



POSITION PAPER

Joint position on the applicability of synthetic fuels to heating in the Renewable Energy Directive (RED II)

Brussels, 16 March 2018

The undersigned associations, ECFD, Eurofuel, FuelsEurope and UPEI, representing the supply chain of liquid fuel products for heating would like to raise EU policy-makers' attention to specific elements in the future Renewable Energy Directive (RED II), which may impede the development of innovative liquid fuels which reduce greenhouse gas emissions in the heating sector.

With regards to Article 2 of the European Commission's proposal currently being negotiated in trilogue, a definition of "renewable liquid and gaseous transport fuels of non-biological origin" is included, which de facto excludes the use of similar renewable liquid and gaseous fuels of non-biological origin for non-transportation purposes¹.

The European heating sector is currently facing climate policy challenges similar to the transport sector. It is constantly striving to improve efficiency and emissions both in the technology and energy used. Ongoing innovation to develop alternative liquid fuels is an important part of these efforts as a means to contribute to the carbon emission reduction objectives set by the European Union for 2030 and towards 2050. An open legislative framework that recognises and promotes such possibilities is needed.

The properties and merits of using renewable fuels of non-biological origin in the field of residential heating are being investigated through studies and several pilot projects² and our industry considers that these synthetic or "e-fuels" made from renewable electricity and different sources of CO₂ are likely to play an increasingly important role to supply liquid fuels for heating in a medium to longer term³. They could be part of the solution to a decreasing carbon footprint in Europe's heating mix, as an ideal solution for the progressive reduction of fossil fuel content in the 20 million heating systems powered by oil across Europe.

We therefore believe that the RED II may play here an important role in stimulating further research and investment in these e-fuels and their applicability to the residential heating sector, by extending the definition to heating uses and ensuring that such fuels are properly accounted for in the provisions relating to renewables in heating and cooling, as per our proposal in annex.

¹ Article 2 – paragraph 2 – point s of the European Commission's proposal COM(2016) 767: *'renewable liquid and gaseous transport fuels of non-biological origin' means liquid or gaseous fuels other than biofuels whose energy content comes from renewable energy sources other than biomass, and which are used in transport.*

² See a recent study by the Freiberg University of Mining and Technology: [Production of GHG-reduced liquid fuels](#).

³ See Eurofuel's vision document "[Liquid Fuels for Tomorrow's Heat Supply](#)".



We would like to thank European institutions for their consideration of these important points in the advanced stage of the procedure, which would make this important piece of legislation a future-oriented compass.

Annex: Possible wording to address the concerns highlighted in this paper

Proposal for a directive

Article 2 – Paragraph 2 – point s

Text proposed by the Commission

(s) ‘renewable liquid and gaseous **transport** fuels of non-biological origin’ means liquid or gaseous fuels other than biofuels whose energy content comes from renewable energy sources other than biomass, **and which are used in transport**;

Amendment

(s) ‘renewable liquid and gaseous fuels of non-biological origin’ means liquid or gaseous fuels other than biofuels whose energy content comes from renewable energy sources other than biomass;

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About ECFD

The European Confederation of Fuel Distributors (ECFD) is the umbrella association of the federations of heating oil distributors in Austria, Belgium, France, Germany and the United Kingdom and independent petrol station owners of Austria, Belgium, France and Germany. Its mission is to defend the interests of its members at European level safeguarding the independence, resilience and profitability of businesses supplying petroleum products for households and motorists in the European Union. ECFD members represent mainly small and medium-sized, often family-owned, companies.

ECFD is aware of the role of its members in protecting the environment. We promote energy efficient systems, such as thermal insulation and condensing boilers, to our customers as well as complementary renewable energy sources, e.g. solar, wind, wood and biofuels. In addition, we support alternative fuels for transport where demand and supply meet, providing for effective business cases. We feel this goes some way to help tackling the major challenges of climate change, improving air quality, reduction of CO2 emissions, security of supply, energy efficiency and the competitiveness of the European industry.

Find more at www.ecfd.be

About Eurofuel

Eurofuel is the European Heating Oil Association, which represents the national organisations that promote the use of liquid fuels for domestic heating in 10 European countries, including over 10,000 companies. Heating oil is nowadays an important and very efficient source of energy to provide comfortable temperatures in homes of millions of Europeans. It is a perfect back-up to accompany the deployment of renewable energy sources. Increasingly, multi-energy hybrid heating systems are being developed. Thanks to unique storage capacities, heating oil ensures a constant and reliable energy supply whenever the combined renewable systems cannot deliver. In difficult economic times, highly efficient modern oil heating systems combined with renewable systems represent a cost-effective and realistic option for households to reduce their energy consumption at a lower cost and contribute to save our environment.

Find more at www.eurofuel.eu and follow us on Twitter (@EUROFUELEnergy).

About FuelsEurope

FuelsEurope represents with the EU institutions the interest of 40 Companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales.

FuelsEurope aims to promote economically and environmentally sustainable refining, supply and use of petroleum products in the EU, by providing input and expert advice to the EU Institutions, Member State Governments and the wider community, thus contributing in a constructive and pro-active way to the development and implementation of EU policies and regulations.

Find more at www.fuelseurope.eu

About UPEI

UPEI represents European importers and wholesale/retail distributors of refined petroleum products and their alternatives, supplying Europe's customers, independently of the major petroleum producers.

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.

Find more at www.upei.org and follow us on Twitter (@FuelSuppliersEU)