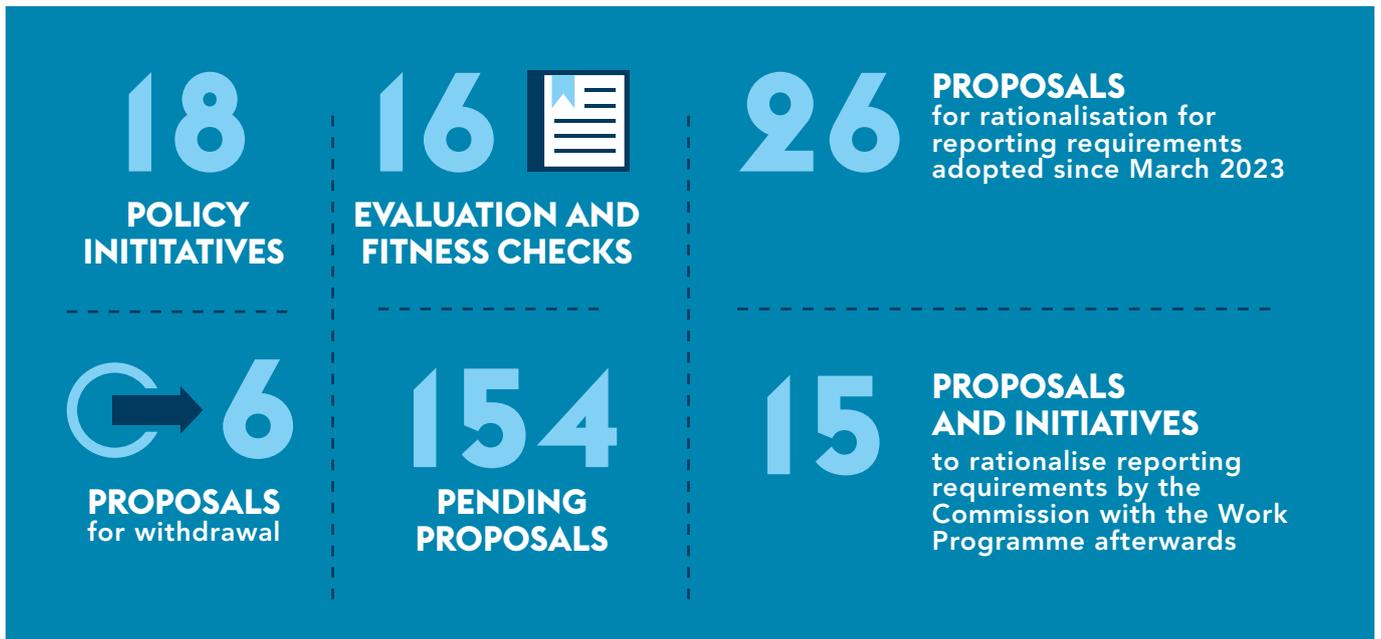
from oil by 14%, costing them €34 billion in export revenue. As per Eurostat, the share of petroleum oil imports from Russia dropped from 28 % in the fourth quarter of 2021 to 3 % in the fourth quarter of 2023.<sup>6</sup>

However, also according to the CREA, the impact of the sanctions largely took place in the first half of 2023, and had a declining effect due to the failure of G7 and EU governments to enforce and strengthen the price cap. This failure has enabled Russia to sell its oil above the price cap level, while increasing export volumes to new willing buyers that are not imposing sanctions. Additionally, oil products refined from Russian crude are legally exported to countries imposing the price cap (“refining loophole”).

<sup>5</sup> Source: <https://energyandcleanair.org/december-2023-monthly-analysis-on-russian-fossil-fuel-exports-and-sanctions/#:~:text=Crude%20oil%3A%20China%20is%20the,Czech%20Republic%2C%20Slovakia%20and%20Hungary>

<sup>6</sup> Source: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU\\_trade\\_with\\_Russia\\_-\\_latest\\_developments](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU_trade_with_Russia_-_latest_developments)

## EUROPEAN COMMISSION WORK PROGRAMME FOR 2024



On 17 October, the European Commission presented its work programme for 2024 “Delivering today and preparing for tomorrow”.

Bearing in mind that 2024 is a European elections year, the Commission presented a shorter programme with a limited number of new initiatives. On energy and climate, the three main proposals are:

- » A European wind power package: it was already tabled on 24 October.
- » A 2040 climate target, to be tabled as a non-legislative document during Q1 2024, aiming at keeping the EU on its trajectory towards 2050.
- » An initiative on industrial carbon management, setting out a strategy for environmentally sustainable carbon capture, utilisation, and storage (CCUS) deployment in the EU, considering its importance for reaching carbon neutrality.

The programme also focuses on proposing that the European Parliament and the EU Council finalise their examination of the following pending proposals, so that they can be published and implemented before the end of the legislature. These are:

Regulation proposals on

- » The accounting of GHG emissions of transport services.
- » Strengthening the CO<sub>2</sub> emission performance standards for new heavy-duty vehicles and integrating

reporting obligations.

- » Establishing an EU certification framework for carbon removals.
- » Type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7).
- » Methane emissions reduction in the energy sector.
- » The internal markets for renewable and natural gases and for hydrogen (recast).
- » Common rules for the internal market in renewable and natural gases and in hydrogen.

Directive proposals on

- » The EPBD.
- » Restructuring the Union framework for the taxation of energy products and electricity (recast).
- » Ship-source pollution and on the introduction of penalties, including criminal penalties, for pollution offences.
- » Substantiation and communication of explicit environmental claims (Green Claims Directive).

# ACTIVITY REPORT



## POSITIONING UPEI IN THE ENERGY TRANSITION DEBATES

In 2023, UPEI further positioned itself in Brussels as a relevant and heard player in the EU energy framework. Whereas the energy crisis that followed the end of the COVID 19 pandemic and the invasion of Ukraine by Russia became less acute, despite new tensions in the Middle East, much attention was required to monitor the adoption of the "Fit for 55" legislative package and subsequent legislation by the European Parliament and the EU Council, and also to start evaluating its impact upon the independent fuel suppliers sector.

In this respect, UPEI organised in September a seminar with our public policy partner Weber Shandwick to provide our Members with a first overview of the final legislative texts as they become applicable after their publication in the EU Official Journal.

