

2024

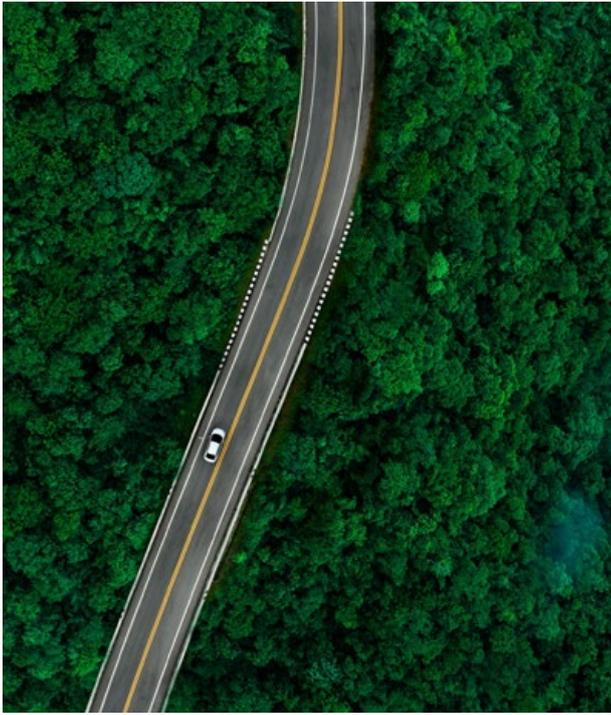
UPEI
ANNUAL
REPORT

SUPPLYING

COMPETITIVE AND

SUSTAINABLE ENERGY





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.

CONTENTS

PRESIDENT'S FOREWORD	p.3
ABOUT UPEI	p.5
UPEI COMMISSIONS	p.7
UPEI MEMBERSHIP MAP	p.8
THE EU POLICY CONTEXT IN 2024	p.9
ACTIVITY REPORT	p.14
UPEI ENGAGEMENT ACTIVITIES 2024 OVERVIEW	p.20
UPEI POLICY PAPER: DELIVERING AN AGILE, JUST, AND EQUITABLE TRANSITION	p.22
UPEI & FETSA PROJECT "ENERGY FOR THE FUTURE"	p.23
UPEI BUSINESS PARTNERSHIP	p.24
UPEI STAKEHOLDERS & EU INSTITUTIONS WORKING GROUPS	p.25
UPEI EVENTS	p.26
PUBLICATIONS ISSUED IN 2024	p.27

PRESIDENT'S FOREWORD



2024 had been designated as the “super year of elections”, with half of the world population in fifty countries invited to go to polls to renew or confirm their political leadership. Beyond those in ten European Union (EU) Member States, two elections were of particular importance for UPEI, as their outcome is having a direct impact on our members and their members’ business: the European elections in June and the elections in the USA in November.

Both - though with a different level of magnitude and impact - illustrate the paradox in which our societies are evolving:

- » on the one hand, global warming has reached new records: the World Meteorological Organisation confirmed, on the basis of six international datasets, that 2024 was the warmest year on record at about 1.55°C above pre-industrial level, breaking for the first time the Paris Agreement limit ; this is costing hundreds of billions of euros to the insurance sector and in-turn to the overall economy.
- » on the other hand, citizens give more than ever their ballot to policymakers who either deny climate change or consider that other policies should be given priority over those fighting climate change, and who attempt to loosen international, European or national legislation or commitments. On the occasion of our both General Meetings, our members held strategic discussions on our main policy messages and how to best design and deliver them. In April in Hamburg, where we were beautifully hosted by our German Member MEW, participants

discussed about UPEI’s policy asks to the new EU policymakers to be elected at the June European elections. These discussions were formalised and presented in a policy paper finalised in September “UPEI expectations from and offers to the new EU parliamentary term 2024-2029” . Our paper followed the commitments of the COP28 and pled for:

- » An agile transition, supporting a public and private investment environment open to all carbon-neutral products and technologies and a regulatory framework that allows all sustainable energy carriers, and not only electricity, to be developed and deployed.
- » A just transition, ensuring regulatory stability, energy affordability, less complex optimisation and conversion of infrastructure, and training of energy distributors staff and customers to make new energy products understandable.
- » An equitable transition, focusing on the unicity of the EU Internal Market, including a modernised Energy Taxation Directive (ETD), a harmonised legal framework for fuel cards, and national energy schemes that protect vulnerable citizens and enterprises not creating distortions between the Member States.

Within this complex political and policy environment, UPEI has continued to plea for a determined and pragmatic climate change policy, delivering an agile, just and equitable transition.

This policy paper was widely distributed in the EU institutions (European Commission, European Parliament’s most relevant members and EU Council via the permanent representations of the Member States).

In October in Rome, where our Italian member Asso-petroli-Assoenergia magnificently hosted us, delegates held an in-depth discussion about the role of our UPEI commissions’ strengths and weaknesses, in particular how to improve participation and contribution, evaluating coverage and content, and developing external

input and communication. This discussion was based on an earlier debate held at a special meeting of the commission Chairs and Experts and a subsequent input from the commission members themselves. Building on these contributions, the Board of UPEI will propose a new structure at the Spring General Meeting 2025. Meanwhile, the commissions and the experts continued analysing regulatory proposals, whereby much less production was noticed after the last plenary meeting of the European Parliament due to the European elections, followed by the selection and appointment of the new Commission. They also monitored policy developments with the shaping of the new parliamentary term's main themes: altogether, commissions held fourteen meetings and contributed to six statements, policy or position papers.

Beyond the ordinary meetings, the commissions also organised a number of thematic webinars opened to all UPEI members and business partners, devoted to the following themes: e-Invoicing, ETS2 implementation (ITW commission), Hydrogen (Energy Transition commission), biofuels (Energy Transition commission), new EU VAT legislative framework (Fuel Payments commission), new developments in retail stations (Retail Stations commission). I would like here to thank our experts, members and business partners, and industry colleagues for their insights into these topics of great relevance for our members.

A new information service was also offered to our members: while continuing to attend our General Meetings, our public affairs consultant Weber Shandwick started to hold webinars providing an EU regulatory update on a quarterly basis. As EU expert groups are a very important vector of EU policy making and implementing, UPEI kept involved with six of them: the Excise Contact Group, the Renewable Low Carbon Fuel Industry Alliance, the ETS2 stakeholders' group of the Expert Group on Climate Change Policy, the Trade Contact Group, the European Clean Hydrogen Alliance, and the Oil Coordination Group, where UPEI

was invited since 2022 to participate as a guest. Moreover, amongst the various informal industry coalitions to which UPEI contributes, the Working Group on Monitoring Methodologies for CO2 neutral fuels (WGMM) delivered its first report in December.

