

STATEMENT

Brussels, 6 February 2020

UPEI Feedback

European climate law – achieving climate neutrality by 2050

Climate Law recommendations

UPEI is fully committed to contributing to achieving carbon neutrality through the supply of carbon-neutral fuels by 2050. This monumental ambition will have to be sustained by the regulatory consistency that businesses need to successfully deliver the transition to sustainable supply chains, mobilising funding for solutions that reflect changing market realities. Such regulatory framework will need to promote all forms of low carbon and carbon-neutral solutions, as this will be necessary to reach carbon neutrality efficiently.

First, UPEI suggests to clearly define “carbon neutrality” in the proposed law in the interest of legislative certainty.

UPEI supports raising the 2030 target to reflect Europe’s climate ambition. UPEI believes that any target should be equipped with clear and realistic emission reduction trajectories, providing the transparency and certainty needed to attract the necessary investments to reach climate neutrality by 2050. Targets will have to be set at realistically achievable levels, backed by science-based impact assessments, reflecting market realities without resorting to draconic future policy U-turns. Such approach will ensure both fairness and societal acceptance of the changes that Europe will have to undergo in the next thirty years.

Furthermore, UPEI recommends a sober approach to revising the recently finalised Clean Energy Package, as early deep reviews would harm regulatory certainty and undermine the clear signals that the agreed legislation provides to investors.

Instead, UPEI would advise to increase the level of ambition through complementary measures. These would include ambitious yet realistic revisions of e.g. the Alternative Fuels Infrastructure Directive, Fuel Quality Directive, the Energy Taxation Directive. These revisions would need to reflect market realities but also the need to diversify available fuel types by significantly promoting the roll-out of low carbon and carbon neutral fuels.

Technology neutrality and energy efficiency

The Climate Law should incentivise the development of a life-cycle approach to evaluate the carbon and environmental footprint of all solutions and emissions from all applications, allowing for a thorough comparison, and its swift implementation by amending existing legislation in a practical manner. Moreover, car manufacturers should be incentivised to further invest in energy efficiency improvements and vehicles powered by renewable and carbon neutral fuels.

The Climate Law should also consider a shift in the definition of “efficiency”, towards “system efficiency” to factor in the cost efficiency of renewable fuels (“drop-in” benefit) versus standalone technologies requiring dedicated infrastructure and appliances.



Favourable framework for innovation and investments in carbon-neutral fuels

A successful transition to climate neutrality needs to be backed by framework that will advance technological development of all low-carbon and carbon neutral energy sources. UPEI promotes the use of alternative fuels and the improvement of energy efficiency to reduce emissions immediately, while developing carbon neutral fuels to suit all needs and applications in the longer term. These carbon neutral fuels are advanced biofuels and biogases, e-fuels and other solutions such as recycled carbon fuels. They offer many advantages: they feature a significant energy content, and can be moved, stored, and used in the existing distribution infrastructure and appliances. Their production and deployment must be stepped up to deliver their full potential to fight against climate change.

UPEI equally calls for stable and predictable sustainability criteria for fuels from biomaterial origin beyond 2030, and robust sustainability criteria for batteries and e-fuels to give the right signal to the market to invest in necessary production facilities.

Read more in the [UPEI 2050 vision](#).

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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.