Both Spring and Autumn General Meetings provided opportunities for Members, Associate Members, and Business Partners to debate and exchange views on current topics of relevance: in Spring a debate with academics and industry players was organised in Rotterdam

on the perspectives for sustainable and renewable fuels amidst the current energy crisis; in the Autumn, a set of roundtables with small groups was proposed in Copenhagen, during which Members played an active role in defining what UPEI should do in terms of energy transition, of EU advocacy and how our companies should develop their customer experience.

The Board met five times, notably to adopt UPEI's work programme for 2023, to prepare and evaluate the General Meetings, to monitor the management of UPEI finances as well as the development of its membership and of its EU policy activities, including the "Energy for the Future" project with FETSA.

Our commissions and experts continued to play a central role in shaping UPEI's positioning regarding legislation in the making. As of January, the Retail Heating commission was reconvened after a three-year period during which it had not met, and a new Energy Transition commission was created by the General Meeting in Rotterdam and met for its inaugural meeting in December.



## DRAFTING OF UPEI POSITIONS IN THE COMMISSIONS



### – ITW Commission

**Chair: Johan Deleu**

**Experts: Inga Tölke (MEW),  
Max Brockmann (DS-Mineralöl)**

The ITW commission met once, on 15 September and discussed on topics of relevance for its area of expertise.

In the framework of the “Energy for the Future” project with Weber Shandwick, UPEI and FETS<sup>1</sup> prepared a joint position paper to outline their main ideas and concerns on a possible revision, presenting what to-date strategic storage in the EU is, explaining why strategic stocks do matter, and providing some recommendations for a more resilient EU.

At the ITW commission meeting on 15 September, members discussed the draft position paper and brought a few amendments to it.

The Union Database for Biofuels, stemming from the RED II, is a tool for companies to implement this Directive. Each company that is concerned by the Union Database must cooperate with a voluntary scheme to ensure that the organisation and certification is registered. However, there are quite severe concerns as regards the functioning of the database, which is not operational yet, whereas customers are already asking for the registration number.

The revised ETS and, in particular, its extension to road transport and buildings via the ETS2 Regulation is also very carefully monitored by the ITW commission. The emission reduction target will be set in 2026 and will gradually be increased to amount of 43% emission reduction in 2030 compared to 2005. To be involved more closely, especially with the drafting of the revised Implementing Regulation concerning the stakeholders’ obligations with regards to the calculation and the reporting of emissions, UPEI put forward the candidature of our MEW colleague Inga Tölke, who was appointed as UPEI representative in the EU Climate Change Expert Group (CEEG) – extended to stakeholders from the transport and building sectors. Of particular concern is the calculation at the time of payment of the excise duty. Other issues are linked to transport



losses and to the Monitoring Plan Template for ETS2 Regulated Entities, where UPEI prepared a set of comments.

UPEI was invited on 28 June and on 27 October (for the second and third time) to attend the stakeholders’ part of the EU Oil Coordination Group. This Group was created by Directive 2009/119/EC on Oil Stocks (Article 17) and is composed of European Commission and Member States representatives. Its mission is to contribute to analyse the situation within the EU regarding security of supply for crude oil and petroleum products and to facilitate the coordination and implementation of measures in that field, in particular in the event of difficulties arising in the supply.

Both meetings provided an opportunity to discuss with national administrations and most players in the energy sector about the economic situation.

The June meeting of the Oil Coordination Group focused also on a possible revision of the EU Oil Stocks Directive of 2009, which the ITW commission follows closely. The report from the consultants (Trinomics and Insights Global) appointed by the European Commission to evaluate the Directive concluded that there are no significant issues that may lead the Commission to prepare a revision of the Directive. However, it is still possible that the European Commission will present an amendment or a proposal to review the Oil Stocks Directive in 2024 or 2025.

The ITW commission also closely monitors the application of the EU and G7 embargo on Russian oil, that sometimes creates complex situations as regards imports of Russian products refined in third countries.

<sup>1</sup> FETS is the Federation of European Tank Storage Associations



## – Retail Stations Commission

**Chair:** Ivan Indráček (SČS)

**Expert:** Sarah Schmitt (MEW)



The Retail Stations commission held one meeting, on 30 November, covering the following topics:

On eFuels, it heard a presentation by Sarah Schmitt of MEW on the availability of eFuels, its current status in the German market, its outlook, and the importance of the “eFuel Today campaign”.

On the EU transport policy, it heard an update by Camilla Sante of Weber Shandwick, who highlighted in particular that legislation can be divided into two categories, those setting the rules on exhaust emissions, such as Euro 6 for cars & vans, and Euro VI for lorries and buses, or Euro 7, which covers all the categories of vehicles, and those setting the rules for CO<sub>2</sub> emissions, such as the CO<sub>2</sub> emissions standards for LDVs, and the CO<sub>2</sub> emissions standards for HDVs.

The commission also started monitoring the activities of a new working group set up in Stuttgart on 12 September, working on monitoring methodologies for the use of CO<sub>2</sub> neutral fuels, which aims at studying how fossil fuels free cars with internal combustion would continue to be on the mar-

ket after 2035. As member, for UPEI, of the working group’s steering committee, Johan Deleu presented a preliminary outcome of this working group’s activities and its subgroups, where UPEI is represented by MEW colleagues Uta Weiss, Ulrich Nowak, Sarah Schmitt, and Daniel Kaddik. Johan Deleu also highlighted his request for the Stuttgart working group to cover the whole supply chain. One of the main objectives of the working group is to request the European Commission and the European Standardisation Committee (CEN) not to make any decision on defining the concept of carbon-neutral fuels before the working group presents its results (end 2024).

The Retail Stations commission is also working on:

- » The implementation of the revised Alternative Fuel Infrastructures Regulation (AFIR) at national level after its adoption in the framework of the “Fit for 55” legislative package.
- » The revision of the Packaging and Packaging waste Directive as it concerns operators of retail stations.
- » The EU legislative requirements on the taxation of HVO100 and the situation in the Members States.