As regards our governance, UPEI also decided to extend the scope of its representation to all independent energy distributors and to simplify its membership categories, by clearly differentiating Members from Business Partners:

- » Members: national associations and companies from inside the energy distribution sector.
- » Business Partners: providers of services or equipment to the energy distribution sector.

The UPEI Statutes were modified accordingly by the General Meeting in Rome.

Finally, let me thank for their great support and contribution my fellow Board members and Vice-Presidents Erik de Vries (NOVE), Carsten Müller (MEW), Ondřej Jančařík (Eurowag), and Christian Heise (DCC) - who was re-elected for three years at our Rome General Meeting in October.

Only through a real teamwork, associating associations and companies can we support UPEI and our members.

Johan Deleu

«

On the occasion of our both General Meetings, our members held strategic discussions on our main policy messages and how to best design and deliver them.

»



ABOUT UPEI



UPEI PRESIDING BOARD AND COMMISSION CHAIRS 2024



UPEI SECRETARIAT

 Pierre Lucas SECRETARY GENERAL	 José Luis Mira Mira COMMUNICATIONS AND OFFICE MANAGER
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UPEI EXPERTS

 Maximilian Brockmann COMPULSORY STOCKS OF OIL	 Ondřej Jančárik FUEL CARDS, FUEL PAYMENTS COMMISSION CHAIR	 Brian Worrall HEATING OIL (until June 2024)
 Erik de Vries MARITIME TRANSPORT, BUNKERING COMMISSION CHAIR	 Sarah Schmitt RETAIL SECTOR	 Cristina Correia BIOFUELS
 Johan Deleu SUSTAINABLE TRANSPORT, IMPORT / TRADE / WHOLESALE COMMISSION CHAIR	 Inga Tölke TAXATION	 Letizia Pasqualini ENERGY TRANSITION
 Uta Weiss FUEL QUALITY, BIOFUELS RETAIL HEATING COMMISSION CHAIR	 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 System (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 System (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

