

Fit for 55 package falls short of maximising synergies

As the voice of Europe's independent fuel suppliers, UPEI welcomes the publication of the "Fit for 55" policy package, but underlines that more should be done, maximising synergies to effectively and cost-efficiently put Europe on a firm path towards climate neutrality. The opportunity was also missed to reaffirm the role of low carbon and renewable fuels in decarbonising the transport sector.

Addressing regulatory inconsistencies

UPEI has [repeatedly called](#) for using the "Fit for 55" policy package as an opportunity to reduce regulatory inconsistencies in the current fuel policy framework. We warmly welcome the alignment of the Renewable Energy Directive (RED) and the Fuel Quality Directive, which will lead to a simplified and more effective framework for fuel suppliers while reducing road transport emissions. However, we fear that the establishment of an adjacent Emission Trading Scheme (ETS) covering road transport and buildings could lead to additional administrative burden, affecting in particular the smaller players on the market such as many independent fuel suppliers.

Maximising the contribution of renewable fuels

We welcome the principle of revising the RED towards an increased level of ambition, and associated measures under the Energy Taxation Directive and the ETS to support renewable and low carbon fuels. However, the measures proposed today will trigger to a limited extent the deployment of sustainable and advanced biofuels, as well as e-fuels, in the transport sector. We strongly believe that these fuels have a stronger role to play in a climate neutral future, beyond the hard-to-electrify sectors such as maritime or aviation.

We also regret that under the proposed CO2 standards, the Commission is suggesting a 100% CO2 reduction step by 2035, without acknowledging the contribution of renewable and low carbon fuels with the mean of a voluntary credit mechanism.

Cécile Nourigat, UPEI Secretary General, says *"a range of technologies – from more efficient internal combustion engines powered by renewable fuels to electric and hybrid vehicles – are required for reducing road transport emissions,"* adding that *"to accurately guide the market towards climate neutrality, the EU needs to judge the emissions of these technologies on equal terms"*.

Our sector will play a crucial role in supplying the energy allowing to reduce emissions in all sectors, and UPEI members stand ready to do their part in investing in suitable infrastructure. UPEI stands ready to further engage with the co-legislators to refine the policy measures supporting the deployment of sustainable fuels in all sectors, in order to effectively and cost-efficiently reach the 55% target by 2030, and beyond.

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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.