## – Fuel Payments Commission

**Chair:** Ondřej Jančařík (Eurowag)

**Expert:** Sarah Schmitt (MEW)

The Fuel Payments commission met four times in 2023. It focused its activities on the following topics:

**Interpretation of the Vega International Case.** UPEI is a member of the stakeholders group put together at the initiative of the European Commission DG TAXUD (taxation) to provide a sound set of arguments to ensure that the fuel cards industry sector will not be harmed by a wrong or diverging interpretations of the EU Court of Justice’s Vega International Case (C – 235/18 – of 15 May 2019), which concerns the question whether the provision of fuel cards is to be treated as a financial activity and, as such, exempt from VAT.

In 2022, the VAT Expert Group within the VAT Committee (European Commission, DG TAXUD) issued a first working paper (No 1020) that identified two main business models (the buy/sell model and the commissionaire model), concluding that the company Vega International runs on a specific business model which should not be generalised

to the whole fuel cards industry. However, another working paper (No 1046) published afterwards concluded that fuel cards are to be treated as a financial service under the buy/sell model and as a purchase/supply of fuel delivery goods under the commissionaire one.

The stakeholder's group has met on a very regular basis since November 2022, and on a regular basis with the European Commission DG TAXUD. An agreement was found with DG TAXUD, based on the key summary of the group's position paper of summer July 2023:

- » *The solution is a VAT-only solution based on a VAT-only concept (Art. 14 (2)(c)), which does not require any changes in the commercial or contractual practice that businesses are carrying out, and where also no changes are required in the VAT laws of the Member States.*

This agreement was incorporated in a set of Guidelines on the Vega International Case issued by the EU VAT Committee, which has now to be shared with and accepted by all Member States, particularly where the agreement may change or require the adaptation from an existing set of rules.

#### **Revision of the Payment Services Directive (PSD2).**

The Fuel Payments commission started the careful examination of the two proposals on payments services presented on 28 June 2023 by the European Commission:

- » a Regulation on payment services in the internal market, amending Regulation (EU) No 1093/2010 (on the European Banking Authority), to be called PSR – Payment Service Regulation, and
- » a Directive on payment services and electronic money services in the Internal Market, amending Directive 98/26/EC and repealing Directives 2015/2366/EU (PSD2) and 2009/110/EC (electronic money), to be called PSD 3.

The aim of these proposals is to strengthen user protection and confidence in payments. It should be noted that most of the direct obligations for companies under the current PSD2 will be moved to the new PSR.

In the framework of the “Energy for the Future” project, the commission prepared a position paper in May, co-signed with our partner association FETSA (Federation of European tank storage association). This position paper highlighted that a) fuel cards are not typical payment instruments; b) exclusions should be maintained; c) simplified procedures should be introduced; d) coher-

ence with the Vega International Case implications should be ensured.

On that basis, the Fuel Payment commission started to develop UPEI's comments to both proposals and prepared amendments sent to the designated Rapporteurs in the European Parliament, MEPs [Marek Belka](#) (S&D, Poland) and [Ondřej Kovarik](#) (Renew, Czech Republic), and to the shadow rapporteurs.

A meeting with the Fleet Cards Europe association (FCE) was also organised, to discuss a possible cooperation in terms of advocacy efforts.

While the PSR and PSD3 are being discussed by the European Parliament and the EU Council, the PSD2 remains applicable and the commission continued to review the application at Member States level of the guidelines on the limited network exclusion (LNE), which is complicated by the lack of any EU-wide form for companies to submit LNE notifications.

#### **Reform of the EU VAT system (VAT in the Digital Age ViDA).**

The commission is also carefully monitoring the major revision of the EU VAT system proposed by the European Commission in December 2022 to respond to the challenges of digitalisation. The proposed changes aim to reduce the VAT gap in the EU (€93 billion in VAT revenues in 2020 according to the latest VAT gap figures) and to make the VAT system more efficient for businesses. The package consists of three proposals currently examined by the European Parliament and the EU Council (where unanimity is required as it is a tax issue):

- » [Proposal for a Council Directive amending Directive 2006/112/EC as regards VAT rules in the Digital Age.](#)
- » [Proposal for a Council Regulation amending Regulation \(EU\) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age.](#)
- » [Proposal for a Council implementing Regulation amending Implementing Regulation \(EU\) No 282/2011 as regards information requirements for certain VAT schemes.](#)

Finally, the commission held a first debate on the topic of voluntary schemes on carbon reductions: the question is whether fuel cards issuers could help their customers with collecting the necessary data for them to fulfil their engagements towards these voluntary schemes. This could also elevate the image of the fuel card industry as actor in the decarbonisation process.