2
ITW

2
RETAIL STATIONS

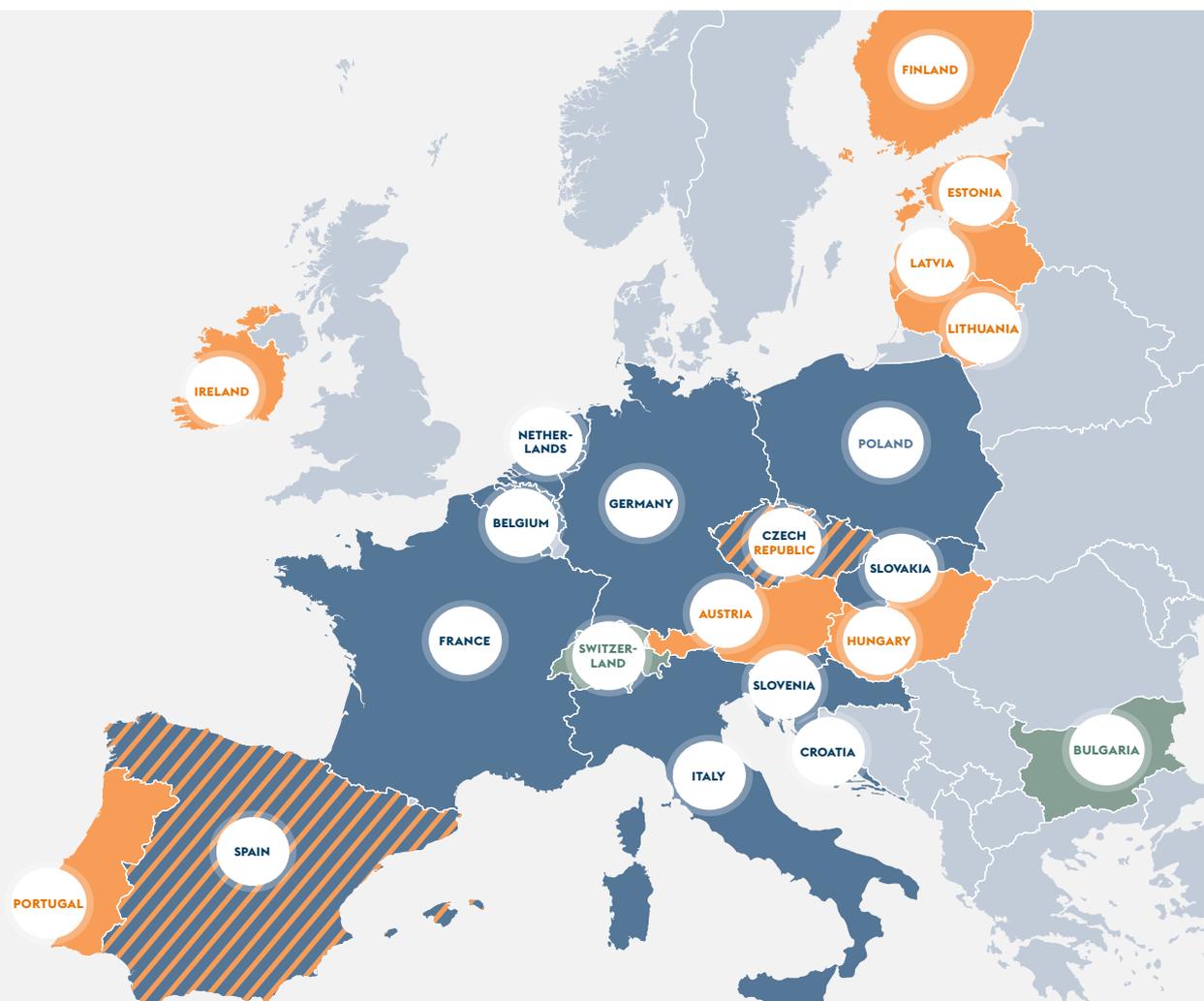
3
BUNKERING

2
RETAIL HEATING

2
FUEL PAYMENTS

3
ENERGY TRANSITION

= 14 commission meetings in 2024



NATIONAL ASSOCIATIONS

BELGIUM

Brafco – www.brafco.be

CROATIA

HUP – www.hup.hr

CZECH REPUBLIC

SČS – www.scs.cz

FRANCE

FFPI – www.ffpi.fr

GERMANY

MEW – www.mew-verband.de

ITALY

ASSOPETROLI – ASSOENERGIA
www.assopetroli.it

THE NETHERLANDS

NOVE – www.nove.nl

SLOVAKIA

SČSSR – www.scssr.sk

SLOVENIA

SNNK-WPC – www.world-petroleum.org

SPAIN

UPI – www.upienergia.es

COMPANIES

POLAND

Company: E100 Power Max
<https://e100.eu>

AUSTRIA

Stiglechner – www.stiglechner.com

CZECH REPUBLIC

W.A.G. Payment Solutions a.s.
www.eurowag.com

ESTONIA

Olerex AS – www.olerex.ee

FINLAND

SEO – www.seo.fi

HUNGARY

Mabanaft Hungary Kft – www.mabanaft.hu

IRELAND

DCC Energy Limited – www.dcc.ie

LATVIA

AS VIRŠI-A – www.virsia.lv

LITHUANIA

UAB Gelybe (Lithuania)
www.facebook.com/gelybe/

PORTUGAL

PRIO Energy – www.prio.pt/en/

SPAIN

OnTurtle – www.onturtle.eu/en/
Andamur – www.andamur.com



ASSOCIATE MEMBERS

BULGARIA

Benzin Bg – www.benzin.bg

SWITZERLAND

AVIA International
www.avia-international.com

CONTEXT



THE EU POLICY CONTEXT IN 2024

As a year of European elections, the EU 2024 agenda was dominated by three distinctive areas of activities: a) the completion of the adoption by the European Parliament of most legislative texts until its last session in April, completed by the preparation of implementing measures by the European Commission, b) a projection towards the 2040 horizon in terms of climate change targets and c) a political and strategic policy debate before the elections, followed by the definition of new priorities for the new parliamentary term 2024-2029.

COMPLETION OF THE LEGISLATIVE PROGRAMME OF THE 2019-2024 PARLIAMENTARY TERM

Most of the 'Fit for 55' legislative package was passed, with, in April, the definitive adoption of the revised Energy Performance of Buildings directive (EPBD), which implementation will heavily rely on Member States, notably via their national renovation plans. In May, the EU Council gave its final approval to the revised Regulation on CO2 standards emission for High Duty Vehicles (HDVs), on which the European Commission published a set of Q&As. The exception remains the Energy Taxation Directive (ETD) revision: despite many attempts by the Belgian and then the Hungarian Presidencies of the EU Council, no compromise was agreed by end 2024. This casts a shadow on the completion of the 'Green Deal', as a modernisation of the ETD would have been extremely beneficial for advancing alternative sustainable fuels. According to the European Commission, the final legislative package would be expected to reduce EU net greenhouse gas emissions (GHG) by 57% by 2030.

The "gas package" (both a Regulation and a Directive) was passed, that, amongst others, lays the legal foundations for a European hydrogen market and gives more legal certainty to potential hydrogen grid investors.

Another important text was definitely adopted, namely the Net-Zero Industry Act (NZIA), which objective is to boost the EU's leadership in the clean-tech sector by, notably, improving the conditions for investment in net-zero technologies (simplification and acceleration of permitting procedures, reduction of administrative burden, and facilitation of access to markets).

Not directly or exclusively linked with the energy policy, other pieces of legislation relevant for UPEI members were adopted. This includes:

- » A revision of the Packaging and Packaging Waste Regulation (PPWR), that comprises a timeline for reduction targets (5% by 2030, 10% by 2035 and 15% by 2040), a restriction of certain types (plastic packaging waste) and a ban of certain single use plastic packaging types from 1 January 2030. Final distributors of beverages and take-away food will have to offer consumers the option of bringing their own container. By 2029, 90% of single use plastic and metal beverage containers (up to three litres) will have to be collected separately (via deposit-return systems or other solutions that ensure the collection target is met).



- » A revision of the EU VAT system, aiming to bring it to the new digital age environment. The new legal framework will consist of three acts: a Directive, a Regulation, and an Implementing Regulation which bring changes to three different aspects of the VAT system: i) make VAT reporting obligations for cross-border transactions fully digital by 2030, ii) require online platforms to pay VAT on short-term accommodation and passenger transport services in most cases where individual service providers do not charge VAT, and iii) improve and expand online VAT one-stop shops so that businesses do not have to go through costly registrations for VAT in every Member State in which they do business.

However, the new Payment Services legislation consisting of a revised Payment Services Directive (PSD 3) and a new Payment Services Regulation (PSR) only entered the “trilogue” discussions between the European Parliament and the EU Council in November, making it impossible to finalise it by end 2024.

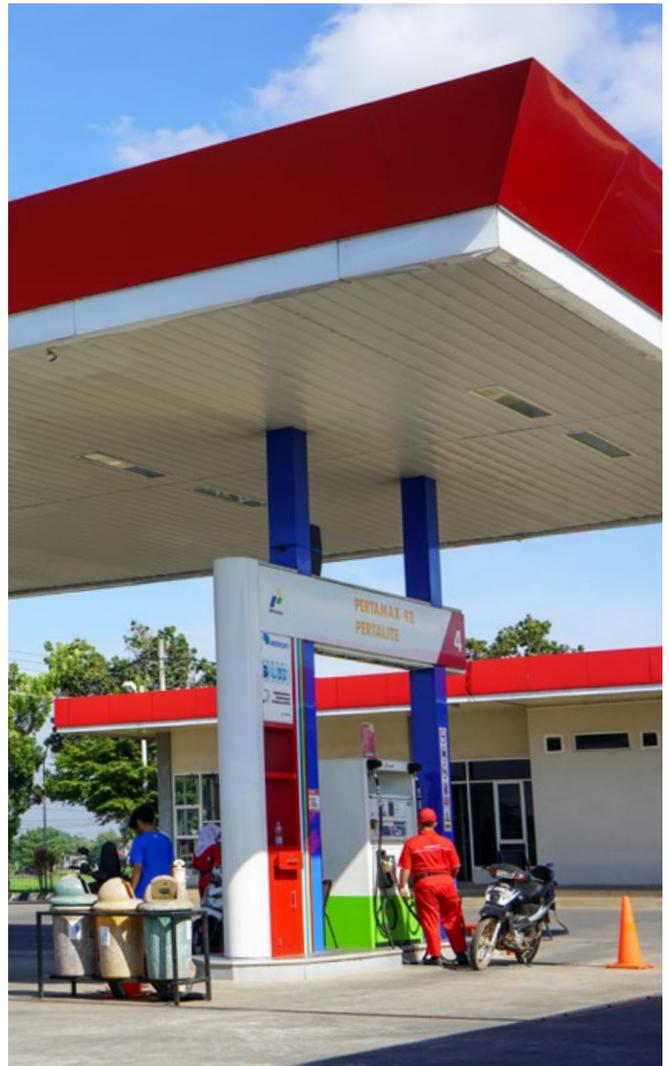
ADOPTION OF IMPLEMENTING ACTS

In parallel, the European Commission undertook the adoption of many implementing acts or guidance documents, that support the effective application of the legislation by the Member States and by the concerned economic operators. The (non-exhaustive) list below illustrates the diversity and the complexity of the EU’s “secondary legislation” but also the need to remain involved after legislation has been adopted, as these documents are meant to precise missing or unclear elements of the legislation. Many implementing acts are subject to a four-weeks public consultation of stakeholders.

