

## UPEI Feedback

### Sustainable and Smart Mobility Strategy

UPEI – Europe’s Independent Fuel Suppliers, welcomes the opportunity to provide initial comments to the Roadmap, and to be part of the preparatory process for Sustainable and Smart Mobility Strategy.

UPEI and its members have embraced the EU ambition to reach a climate-neutral economy by 2050, and are fully committed to contributing to achieving this target through the supply of carbon-neutral fuels by 2050. The upcoming Sustainable and Smart Mobility Strategy will be a key strategic vision that will thoroughly influence the future of the transport sector by shaping the regulatory framework and providing investment pathways towards EU climate goals.

In light of the current global economic uncertainties, it is essential that the economic recovery is guided by financial support for the EU’s transition towards a sustainable economy. The EU’s Recovery Instrument, the System Integration and the Hydrogen Strategies have all noted the crucial role that investments in low-carbon and carbon-neutral technologies such as hydrogen, advanced biofuels, biogases, e-fuels and recycled carbon fuels will play in achieving a cost-effective decarbonisation of the transport sector. UPEI calls on the Commission to ensure that the Smart and Sustainable Mobility Strategy demonstrates clear and comprehensive pathways, also unlocking necessary regulatory frameworks, to incentivise a rapid uptake of these technologies and investments into repurposing existing fuel distribution infrastructure to meet the demands of a greener Europe.

There are a number of types of low-carbon and carbon-neutral fuels, with sustainable and low carbon biofuels being the most mature technologies, which can be deployed in an effective manner already today. Moreover, recycled carbon fuels, produced from industrial waste gases or based on non-recyclable plastics, can also contribute to the renewable energy target in transport. Similarly, as highlighted by the above-mentioned Strategies, hydrogen-derived synthetic fuels and gases (e-fuels) present a significant potential as carbon neutral energy carriers for a wide range of end-uses. We call on the Commission to ensure that the upcoming Strategy highlights the means and pathways for incentivising the uptake of these alternative low-carbon and carbon-neutral fuels for various end-uses in the transport sector.

While our industry has rallied behind climate neutrality, this monumental ambition will have to be sustained by policies and regulatory frameworks that provide legal coherence, clarity and predictability. However, regulatory inconsistencies amongst existing legislation complicate investment certainty for independent fuel suppliers to reach this goal. These inconsistencies can be demonstrated in the particularly problematic relationship between the Fuel Quality Directive and the Renewable Energy Directive, the incomplete support of carbon neutral solutions under the CO2 Standards, the insufficient incentivisation of technology-neutral solutions under the Alternative Fuels Infrastructure Directive (AFID), and the sorely outdated Energy Taxation Directive giving very little stimulus to low-carbon technologies. Equally importantly, upcoming revisions should avoid regulatory U-turns that could endanger the positive impacts that alternative fuels can play in the energy transition. In particular, maintaining the current definition of alternative fuels in AFID would guarantee consistent policymaking and a stable investment environment.

In light of the above, UPEI would propose that these points are taken into account in the upcoming Strategy and the revision of EU transport policies:

- Set out favourable regulatory framework and investment pathways for low-carbon and carbon-neutral technologies, such as hydrogen, advanced biofuels, biogases, e-fuels and recycled carbon fuels, and repurposing existing fuel distribution infrastructure to encourage rapid and deep decarbonisation of the transport sector.
- Fixing regulatory inconsistencies in EU transport policies, in order to emphasise the most cost-effective transition towards climate neutrality in the transport sector.

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**UPEI** represents nearly 2,000 European importers and wholesale/retail distributors of energy for the transport and heating sectors, supplying Europe's customers independently of the major energy producers. They are the interface between producers and consumers, using their own infrastructure and flexibility to supply existing demand for conventional and renewable liquid fuels, as well as non-liquid alternatives as part of the energy transition. They cover more than a third of Europe's current demand. The organisation brings together national associations and suppliers across Europe.

Independent fuel suppliers bring competition to Europe's energy market and are able to respond rapidly to changes affecting supply, contributing to security on a local, national and regional level. They have developed and maintain a comprehensive infrastructure for the sourcing, storage and distribution of transport and heating fuels, with a commitment to delivering a high quality service to all consumers, including those in remote areas.

Since 1962 UPEI has been advocating for a level playing field and fair competition to ensure an affordable, sustainable and secure energy supply for Europe's consumers. Today, in the context of the transition to a low carbon economy, UPEI and its members are also addressing the challenges of adapting the product range and meeting consumer demand through market oriented solutions.

With its strong track record in pioneering the supply of renewable fuels in the EU, UPEI's members remain committed to delivering and embracing new, cost effective solutions which further promote energy efficiency and reduce pollutants and emissions.