**– Bunkering Commission**

**Chair:** Erik de Vries

**Expert:** Inga Tölke

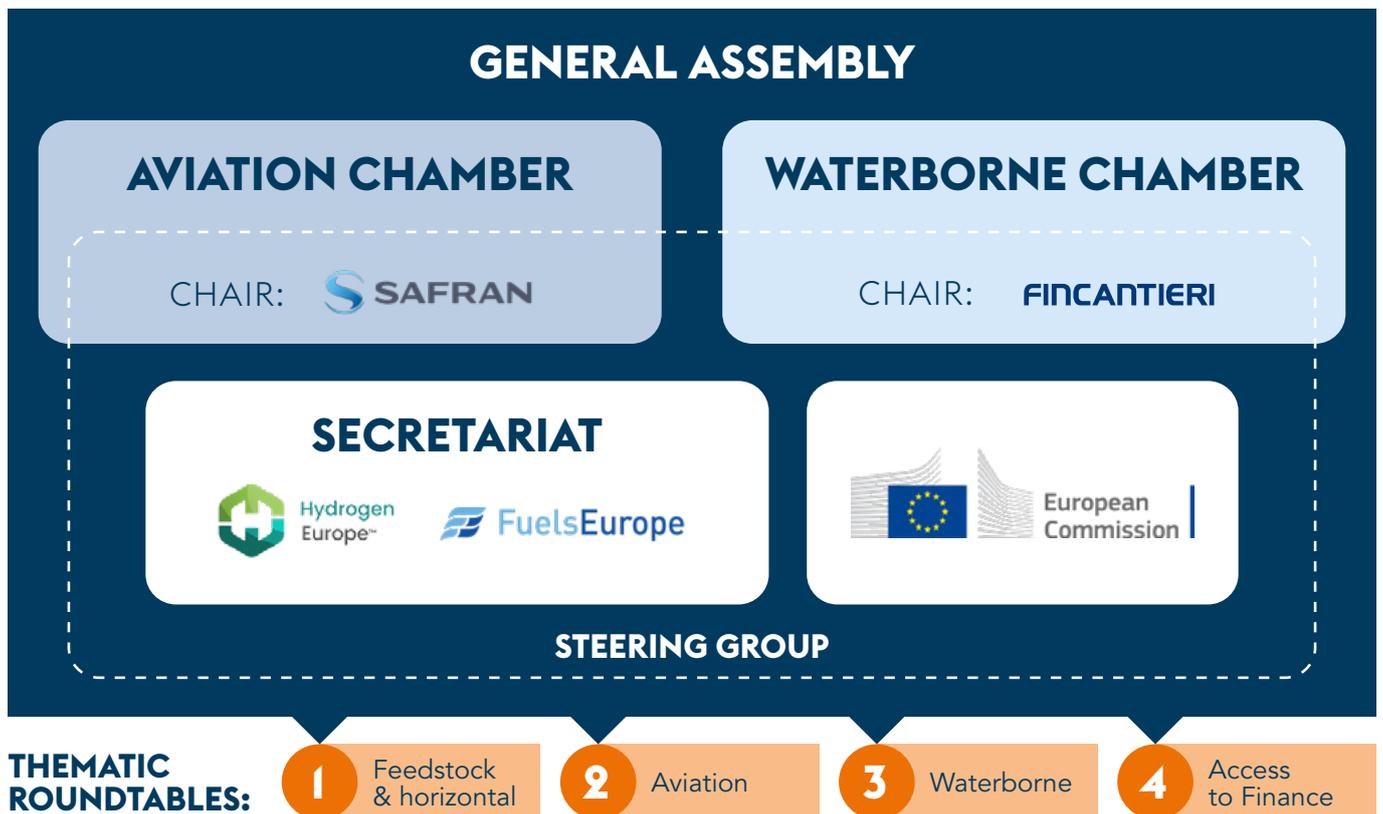
The Bunkering commission held four meetings in 2023.

The main topics covered by the commission include:

**Renewable and Low-Carbon Fuels (RLCF) Industry Alliance.** This Alliance was created by the European Commission DG MOVE (transport) in 2022 to address the lack of availability and affordability of renewable and low-carbon drop-in fuels for aviation and waterborne transport, and to contribute to rapidly boosting the production, storage, and distribution of these fuels without limiting their access by other transport sectors. It is composed of representatives from companies, from industry associations and from EU Member States administrations, under the supervision of the European Commission. By end 2023, the membership reached 233 organisations. The Alliance’s work is organised around four roundtables, covering respectively “Availability of feedstocks, synergies among sectors and Just Transition”, where UPEI is



represented by the Secretariat; “Production pathways and value chain (Aviation)”; “Production pathways and value chain (Waterborne Transport)”, where UPEI was represented by Kathleen Kollwe (MEW), replaced by Helmut Oldekamp (Mabanaft) end 2023; and “Access to public and private finance”.



In October 2023, the Alliance held its second General Assembly, during which it took stock of progress in the work of each of its Roundtables and adopted a work programme for the period 2023-24. It addresses a long-term and a short-term objective:

- » Long-term: create a robust Alliance structure to support a sufficient and adequate access of aviation and waterborne transport to renewable and low-carbon fuels while taking into account that, in the transitional phase, they will continue to play an important role in the decarbonisation of road transport. The Alliance will therefore contribute to the long-term objectives of emission reduction in the transport sector in line with the EU climate ambition.
- » Short-term: establish a clear set of tasks and deliverables for the coming year. To get the Alliance effectively going, the Work Programme addresses the operational and concrete activities to implement the five specific objectives identified in the Alliance Declaration.

**“Fit for 55” legislative package.** The commission has monitored progress in the adoption of four pieces of legislation of direct relevance for the bunkering sector:

- » Revision of the ETS and more particularly its extension to the maritime sector as of 2024 (ETS and ETS Maritime).
- » Adoption of the revised FuelEU Maritime Regulation, which main objective is for ships (above gross tonnage of 5000) to cut the amount of GHG in the energy they use by 2% as of 2025 and by 80% as of 2050.
- » Developments in the revision of the RED III, where a mandatory target for renewables in the EU’s overall energy consumption of 42.5% by 2030 has been set, with specific targets for the transport sector.
- » Very slow progress in discussions between the EU Council and the European Parliament on the revision of the ETD.

**Corporate Sustainability Reporting Directive (CSRD).**

While this piece of legislation that entered into force in January 2023 does not only apply to the bunkering sector, the commission agreed to follow its implementation for the whole of UPEI. The CSRD strengthens the rules included in the EU Accounting Directive on the environmental and social information that companies (included SMEs listed on public markets) must report. Its purpose is to facilitate access of investors and stakeholders to the necessary information to assess their social and environmental impact and the financial risks associated with climate change and sustainable developments.

It is expected that the companies covered by its scope will have to apply the new rules on the first quarter of 2024 according to the European Sustainability Reporting Standards (ESRS).



**– Retail Heating Commission**

**Chair: Uta Weiss**

**Expert: Brian Worrall**

After a few years of parenthesis, the Retail Heating commission agreed to meet again as of 2023 and held four meetings. At the first meeting in January, the need to rejuvenate the activities of the commission was underlined, both to nurture UPEI’s contribution to the Joint Heating commission’s activities, and to discuss the latest development in the fuel heating sector at EU and national level. Commission members agreed that its areas of work would be energy efficiency, energy performance of buildings, bio-heating oil, and the relevant aspects of the “Fit for 55” package, in particular the extension to transport and buildings of the ETS2. Other topics discussed in the past, such as the Drivers Qualifications Directive (recast) or the EU working hours legislation for drivers, were agreed to be part of the scope of the commission.

**“Fit for 55” legislative package.** The commission focused its attention on the negotiations between the European Parliament and the EU Council, and in particular the revision of the Energy Efficiency Directive, the EPBD, the RED III, and the ETD. Of particular concern is



to check whether Member States will have individual targets to ensure a reduction in energy consumption at EU level by 2030 and the possible new excise duty regime brought by the ETD.