- » Union Database for Biofuels (UDB).
- » Questions and Answers on the application of the Alternative Fuel Infrastructure Regulation (AFIR).
- » Three implementing acts on the AFIR:
 - Enhanced Open Data Requirements.
 - Adherence to DATEX II Specifications.
 - Hardware Requirements: ISO 15118 Standards for EV Charging.
- » Eco-design of local space heaters.
- » 'REPowerEU' guidance documents on the improvement and streamlining of permitting procedures and auctions for renewables.
- » Delegated Act amending Annex IX of the Renewable

Energy Directive (REDII) by adding new raw materials for the production of biofuels and biogas.

- » Questions and Answers on the EU Regulation to reduce methane emissions in the energy sector.
- » Revision of Implementing Regulation on reporting of green-house gas emissions.
- » Determination of CO2 emissions and fuel consumption for heavy-duty vehicles - updated rules.
- » Implementing Regulation setting out the detailed procedures for verifying CO2 emissions and fuel consumption of heavy-duty vehicles in service (in-service verification).
- » Greenhouse gas emissions from offshore ships and zero-rating of sustainable fuels - monitoring and reporting (update).
- » Renewable fuels - sustainability certification (update of implementing act).
- » Renewable fuels - accreditation of certification bodies (update of implementing act): Implementing the “Fit for 55” legislative package.



- » Methodology for evaluating the emission savings of low-carbon hydrogen and fuels, complementing the rules already in place for renewable hydrogen and renewable fuels of non-biological origin (RFNBOs).
- » Nine Energy Efficiency Directive Implementing Acts:
 - Guidance on the energy efficiency first principle.
 - Guidance on energy efficiency targets and national contributions.
 - Guidance on energy consumption in the public sector, renovation of public buildings and public procurement.
 - Guidance on the energy savings obligation.
 - Guidance on the energy managements systems and energy audits.
 - Guidance on consumers related provisions.
 - Guidance on heating and cooling supply.
 - Guidance on energy services.
 - Guidance on national energy efficiency funds, financing, and technical support.
- » Delegated Regulation on the monitoring, reporting and verification of greenhouse gas emissions from maritime transport.
- » Implementing Regulation on Flight Emissions Label (FEL), a voluntary framework designed under the ReFuelEU Aviation.

TOWARDS THE 2040 INTERMEDIARY TARGET

As one of its last policy initiatives under the 'Green Deal', the European Commission presented in February 2024 a communication on an intermediary greenhouse gas emissions reduction target between 2030 (55%) and 2050 (net zero). The Commission recommended a target of 90% net reduction by 2040 (compared to 1990 levels). This docu-



ment aimed to launch a discussion with all stakeholders before a legislative proposal is made after the European elections.

This intermediary target, required by the EU Climate Law, is very important as it will set the revision of the entire 'Fit for 55' package over the next years.

The document mentions for the first time “an industrial decarbonisation deal that builds on existing industrial strengths”.

Prospects to reach this target were encouraged by the European Commission 2024 Climate Action Progress Report, published in October, indicating that net GHG emissions are now 37% below 1990 levels, while the EU GDP grew by 68% over the same period, showing that the EU remains on track to reach its commitment to reduce emissions by at least 55% by 2030.

EUROPEAN ELECTIONS AND EU STRATEGIC ORIENTATIONS

Spring was dominated by the elections for a new European Parliament, that took place from 6 to 9 June in each of the 27 EU Member States. There were 720 MEPs to elect. The turnout was for the second time slightly higher than five years before: 51.05% against 50.66% in 2019 and 42.61% in 2014. Whereas the centre-right European People’s Party (EPP) and the centre-left Socialists and Democrats (S&D) remained the first and the second political groups in the European Parliament and together reached a relative majority, major changes occurred with significant losses for the Liberals (Renew), the Left and the Greens and large wins for the conservatives and far-right parties who organised themselves in three different political groups (ECR, PöE and ESN). In total, these three groups have 187 members, against 188 for the EPP and 136 for the S&D.

The campaign’s dominating themes were quite different from five years ago. The 'Green Deal' was heavily criticised for been bureaucratic and detrimental to the competitiveness of the EU industry. In this context, the Strategic Agenda agreed in June by the European Council was based on three pillars: a free and democratic Europe; a strong and secure Europe; a prosperous and competitive Europe, indicating that “*On our path to climate neutrality by 2050, we will be pragmatic and harness the potential of the green and digital transitions*”.

to create the markets, industries and high-quality jobs of the future. We will provide a stable and predictable framework and create a more supportive environment for scaling up Europe's manufacturing capacity for net-zero technologies and products"¹.

The European Council also designated Ms Von der Leyen (EPP, Germany) as President-elect of the European Commission, who presented her Political Guidelines to the European Parliament in July, based on an agreement with the EPP, the S&D, the Liberals and the Greens.

These Guidelines define the new Commission's priorities for 2025-2029. While confirming that the EU must 'stay the course' on all the goals previously set out in the 2019-2024 mandate, including those set out in the European 'Green Deal', a new 'Clean and Industrial Deal' will be deployed in the first 100 days of the mandate, with a view to enhancing EU competitiveness. This will aim to speed up decarbonisation and bring down energy prices.

While a proposal to enshrine the 90% emissions reduction target in the European Climate Law will be prepared, at the same time the new Commission will seek to be an 'investment' Commission and will present proposals to simplify and codify legislation, to harmonise national laws that complicate business deployment across the EU and introduce a new 'SME and competitiveness check' across new proposals².

Pressure continued to be put on the EU to tackle its growing lack of competitiveness with its main competitors, with two reports by former Italian Prime Minister Enrico Letta on "Much more than a Market"³, proposing a set of recommendations to modernise the EU Internal Market and to deepen the EU Energy Union, and by former President of the European Central Bank Mario Draghi on "The Future of European Competitiveness"⁴, looking at the challenges faced by EU industry and companies, outlining how Europe will no longer be able to rely on many of the factors that have supported growth in the past and laying out a diagnosis with numerous recommendations to put the EU back on track. This would also involve massive investments.

While building the College of Commissioners, the President-elect precised further the orientations of her mandate through the "Mission letters" sent to each candidate Commissioner, further attempting to strike a balance between sustainability and competitiveness.

The new Commission started its mandate on 1st December 2024, after the approval of both the European Parliament and the European Council.

