
UPEI Position Revision of the Energy Efficiency Directive

Independent fuel suppliers have experienced a substantial impact on their business activities, as COVID-19 outbreak hit harshly fuels demand across Europe. This unprecedented challenge represents a pivotal opportunity to reshape the energy sector as we know it. To achieve this goal, an ambitious and stable policy framework is crucial. UPEI members are fully committed to provide flexible, affordable, and clean energy to consumers in order to meet Europe's short- and long-term climate objectives.

UPEI recommendations for the revision of the Energy Efficiency Directive

General comments

The energy efficiency target

As per [UPEI 2050 vision "short- and long-term recommendations for a carbon neutral society"](#), we support the "energy efficiency first" principle as an immediate mean to reduce Europe's GHG emissions.

That being said, the fact that the energy efficiency target is currently expressed as a reduction target in final energy consumption goes against market trends and the objectives of other pieces of legislation. Indeed, some technologies having a high potential to reaching carbon neutrality and fostering European competitiveness, such as hydrogen and e-fuels, have high energy requirements. This is why, in revising the Energy Efficiency Directive (EED), the focus should be on improving efficient energy use rather than aiming at an absolute energy reduction, to ensure these technologies can deploy and help meeting the overall climate objective.

Regulatory stability and consistency

The revised EED has been adopted after a long and difficult negotiation in 2018, and has not yet been fully implemented. First and foremost, the focus should be on the proper enforcement of existing legislation. Then, it is important to raise the overall level of ambition in line with the 2030 Climate Target Plan by expanding the scope of the directive without questioning previously agreed principles, which would undermine the much needed regulatory stability for investments.

More attention should be given to the assessment of regulatory overlaps and inconsistencies (including with Ecodesign, energy labelling and Energy Performance of Buildings Directive), lack of effectiveness and disproportionate costs in the current framework. This is an essential starting point to ensure that the next review is effective and makes use of synergies.

Technologies

The approach should be technology agnostic, i.e. setting energy efficiency targets without mandating which technologies and energies should be used and where, allowing for a fair competition based on the suitability and performance of different options.

Improving energy efficiency in buildings is a massive challenge therefore Member States need a wide range of complementary options to achieve this goal.

There should be no technology ban which would hinder the development of low carbon and renewable fuels for heating. First, state-of-the-art heating appliances combine with renewable electricity in hybrid system can significantly improve energy efficiency. Second, proposals to ban oil heating systems for example are counter-productive because they stop innovation, thus discouraging any investment in low carbon and renewable liquid fuels.

Finally, we warn against the mere reduction of the Primary Energy Factor (PEF), which was just adopted and never assessed since then. The Commission should carefully assess the assumptions under the PEF calculation. We support an approach considering the total primary energy as a basis for calculation, which would demonstrate the primacy of energy efficiency objectives over the choice of the specific energy source. A marginal approach is in our view the only reasonable approach to fair primary energy factors. We advise against the use of the PEF as a policy tool to favour certain technology options. Furthermore, it would be of utmost importance to consider the whole life cycle of all energy sources.

Specific comments on the Energy Efficiency Obligation Schemes

Overall, we believe a flexible approach to energy efficiency obligations is the best way forward, due to the nature of our activities: in the fuel supply sector, distributors are numerous and composed of many small and medium-sized enterprises (SMEs).

The implementation of Energy Efficiency Obligation Schemes (EEOS) under article 7 in some countries have led to heavy burden (reporting, verification) and high costs (penalties, high prices of certificates due to their scarcity), especially for small energy suppliers. We believe that EEOS should not be mandatory and if a Member State choose to implement them, de minimis thresholds should be set to ensure that the provisions do not disproportionately affect small companies in the concerned sectors.

We suggest removing the transport sector from the scope of the EED, and at least not require Members States to set a certain level of energy savings to be achieved in transport by maintaining the current exemption in article 7. We believe that an obligation for transport in the EED is not the best way to address its emissions. Transport has different sub-sectors which are already targeted by several other measures: fuel quality, vehicle efficiency standards, labelling, taxation of road fuels, procurement and deployment of alternative fuels and renewables.

UPEI and its members, representing nearly 2,000 European importers and wholesale/retail distributors of energy for the transport and heating sectors, look forward to constructively working with the EU institutions to make Europe's energy policy a success.

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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.