**Regulatory limitations to the use of heating oil.** The Retail Heating commission monitors carefully national legislative and regulatory developments that affect the use of heating fuels. In 2023, it finalised a position paper entitled “Sustainable Heating with Liquid Fuels: UPEI plea for a technology neutral EU climate and energy policy” and the many advantages which liquid fuels present:

- » 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 a proven and reliable technology.

**Contribution to Joint Heating commission<sup>2</sup>.** The commission started to systematically review the agendas of the Joint Commission and to prepare its contribution, carried by the three UPEI representatives Uta Weiss, Johan Deleu and Pierre Lucas. At its meeting in June 2023, the Joint Heating commission discussed a Joint Position Paper on the Revision of the European Commission Regulation (EU) 813/2013 and (EU) 811/2013 on respectively Eco-design and Energy Label of central hydronic space and combination heaters. This position paper was distributed to the EU institutions in charge of the file. At its meeting in June 2023, it agreed to launch the drafting of an update of the brochure “Heating with liquid fuels: pathway for a sustainable future”, describing the potential for liquid fuels to contribute to the EU’s energy and climate policy objectives in 2030, 2050 and beyond.



<sup>2</sup> In 2019, UPEI, FuelsEurope, Eurofuel and the ECFD (European Confederation of Fuel Distributors) created an informal commission to exchange views and develop common communication tools to promote liquid heating fuels.



## – Energy Transition Commission

**Chair:** Christian Heise (DCC Energi)

**Experts:** Britta Mølgaard Laursen (DCC Energi), Letizia Pasqualini (Assopetroli-Assoenergia)

The sixth UPEI commission, devoted to the Energy Transition, was officially created at the Spring General Meeting in Rotterdam in April 2023. Its set up was preliminary discussed in the Board, based on UPEI’s reviewed 2050 Vision, in which the members re-committed to actively contribute to the formulation of the pathways to climate neutrality, to continue and step up their efforts to bring viable low-carbon and carbon neutral products to European consumers in view of the 2050 objective, in cooperation with fuel producers; to educate and train their staff on the technical aspects of these solutions, to invest in the infrastructure to ensure the effective supply of carbon neutral fuels and to communicate the energy transition and low-carbon mobility options to consumers.

The new commission held its first meeting in an “in-person” format on 14 December 2023 in Brussels. This first meeting was held in a brainstorming mode and, building on one of the roundtable discussions held at the General meeting in Copenhagen, participants produced a substantial outcome.

The participants defined the objective of the commission which is to explore together what the energy transition would mean for UPEI members in terms of investments and offer to their customers.

Their fixed a ten to fifteen years horizon, where UPEI should continue to support our members with their business of supplying energy, meaning that we should have departed from being the “old schoolgirls and boys” and remain an active partner of the EU and other public and private stakeholders. UPEI should also have taken advantage of this evolution to attract new categories of members.

Members of the commission agreed upon a set of topics to be examined:

- » Overall investment context, including long-term legislation, orientations to the banking and financing sector provided by such instruments as the EU taxonomy, the CSRD or the Carbon Border Adjustment Mecha-

nism (CBAM).

- » Carbon trade (EU ETS implementation and developments).
- » Social/societal acceptance of the energy transition (from the perspective of the customers).
- » The various ways Member States implement the legislation adopted at EU level.

As regards working areas and methods, Members listed the following:

- » Technological developments and solutions (present as well as future ones).
- » Cooperation with the other UPEI commissions who should continue to focus on legislation and regulation.
- » Exchange of best experiences or practices (and failures) between UPEI members, so that customers can be educated in finding the best solutions for themselves, using common guidelines information, no consultancy).
- » Invite external experts.

Finally, a set of action items was defined:

- » Organisation of webinars on specific technological developments (with and update on relevant EU legislative background).
- » Policy paper outlining UPEI requests and priorities for the next legislative term (2024-2029).
- » Inclusion of KPIs in the commission’s terms of reference (ToRs).
- » Inventory of EU expert or other groups where UPEI is

(or should be present).

- » Annual survey asking UPEI members to provide data on the supply of renewable v. fossil fuels.
- » Matrix outlining which renewable energy will most likely be applicable in which sector and which legislation is applicable.



## INTERACTING WITH STAKEHOLDERS

To coordinate their advocacy positions and interactions with the EU institutions, it is important for many European associations active in the EU energy field to gather in informal or formal coalitions and to develop whenever possible common views on EU legislation under discussion: this helps avoiding diverging views from being expressed towards the EU institutions and also mutualising resources and efforts.

In this respect, in 2023 UPEI was actively involved with the “Informal Coalition on Sustainable & Renewable Fuels” and the “Informal Coalition on Delegated Acts on RED II”. These groupings meet on a weekly or biweekly basis to exchange views on current legislative developments and prepare common statements.

UPEI also belongs to the “Mobility for Prosperity in Europe”, which regularly organises meetings with the

European Commission (Member of Vice President Timmermans’s cabinet, Member of Commissioner Valean’s cabinet, the Director General of DG MOVE), or EU Council (Representatives from Spanish Permanent Representation)

UPEI is also a founding member of the Joint Heating commission together with Eurofuels, Fuels Europe and the European Confederation of Fuel Distributors (ECFD), which met twice in 2023. Using the opportunity of a renewal in the management of most associations, the four associations reconfirmed the objectives and agreed to further discuss the scope of activities of their joint commission.

In 2023, UPEI became a member of the Stuttgart working group, which gathers stakeholders from the automotive and fuels industries to contribute to the drafting by the European Commission’s Technical Committee for Motor

Vehicles (TCMV) of a proposal for registering vehicles running permanently on CO<sub>2</sub> neutral fuels in conformity with EU law and the Renewable Energy Directive’s sustainability criteria. The working group will do so by submitting an assessment of all potential mechanical and digital solutions for monitoring the use of CO<sub>2</sub> neutral fuels in new vehicles. This monitoring methodology should also support European businesses to report their scope emissions. The working group is due to produce a report for EU policymakers by December 2024

## **PARTICIPATING IN EU INSTITUTIONS MEETINGS**

As described above in the paragraphs on the activities of our commissions, UPEI is a member or guest of several EU-led expert groups:

- » Fuel Cards stakeholder group on the application of the “Vega International Case” (DG TAXUD).
- » RLCF Industry Alliance (DG MOVE).
- » ETS2 stakeholders’ group – extended to cover buildings and transport (DG CLIMA).
- » Excise Contact group (DG TAXUD).
- » Trade Contact group (DG TRADE).
- » Oil Coordination group (DG ENER).
- » European Clean Hydrogen Alliance (DG GROW).