SANCTIONS AGAINST RUSSIA

Geopolitics played an ever-increasing role in the EU policymaking in 2024, with uncertainties growing further after the presidential election in the USA in November.

No progress was noticed towards peace or even a cease-fire between Russia and Ukraine. As a consequence, by end of the year the EU Council adopted its 15th package of sanctions against Russia, addressing Russian economic and individual players, but also economic operators from abroad by-passing these sanctions (including from China, Iran, and Belarus).

By end 2024, it was becoming clear that competitiveness and sustainability would be supplemented by security in its broad meaning as main challenge faced by the European Union over the next years.



EU response to Russia's invasion of Ukraine (background information)

¹Source : https://www.consilium.europa.eu/media/yxrc05pz/sn02167en24_web.pdf

²https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf

³<https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>

⁴https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en

ACTIVITY REPORT



ADDRESSING THE NEW EU PARLIAMENTARY TERM 2024-2029

To continue representing our sector towards the EU institutions, UPEI developed further its monitoring, analysis and advocacy activities, particularly as regards the adoption of the latest texts legislative of the 'Fit for 55' or gas packages.

Efforts were tailored to address the new European Parliament and European Commission after the European elections in June. In this respect, we developed a set of "UPEI expectations from and offers to the new EU parliamentary term 2024-2029 in a policy paper called "Delivering an agile, just and equitable transition⁵". This document was the outcome of a discussion started in the Energy Transition commission and developed during our Spring General Meeting in Hamburg via the set of roundtables using the "World Café Method".

Following its finalisation by the Board, the policy paper was sent to the European Parliament's most relevant committees (ITRE, IMCO, ENVI) and in particular their chairs, vice chairs and political coordinators, to the European Commission's services of interest for UPEI (Directorate Generals GROW, ENER, CLIMA, ENV, MOVE, TRADE and FISMA) and the energy, industry, climate and environment attachés in the 27 Member States Permanent Representations.

UPEI also decided to review some elements of its internal governance. First, amendments were brought to the Statutes to:

- » Enlarge the scope of UPEI to independent "energy and mobility" suppliers and not only "fuel" suppliers.
- » Better precise the criteria defining the membership categories. Members are now grouped between full members (national associations) and associate members (companies). Business partners will be limited a) to organisations providing services or equipment to the UPEI sector and b) to members 'members.

These amendments were unanimously approved by the General Meeting in Rome, and submitted to UPEI's lawyer for final registration with the Belgian authorities.

As regards the experts and commissions, a special meeting of the chairs and the UPEI experts was organised in May to reflect upon their role, working methods, scopes, ways to make attendees more involved (notably to report on national developments), actions to attract new members and to better involve experts in their activities, notably in terms of reporting and getting input. Further discussions were developed during three roundtables at the General Meeting in Rome, based on the following topics: improving participation and contribution, evaluating coverage and content, and developing external input and communication.



⁵ <https://upeil.org/component/flexicontent/download/2534/1897/17?method=view>

DRAFTING OF UPEI POSITIONS IN THE COMMISSIONS



– Importing/Trading/ Wholesale (ITW) Commission

Chair: Johan Deleu (Brafcö)

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

The ITW commission met twice in 2024, and kept the following main topics under scrutiny:

- » The EU VAT system revision (VAT in the Digital Age – ViDA): it organised a webinar during which our Business Partner Marosa gave a complete overview of the final texts, focusing on :
 - Digital reporting requirements and e-invoicing.
 - Single VAT Registration.
 - Reverse charge mechanism.
- » The 2024 update on Excise Duties (February 2024 update).
- » The ETS2, with two webinars during which Inga Tölke as member of the European Commission's expert group presented the latest developments as regards its implementation.



- » The implementation of the REDII and REDIII Directives, in particular the difficult introduction of the Union Database on Biofuels (UDB).
- » The matrix on national implementation of EU renewable fuels legislation, prepared by Weber Shandwick.
- » The participation in the European Commission's Oil Coordination Group, where UPEI and others energy stakeholders are invited to participate since 2022, together with Member States representatives, to exchange views on the economic situation, including the embargo on Russian fuels and on the EU energy security architecture (including the Oil Stocks Directive).



– Retail Stations Commission

Chair: Ivan Indráček (SČS)

Expert: Sarah Schmitt
(MEW/bft)

The Retail Station commission met twice in 2024. Main topics under discussion were:

- » CO2 emission standards for High Duty Vehicles (HDVs) - revision.
- » Euro 7.
- » Renewable Energies Directive (REDII) implementing acts and REDIII, particularly as it affects the deployment of HVO100.
- » Energy Taxation Directive revision (ETD).
- » Alternative Fuel Infrastructures Regulation (AFIR), with an overview of each Member State's approach to meeting the requirements.
- » Packaging and Packaging Waste Directive revision, with the specific requirements for backing up plastic and tin beverage bottles: EU legislative requirements, overview of the approach of individual Member States, experience from countries where it is already in place (in particular Germany).
- » Corporate Sustainability Reporting Directive (CSRD) - implementation.

The commission, with the support of bft, also organised a webinar on "To win in the energy transition, you need to win in foodservice", presented by Christian Warning, Founder and CEO, The Retail Marketeers. The webinar developed ways for the fuel distribution sector to adapt, notably to the mobility markets, to generate new sources of revenues, such as with food distribution.



– Fuel Payments Commission

Chair: Ondřej Jančařík (Eurowag)

Expert: Sarah Schmitt (MEW/bft)

The Fuel Payments commission met twice in 2024, with a focus on the following issues:

- » Interpretation of the European Court of Justice’s Vega International Case.
- » Following the adoption of a set of guidelines by the EU VAT Committee in 2023, the commission has continued monitoring, in liaison with the stakeholders working group set up at the initiative of the European Commission DG TAXUD, the application of these guidelines by the Member States’ relevant administrations.
- » Implementation of Payment Service Directive (PSD2).
- » The commission monitored the measures taken at national level to apply the Directive, essentially based on information provided by Eurowag.
- » Revision of the PSD2: UPEI developed a position paper related to the two pieces of legislation that will replace the PDS2 i) Regulation on payment services in the internal market - PSR and ii) Directive on payment services and electronic money services in the Internal Market - PSD3). This position paper contained three amendments to the proposals:

- Proposing definition of payment service,
- Requiring simplified administrative procedures for SMES and small family businesses,
- Precising that the threshold for the declaration to competent authorities of services offered should be based on the total net value.

The paper was shared with the rapporteurs and shadow rapporteurs in the European Parliament, before the vote of the Committee on economic and monetary affairs.



