

UPEI concerns about possible restrictive measures against POME-derived biofuels 5 December 2024.

[UPEI, the voice of independent energy and mobility suppliers in Europe](#), has carefully noted the concerns expressed by a number of Member States during the Energy Council meeting of 15 October 2024 around POME-derived biofuels (palm oil mill effluent). According to a [document presented by the Irish delegation](#) - and endorsed by Belgium, Germany, and The Netherlands - concerns persist around the import of POME-derived biofuels, namely due to potential fraudulent imports that would not comply with the provisions set in Directive 2023/2413, as regards high-ILUC risk biofuels.

As independent fuel suppliers, we are fully committed to operating in accordance with all the sustainability criteria and limitations set in the Renewable Energy Directive, as we have done for decades. All our members involved in the import and trading of biofuels are fully dedicated to addressing fraudulent biofuel imports into the European Union. We stand ready to keep cooperating with all the authorities, both at national and European levels, to prevent any type of imports that are not aligned with EU law. UPEI and its members will support any investigation carried out by the European Commission to clarify the issue of potential fraudulent imports.

However, we would like to warn against the possibility of imposing feedstock-specific Removal from Annex IX of RED III during these investigations. This would put a significant proportion of HVO outside the definition of advanced biofuels, which would lead to a disadvantageous categorisation for taxation purposes under the proposed revision to the Energy Taxation Directive. This could only be justified by reference to an in-depth investigatory process, which found overwhelming evidence of fraud at scale.

UPEI would especially warn against the suggested policy measure from the Irish delegation's note which proposes a limit or restriction on the total amount of POME-based biofuels that can be counted towards the Directive targets. We recognise that the EU is currently dealing with a verification governance issue, where the sustainability certification and verification regulatory framework, which works efficiently within the EU, is not suitable when applied to biofuel imports. But this should not serve as justification for taking deep-reaching blanket measures that would penalise the trading and imports of POME-derived biodiesel meeting all criteria set in the Renewable Energy Directive. A public consultation was recently conducted by the European Commission on an extension of the Union Database for Biofuels (UDB) to also cover data from the point of production/ collection of the raw materials used to produce biofuels. Evidence from this consultation should provide more clarity on the issue.



Such restrictive measures would disrupt the flow of sustainable biodiesel in the EU internal market. This would de-facto unfairly undermine our ability to progress towards the supply quotas that fuel suppliers will need to fulfil in order to reach the 14% decarbonisation target for transport set in the Renewable Energy Directive. UPEI has historically supported the supply obligations as well as other incentivising measures for the uptake of sustainable biofuels, as long as all the supply and demand measures and conditions are available.

Moreover, we believe that specific measures targeting POME-derived biodiesel will not help address the structural shortcomings of the EU verification systems. In this regard, we would like to support the call issued by 16 Member States on 15 October 2024 urging the Commission to address any malfunctioning in verification systems and “identify weaknesses in the existing governance system”. UPEI stands ready to support the European Commission in further strengthening any aspects of the EU verification system, a fundamental mechanism to ensure that only products meeting all the requirements set in the Renewable Energy Directive are imported and distributed to consumers.

In conclusion, UPEI and its members are unequivocally committed to the imports of only sustainable biofuels that meet the stringent standards set by the EU. We understand the importance of adhering to these regulations not only for the sake of compliance, but more importantly, for the preservation of our environment. UPEI stands ready to collaborate with the European Commission in ensuring the consistent adherence to these standards and would highly appreciate being included in any process following the Irish government’s request. By working hand in hand, they aim to contribute significantly to the EU's goal of a sustainable energy sector. Our commitment underlines our dedication to a future mobility supported by sustainable fuels.

We would highly appreciate the opportunity to discuss this matter on the occasion of a meeting.

ABOUT UPEI

[UPEI](#) represents European importers and wholesale/retail distributors of energy and related service providers to European transport and heating customers, independently from the major producers. Operating from the energy production gate to the final consumer, UPEI members supply conventional energy and increasingly its molecule and electron-based renewable and sustainable alternatives.

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.