As one of its tasks, the new Energy Transition commission will review the entire list of such EU-led expert groups or platforms in the climate and energy areas and



assess UPEI’s participation or need to participate in their activities.

## **CONTRIBUTING TO EUROPEAN STANDARDISATION**

**CEN/TC 19**  
Expert: Uta Weiss (MEW)

**CEN/TC 441**  
Expert: Teresa Sayers (DFA)

Through its expert Uta Weiss (MEW) and with the support of Ulrich Nowak (MEW) in TC19 (gaseous and liquid fuels, lubricants and related products of petroleum, synthetic and biological origin) and Teresa Sayers (DFA) in TC441 (fuels labelling), UPEI contributed as Liaison Organisation (without voting rights) in the drafting of European Standards.

TC19 worked towards the publication of a new standard that will specify requirements for two types of petrol fuel low in aromatics and sulphur: the first one for use in four-stroke engines with separate lubrication, and the second one, a mixed petrol fuel type, for use in mixture-lubricated engines (EN 17867 Petrol fuel for small internal combustion engines – Requirements and test methods). In addition, TC19 worked to update EN 16709 ‘Automotive fuels – High FAME diesel fuel (B20 and B30) – Requirements and test methods’. It also started the revision of EN 228 ‘Automotive fuels – Unleaded petrol – Requirements and test methods’ and EN 589 ‘Automotive fuels – LPG – Requirements and test methods and for EN 14214 Liquid petroleum products – Fatty acid methyl esters (FAME) for use in diesel engines and heating applications – Requirements and test methods’.

TC441 – as project committee – worked at the the update of European standard EN 16942 (Fuels – Identification of vehicle compatibility – Graphical expression for consumer information) as part of its overall task to develop standards that provide a harmonised identifier of marketed liquid and gaseous fuels. Marketed fuels include petroleum-derived fuel blends, synthetic fuels, biofuels, natural gas, petroleum gas and biogas-based fuels and hydrogen delivered to non-stationary applications.

# UPEI'S ENGAGEMENT ACTIVITIES 2023

18

**MEETINGS**  
with European  
Institutions

(stakeholders meetings, workshops  
and bilateral meetings)



21

**STAKEHOLDERS**  
we have  
interacted with



19

**JOINT  
INITIATIVES**  
with industry  
partners

(joint statements,  
publications etc)

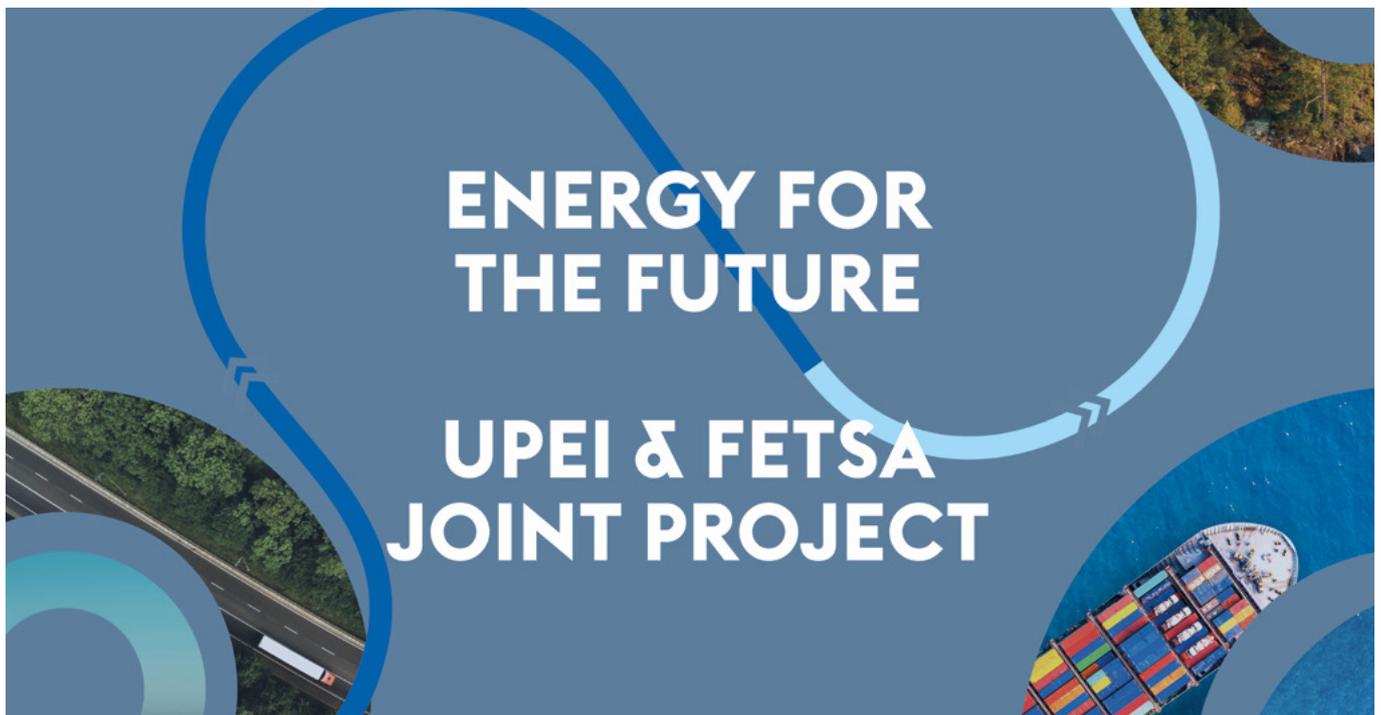
27

**CONFERENCES,  
SEMINARS,  
WORKSHOPS**

(events attended as UPEI)



## UPEI & FETSA PROJECT “ENERGY FOR THE FUTURE”



<https://upei.org/about-us/upei-fetsa>

Thanks to the support of our German association member MEW (Mittelständische Energiewirtschaft Deutschland), UPEI and our partner association FETSA (Federation of European tank storage association) further developed the activities of our joint “**Energy for the Future**” project.