– Bunkering Commission

Chair: Erik de Vries

Expert: Inga Tölke

Representatives in Renewable and Low Carbon Fuels (RLCF) Industry Alliance : Helmut Oldekamp, Mabanft, and Pierre Lucas, UPEI Secretariat.

The Bunkering commission met three times in 2024 and covered the main following topics:

- » Contribution to the Renewables and Low Carbon Fuels (RLCF) Industry Alliance, particularly its Roundtables 1: “The availability of feedstocks, synergies among sectors and the so-called “just transition”, where UPEI is represented by Pierre Lucas, and 3: “Production pathways and value chain in waterborne transport”, where Helmut Oldekamp of Mabanft represents us. As regards the “just transition”, UPEI contributed to the discussion on quantifying job creations. The first phase of the work was completed in December, but the European Commission agreed that the work had to continue and proposed a new governance for the Alliance, to be supported by an external professional secretariat, with the objective to gain more input from the membership (the Alliance has over 250 members).
- » Monitoring of adoption and implementation of the relevant 'Fit for 55' package legislation. The commission focused on the following files:
 - Extension of the Emission Trading System (ETS) to the maritime transport: the focus was on the implementing measures adopted by the European Commission.



- FuelsEU maritime Regulation.
- REDII implementing acts and REDIII.
- Revision of the Energy Taxation Directive (ETD).
- » The Secretariat was also asked to help clarifying the different pieces of EU legislation applying to Maritime and/or to Inland navigation.
- » Also, not only as Bunkering commission but for UPEI as a whole, members monitored the implementation and the application of the Corporate Sustainability Reporting Directive (CSRD), as it concerns the independent energy and mobility sector.



– Retail Heating Commission

Chair: Uta Weiss

Expert: Brian Worrall (until June 2024)

The Retail Heating commission met twice in 2024 and focused on:

- » Monitoring the implementation of the EU Energy legislation, in particular :
 - » Energy efficiency.
 - The Energy Efficiency Directive (EED).
 - The Energy Performance of Buildings Directive (EPBD).
 - EU ETS for Buildings (ETS 2).
 - The Renewable Energies Directive (RED III).
 - Eco-design Regulation on boilers.
- » Liaising with DG ENER of the European Commission, notably the as regards implementation of the



EPBD: UPEI participated in a European Commission webinar on the guidance on phasing-out of financial incentives for stand-alone boilers powered by fossil fuels.

- » Contributing to the Joint Heating commission created in 2019 between UPEI and FuelsEurope, Eurofuel and ECFD to develop coordinated advocacy activities.

In 2024, the Joint Heating commission developed a revised version of its 2020 brochure on “Heating with Liquid Fuels - Pathway for a sustainable future⁶”. In particular, the brochure recommended a set of policy measures to reach the climate targets in 2030, 2040 and 2050:

- Efficiency: Support and speed up the replacement of obsolete and inefficient heating systems through financial and policy incentives.
- Hybrid: Promote and fund the installation of hybrid heating systems for most houses (e.g., solar linked to liquid fuel-condensing boilers or combinations with small heat pumps). This will provide substantial emission reductions while maintaining a secure supply of energy for citizens.
- Renewable fuels: Call for a stable and enabling policy framework that includes grants for research and innovation on renewable liquid fuels as a substantial long-term contribution to the reduction of carbon emissions from heating.

The brochure was distributed to the main players in the EU institutions and the Joint Heating commission discussed about the possibility to organise a meeting with Members of the European Parliament in 2025.



– Energy Transition Commission

Chair: Christian Heise (DCC Energi)

Expert: Britta Mølgaard Laursen (DCC Energi), **Letizia Pasqualini** (Assopetroli-Assoenergia), **Cristina Correia** (PRIO)

The newest of UPEI’s commissions met three times in 2024 and developed further its priorities, fine-tuning its terms of reference.

⁶<https://upei.org/component/flexicontent/download/2622/1932/17?method=view>

Amongst its main activities, the following should be highlighted:

Preparation of a policy paper “Delivering an agile, just and equitable transition” as indicated above. The document developed the following priorities:

- » An agile transition.
 - Promote strong investment framework.
 - Do not rely solely on electrification but promote diversification.
- » A just transition.
 - Ensure full implementation and application of the "Fit for 55" package and complement it only if justified to reach 2040 target.
 - Support energy efficiency and technology neutrality in buildings.
 - Support optimisation and conversion of energy supply in transport infrastructures.
 - Support training of energy distributors staff and customers.
- » An equitable transition.
 - Consolidate the fuel (fleet) card legal framework.
 - Provide a future-oriented revised Energy Taxation Directive.
 - Ensure that national energy schemes protecting vulnerable citizens are compatible with the EU Internal Market.

Organisation of two technology thematic webinars, the first one devoted to hydrogen in June, with a presentation by Alain Schwald of AVIA Hydrogen, and the second one to biofuels in November with a presentation by Cristina Correia of PRIO. At both webinars, the EU regulatory and incentive framework applicable to these fuels was introduced by Weber Shandwick.

Analysis of the main priorities of the second von der Leyen Commission as regards energy, industry and climate change, based on the President-elect Political Guidelines, the mission letters to the Commissioners-designate, the confirmation hearings and the international context (COP 29; new US Administration).

Review of participation of UPEI in EU and stakeholders' experts or working groups to assess where UPEI should increase its presence: the commission took note of the numerous groups that could be of interest for UPEI, counting on the Secretariat to fine tune a list of priorities.

[7www.upei.org/component/flexicontent/download/2622/1932/17?method=view](https://www.upei.org/component/flexicontent/download/2622/1932/17?method=view)

INTERACTING WITH STAKEHOLDERS

Many European and national associations represent the energy sectors towards the EU institutions and there is a strong need - if we want to be heard and consistent - to develop common advocacy positions and interactions with the EU policymakers. This also contributes to avoid expressing diverging views, and helps mutualising resources and efforts.

In 2024, UPEI was actively involved with the “Network for Sustainable Mobility” that succeeded the “Informal Coalition on Sustainable & Renewable Fuels” and set itself more formal governance rules, and the “Informal Coalition on Delegated Acts on REDII”. These groups meet on a weekly or biweekly basis to exchange views on current legislative developments and prepare common statements.

In the framework of the “Mobility for Prosperity in Europe” group, we met with three transport attachés or deputy transport attachés from the Belgian Presidency Ms Audrey Devos, the Hungarian Presidency Ms Katalin Tari and the upcoming Polish Presidency Mr Mateusz Urasinski.

