

**Letter of concern about the European Parliament's position
on Article 26 of the proposal for a revision of the Renewable Energy
Directive (RED III)**

To:
HE Jaroslav Zajíček
Deputy Head
Permanent Representation of the Czech Republic to the EU
And
MEP Markus Pieper
Rapporteur on the Revision of the Renewable Energy Directive

Brussels, 6 December 2022

Dear Sirs,

The proposed revision of the Renewable Energy Directive, presented by the European Commission as part of the "Fit for 55 package" is currently moving through the interinstitutional negotiations, with a third trilogue meeting expected in a few days.

UPEI, the voice of Europe's Independent Fuel Suppliers, calls on both institutions negotiators to reconsider the European Parliament's proposal to amend Article 26 of the Renewable Energy Directive (REDIII).

In its amendment, the Parliament proposes to advance the phase out of the crop-based biofuels with high risk of indirect land use change (ILUC) to the date of the entry into force of the Directive – most probably in 2023 – from the date initially foreseen for 2030.

While UPEI and all its members support all the guarantees and mechanisms put in place to limit the presence of high ILUC risk biofuels in the European fuel mix, we need to warn against the implications of such a radical advancement of the dates for the envisaged phase out. In fact, the majority of fuel suppliers have already entered commitments and supply contracts for 2023, which they ought to honour to avoid penalties, commercial damage and supply disruptions.

Placing existing supply commitments outside the accounting of Member States' contribution to decarbonisation and supply targets would place fuel suppliers in a difficult situation, which could potentially put future supplies at risk, at a moment of severe market instability. It will also harm the markets contribution to decarbonisation in the longer term .



We therefore call on the Czech Presidency of the Council of the EU to ensure that the Parliament's amendment to Article 26.2 is duly reconsidered in the framework of the trilogue negotiations, in order to allow fuel suppliers the certainty and competitiveness to continue supporting transport's decarbonisation in the years to come.

We remain at your disposal to provide you with any further information which you would require on this matter.

Yours sincerely



Johan Deleu
President
UPEI

Cc:
Mr Stefano Grassi, Head of Commissioner Kadri Simson's Cabinet
Mr Lukasz Kolinski, Head of Unit, Renewables, DG ENER

About UPEI

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.