Ahead of the COP28, we issued a joint statement: Building on the IPCC Synthesis Report that clearly demonstrates that it is possible to limit global warming to 1.5°C by setting strategic goals and by relying on feasible, effective, and low-cost mitigation and adaptation options that are already available across sectors and countries, both associations underlined that in an era of high inflation and cost of living challenges, the EU should acknowledge the strategic role of clean molecules used in industry, energy supply, transport, and buildings to meet the 2050 climate targets. These include, and are not limited to, Renewable Fuels of Non-Biological Origin, RFNBOs, advanced biofuels, feedstock used for decarbonisation of industry – such as ammonia –, as well as CCUS technologies.

Upon the Commission proposal for the NZIA, both associations issued a statement focusing on one of key aspects to make the NZIA operational, namely the scope and definition of net-zero technologies, and insisted on the following elements:

- » support the Commission's proposal, which rightly recognises the importance of the RFNBOs and the CCUS technologies, in the definition of ‘net-zero technologies’ provided in Article 3(1).
- » include sustainable alternative fuels technologies in the same definition but limited to fuels used in maritime transport and aviation; sustainable alternative fuels for road transport should also be covered as a critical measure to implement the G7 mandated reduction in emissions from the global vehicle fleet.
- » reconsider the exclusion of sustainable alternative fuels, the CCUS and the RFNBOs from the ‘strategic’ list of technologies (Annex). As illustrated in the “Fit for 55” legislative package agreements, the EU will rely on these technologies for the decarbonisation of transport and other economic sectors, notably energy intensive industries.
- » include in the list of ‘net-zero’ (Article 3) and ‘strategic net-zero’ technologies (Annex) logistics such

as storage and distribution of sustainable energy carriers, and not limit upstream components and machinery.

- » include storage terminals as part of this item in the Annex given their mission critical role in the logistics and supply security of net zero technologies.

As regards the proposal for a revised Regulation on CO<sub>2</sub> emission performance standards of new heavy-duty vehicles (HDVs) UPEI and FETSA emphasised in a further statement the need to enable all sustainable options that can positively contribute to decarbonisation, and to reducing the EU's energy dependency as quickly as possible. In the case of heavy-duty vehicles, this means encouraging, through the revised CO<sub>2</sub> standards, the uptake of renewable and low-carbon liquid fuels, immediately available today, alongside electrification and hydrogen. Renewable and low-carbon liquid fuels can be used at different concentrations, till 100%, to power any internal combustion engine reducing drastically CO<sub>2</sub> emissions from both new and existing heavy-duty vehicles. Besides respecting a technology-neutral approach, this endorsement of low-carbon solutions is in line with the overall direction of the “Fit for 55” legislative package. The potential of renewable hydrogen and its derivate products, as well as that of advanced biofuels, has clearly been acknowledged in the revision of the RED III.

With regards to the EU Taxonomy, both associations insisted in a statement that storage and distribution of current and future energy carriers should be classified as an ‘enabling activity’ under the EU Taxonomy (article 16), allowing to foster the adaptation of existing storage and distribution infrastructure, as well as research, development, and innovation in the field of logistics.

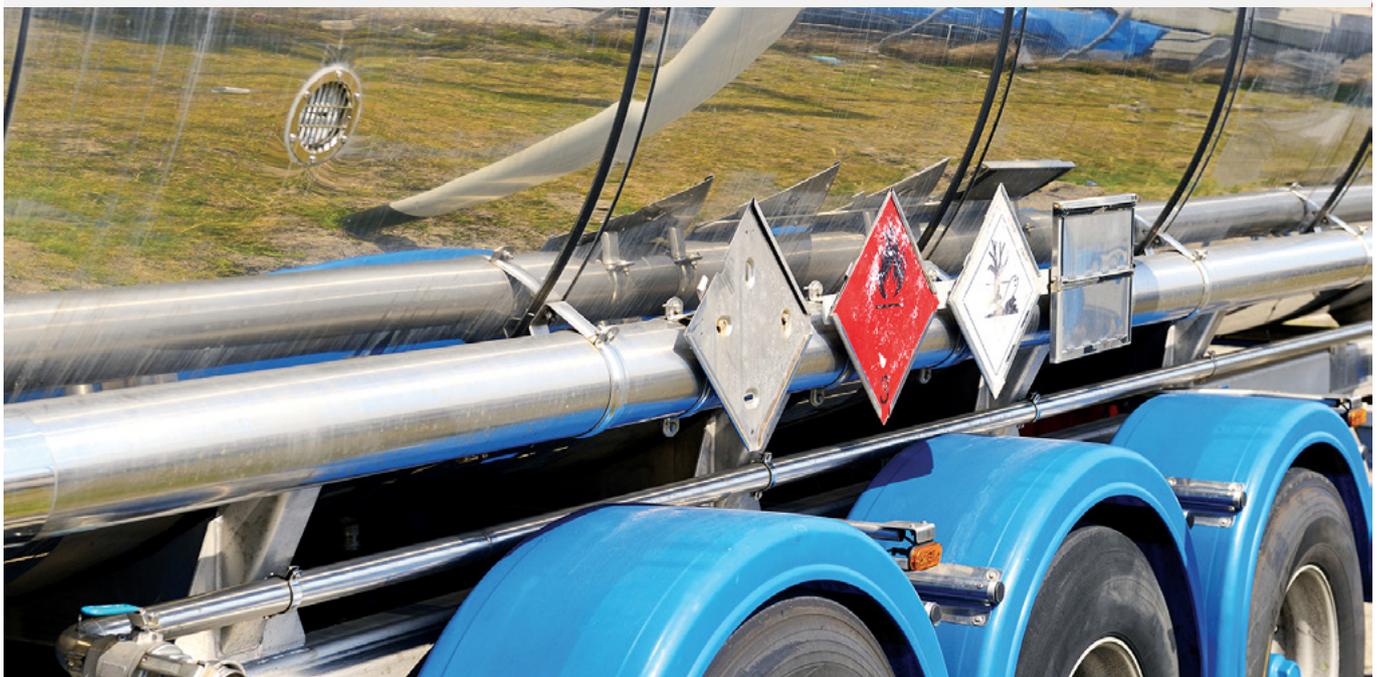
It was agreed at the UPEI General Meeting in Copenhagen that UPEI would continue to co-sponsor the project from its own budget after March 2024, having received the confirmation that FETSA would do the same, and that various options would be explored as of 2025, including a special contribution by volunteering UPEI members.