As founding member of the Joint Heating commission together with Eurofuels, Fuels Europe and the European Confederation of Fuel Distributors (ECFD), UPEI contributed to the update of our joint brochure “Heating with Liquid Fuels - Pathway for a sustainable future”⁷. UPEI also contributed to the drafting and finalisation of the report of the “Working Group on Measuring



Methodologies of CO2 neutral fuels"⁸ (WGMM) prepared to respond to the European Commission's request to industry, OEMs, and fuel companies, to present technological options that can prove and monitor the use of CO2-neutral fuels in new vehicles and contribute to the European Commission's commitment to present a methodology for registering after 2035 vehicles running exclusively on CO2 neutral fuels. The final report's abstract is as follows:

- » A technology neutral, inclusive and consistent definition for CO2 neutral fuels to avoid over-complexity of the EU regulation.
- » CO2 neutral fuels complementary to electrification in road transport.
- » Road transport is the lead market to create a long-term investment case for CO2 neutral fuels for the benefit of all transport sectors.
- » The role of biofuels.
- » Fuelling Technologies for Vehicles & Retail.
- » Two potential approaches, and 11 technology options to monitor CO2 neutral fuels:
- » Outcome of the Evaluation Matrix.
- » Methodology assessment from customer and retailer perspective.
- » Regulatory evaluation.

PARTICIPATING IN EU INSTITUTIONS MEETINGS

As member of several EU-led expert groups, UPEI participated in the following meetings with the European Commission:

- » Fuel Cards stakeholder group on the application of the "Vega International Case": meeting with DG TAXUD to share the group's main experiences on the implementation of the VAT Committee Guidelines regarding fuel cards in the different Member States and to discuss takeaways on the recent CJEU decision C 60/23 (Digital Charging Solutions GmbH) on EV charging and its positive impacts on fuel cards:
- » RLCF Industry Alliance: contribution to an evaluation of job creation in the distribution sector and attendance at the General Assembly organised by DG MOVE.
- » Participation of UPEI expert Inga Tölke (MEW)

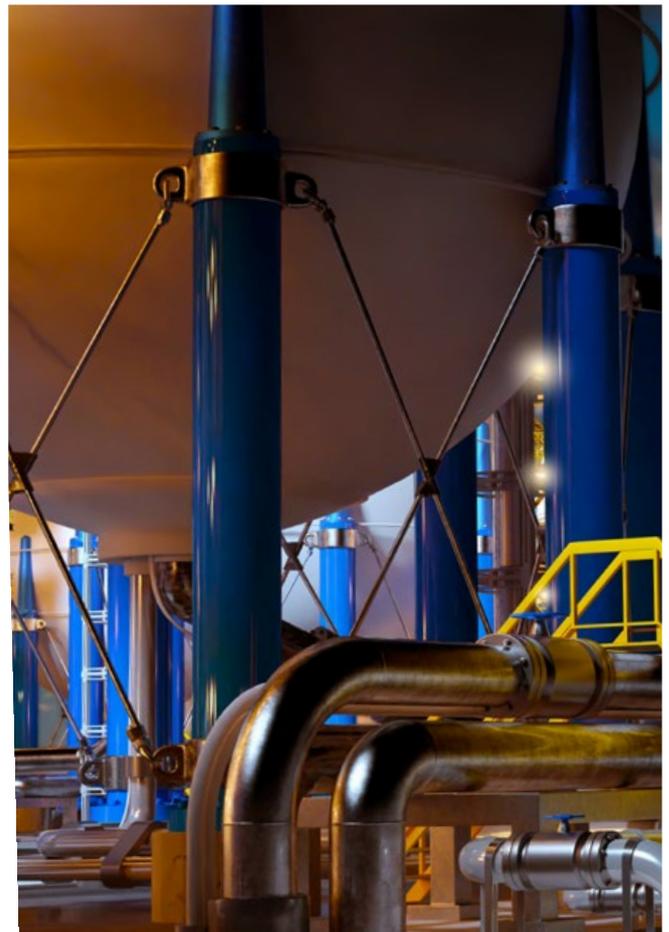
in meetings of the ETS2 stakeholders' group - extended to cover buildings and transport (DG CLIMA)

- » Participation of UPEI expert Inga Tölke (MEW) in Excise Contact group (DG TAXUD).
- » Contribution to three meetings of the Oil Coordination group (DG ENER), where the President and the Secretariat have represented UPEI as guests since 2022.

UPEI is also a member of the Trade Contact group (DG TRADE).

CONTRIBUTING TO EUROPEAN STANDARDISATION

UPEI is represented as Liaison Organisation (without voting rights) in CEN/TC 19 (gaseous and liquid fuels, lubricants, and related products of petroleum, synthetic and biological origin) by Ulrich Nowak, and in CEN/TC441 (fuels labelling), by Uta Weiss.



⁸<https://www.upei.org/component/flexicontent/download/2635/1942/17?method=view>

UPEI'S ENGAGEMENT ACTIVITIES 2024

15

MEETINGS
with European
Institutions

(stakeholders meetings,
workshops and bilateral
meetings)



98

**STAKEHOLDERS
COALITION
MEETINGS**

we have
interacted with
directly or via
informal coalitions



108

**BILATERAL
MEETINGS WITH
STAKEHOLDERS**

(stakeholders' meetings,
workshops, conferences, and
bilateral meetings)



5



**JOINT
INITIATIVES**
with industry
partners

(joint statements,
publications etc)

DELIVERING AN AGILE, JUST, AND EQUITABLE TRANSITION

UPEI expectation from and offers to the new EU parliamentary term 2024-2029



DELIVERING AN AGILE, JUST, AND EQUITABLE TRANSITION

UPEI EXPECTATIONS FROM AND OFFERS TO THE NEW EU PARLIAMENTARY TERM 2024-2029



POLICY PAPER

<https://www.ypei.org/component/flexicontent/download/2534/1897/17?method=view>

In 2024, UPEI released a programmatic document titled "Delivering an Agile, Just, and Equitable Transition," outlining our expectations and contributions for the upcoming EU parliamentary term from 2024 to 2029.

AN AGILE TRANSITION

UPEI emphasises the necessity for an agile approach to the energy transition, focusing on two key aspects:

- » Promoting a Robust Investment Framework: encouraging innovation across all carbon-neutral technologies to ensure a diversified and resilient energy sector.
- » Ensuring Regulatory Flexibility: adapting policies to accommodate emerging technologies and market developments, thereby facilitating a smoother transition.

A JUST AND EQUITABLE TRANSITION

The document advocates for a transition that is both just and equitable, highlighting the importance of:

- » Social Inclusivity: ensuring that all societal groups benefit from the energy transition, particularly those in vulnerable positions.
- » Economic Viability: maintaining competitiveness and preventing economic disparities during the shift to sustainable energy sources.