# UPEI BUSINESS PARTNERSHIP

In the ongoing energy transition towards a more sustainable, resilient, and affordable energy sector, UPEI noticed how important it is for companies and fuel businesses of having a presence in Brussels with access to a broad range of expertise from within the independent energy sector as well as related sectors. In order to respond to this need, UPEI launched its Business Partnership (BP) in 2017, with the aim to bring together forward-thinking companies which are directly or indirectly involved in the fuel supply sector and which support UPEI mission.

In 2023, UPEI engaged with 17 Business Partners (BPs), offering several opportunities to learn about the latest European policy developments, join meetings with guest speakers and key players in the industry, meet their peers and extend their network.

## UPEI'S BUSINESS PARTNERS



# UPEI MEMBERSHIP & EU INSTITUTIONS WORKING GROUPS

## UPEI MEMBERSHIP



INFORMAL COALITION ON SUSTAINABLE & RENEWABLE FUELS

MOBILITY FOR PROSPERITY IN EUROPE (MPE)

JOINT HEATING COMMISSION

INFORMAL COALITION ON DELEGATED ACTS ON RED II

STUTTGART WORKING GROUP ON MONITORING THE USE OF CO<sub>2</sub> NEUTRAL FUELS IN NEW VEHICLES

## EU INSTITUTIONS WORKING GROUPS



ETS2 STAKEHOLDER'S GROUP EXTENDED TO COVER BUILDINGS AND TRANSPORT (DG CLIMA)

EUROPEAN CLEAN HYDROGEN ALLIANCE (DG GROW)

TRADE CONTACT GROUP (DG TRADE)

FUEL CARDS STAKEHOLDER GROUP ON THE APPLICATION OF THE "VEGA INTERNATIONAL CASE" (DG TAXUD)

OIL COORDINATION GROUP (DG ENER)

RENEWABLE AND LOW-CARBON FUELS VALUE CHAIN INDUSTRIAL ALLIANCE (DG MOVE)

EXCISE CONTACT GROUP (DG TAXUD)

# UPEI EVENTS

4 MAY 2023

UPEI online event  
(11h00 – 12h00)

## WEBINAR “VAT BASICS FOR FUEL CARD BUSINESSES”



**UPEI**  
THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

**UPEI ONLINE EVENT**  
Webinar “VAT basics for Fuel card businesses”

4 May 2023  
11h00 – 12h00  
Online

12 SEPTEMBER 2023

UPEI seminar  
(13h30 – 16h30)

## SEMINAR “OUTCOME OF THE “FIT FOR 55” PACKAGE”



**UPEI**  
THE VOICE OF EUROPE'S INDEPENDENT FUEL SUPPLIERS

**OUTCOME OF THE “FIT FOR 55” PACKAGE**

**SEMINAR**

12 September 2023  
UPEI seminar  
13h30 – 16h30

# OTHER EVENTS

20 JULY 2022

## TANK STORAGE MAGAZINE – REPURPOSING AND RE-USING EXISTING INFRASTRUCTURE FOR THE FUTURE

Panel discussion: Johan Deleu, UPEI President (speaker)



**Repurposing and re-using existing infrastructure for the future.**

Thursday 20 July 3pm (CET)

Hosted by **TANK STORAGE MAGAZINE**

**Peter Davidson**  
Executive Director, TSA

**Ravi Bhatiani**  
Executive Director, FETSA

**Johan Deleu**  
President, UPEI

**TANK STORAGE**

# UPEI PUBLICATIONS ISSUED IN 2023

## STATEMENTS

### FEBRUARY

- » Joint industry statement: Inclusion of renewable fuels in CO<sub>2</sub> Regulation for Heavy-Duty Vehicles

### MARCH

- » Joint Statement on the Energy Performance of Buildings Directive (EPBD)
- » Joint statement on draft GHG Delegated Act

### APRIL

- » Joint letter calling for the recognition of Carbon Capture and Utilisation (CCU) as strategic net zero technologies in the EU Net Zero Industry Act

### MAY

- » Joint UPEI-FETSA Statement CO<sub>2</sub> Standards HDVs

### JUNE

- » Joint UPEI-FETSA Statement: Net-Zero Industry Act Proposal

### OCTOBER

- » Stakeholders' launch of a Working Group on Monitoring Methodologies for CO<sub>2</sub> neutral fuels
- » Carbon Capture and Utilisation (CCU) should be recognised as a strategic net zero technology in the EU Net Zero Industry Act

### NOVEMBER

- » COP28 Joint FETSA-UPEI Statement

## POSITION PAPERS

### APRIL

- » UPEI – FETSA Joint Statement: Storage and Distribution Infrastructure as 'Enabling Activity' in the EU Taxonomy

### MAY

- » Position paper on the upcoming revision of the PSD2

### JUNE

- » Joint Position Paper on Revision of European Commission Regulations (EU) 813/2013 and (EU) 811/2013 on respectively Ecodesign and Energy Label of central hydronic space and combination heaters

### JULY

- » Vega Internal Case: VAT Treatment of Fuel Card Transactions – Submission to EU Member States

### OCTOBER

- » Review of the Oil Stocks Directive

### NOVEMBER

- » Position Paper on the revision of the Payment Services Directive (PSD2)

## CONSULTATIONS

### JANUARY 2023

- » UPEI answer to consultant's questionnaire related to the review of the Oil Stocks Directive ((2009/119EC)

### JULY 2023

- » Public consultation on the EU climate target for 2040

[WWW.UPEI.ORG/LIBRARY](http://WWW.UPEI.ORG/LIBRARY)

# 2023 UPEI ANNUAL REPORT

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