UPEI'S COMMITMENTS

To support these objectives, UPEI commits to:

- » Engaging with Policymakers: collaborating closely with EU institutions to shape policies that reflect the needs of the energy sector and society.
- » Fostering Industry Collaboration: working alongside industry stakeholders to share best practices and drive collective progress toward carbon neutrality.

Through these efforts, UPEI aims to contribute significantly to an energy transition that is agile, just, and equitable, aligning with the EU's broader climate goals for 2024-2029.

UPEI & FETSA PROJECT "ENERGY FOR THE FUTURE"



<https://www.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) launched a two-year joint "Energy for the Future" project in 2022. In 2024, to prolong our efforts to increase the visibility and influence of our associations with the European Parliament and the political level of the European Commission, UPEI and FETSA decided to continue financing it and to work closely to keep promoting a more sustainable, resilient, and engaged energy sector.

The European Union has started a new EU five-year parliamentary term (2024 - 2029) with a new European Parliament (June 2024) and a new European Commission (December 2024). This is the right timing to provide our initial thoughts and offer our contribution to the EU new policymakers, advocating for our positioning in the following topics:

- » **European Energy Security:** exploring the outlook for energy security in the context of the EU's transition to a sustainable and resilient energy system.
- » **Liquid Energy Carriers, Climate Goals, and Competitiveness:** assessing the future of liquid energy carriers in the EU's green transition and their critical role in achieving the Green Deal's climate targets, while maintaining economic competitiveness.
- » **"Fit for 55" Legislative Package:** discussing the implementation of the previous mandates' key legislation, and the road ahead, with a focus on the revision of the Energy Taxation Directive (ETD) and the CO2 standards for light-duty vehicles, and on sustainable fuels incentivisation.
- » **Legislative Priorities** in the new EU parliamentary term mandate (2024-2029).

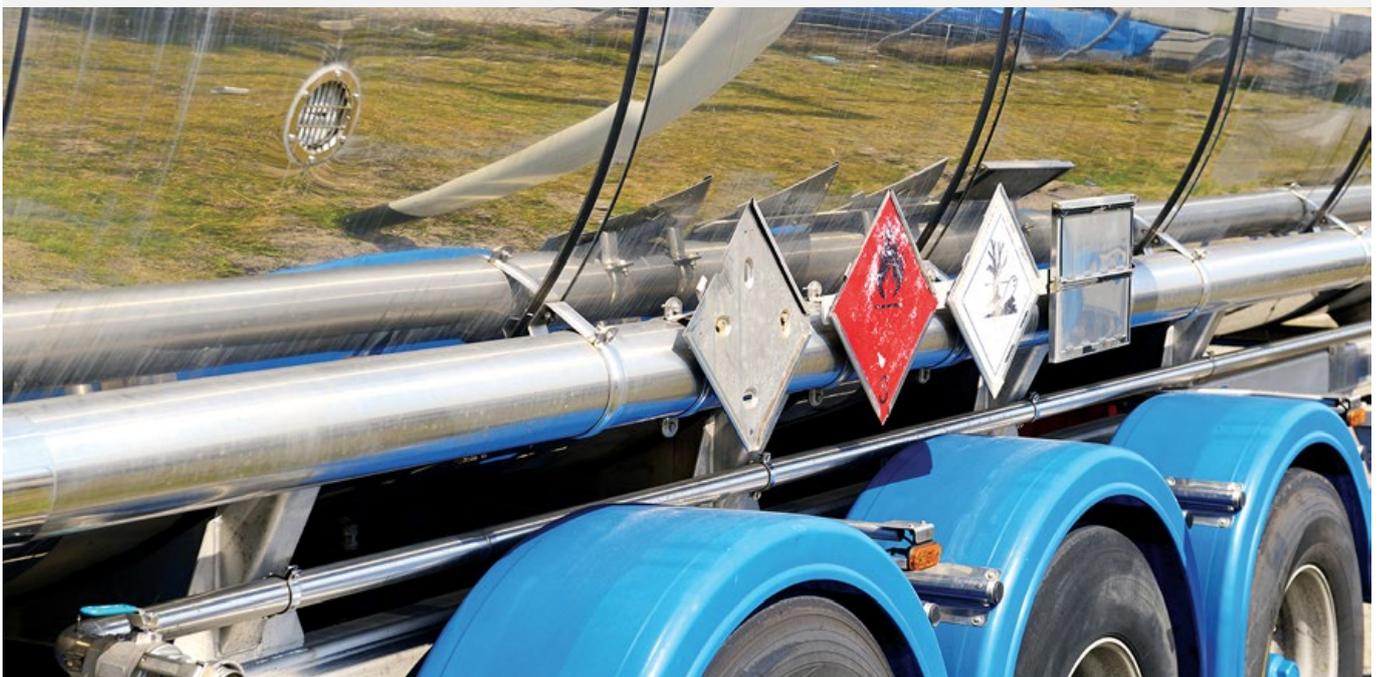
This initiative underscores our commitment to fostering constructive dialogue and collaboration with EU policymakers, industry stakeholders, and civil society. By actively engaging in these crucial discussions, UPEI and FETSA aim to shape a policy framework that supports a sustainable, secure, and competitive energy landscape. As we move forward, we remain dedicated to providing expertise, advocating for pragmatic solutions, and ensuring that the voice of our industry is heard at the highest levels of European decision-making.

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 2024, UPEI engaged with 15 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 STAKEHOLDERS



NETWORK FOR SUSTAINABLE MOBILITY

MOBILITY FOR PROSPERITY IN EUROPE (MPE)

JOINT HEATING COMMISSION

INFORMAL COALITION ON DELEGATED ACTS ON RED II

EU INSTITUTIONS WORKING GROUPS



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

TRADE CONTACT GROUP (DG TRADE)

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

OIL COORDINATION GROUP (DG ENER)

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

EXCISE CONTACT GROUP (DG TAXUD)



UPEI ONLINE EVENTS



UPEI PUBLICATIONS ISSUED IN 2024

STATEMENTS

JANUARY

- » [Joint Statement: Provisional agreement on stricter CO2 emission standards for heavyduty vehicles undermines success of Europe's strategy for a green transition](#)

OCTOBER

- » [An early revision of CO2 emission standards regulations should be driven by technology openness](#)

NOVEMBER

- » [29th Conference of the Parties of the United Nations Framework Convention on Climate Change \(COP29\) in Baku, Azerbaijan](#)

POSITION PAPERS

OCTOBER

- » [UPEI-FETSA: Policy Asks and Recommendations for the 10th Legislative Mandate 2025-2029](#)

DECEMBER

- » [UPEI concerns about possible restrictive measures against POME-derived biofuels](#)

2024

UPEI ANNUAL REPORT



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