

Brussels, 21 September 2020

UPEI Feedback – Energy Efficiency Directive (EED) roadmap

UPEI, the voice of Europe's Independent Fuel Suppliers, welcome the opportunity the provide initial feedback to the roadmap on the Energy Efficiency Directive (EED). In this context, we would like to draw your attention to the following issues:

- 1. We agree that energy efficiency is the number one priority in the transition towards climate neutrality. As stated in <u>UPEI 2050 vision</u>, alongside technological and design developments to reduce fuel consumption of new appliances, more efficient supply systems will also make energy use more sustainable. More efforts on energy efficiency are therefore needed in light of the increased level of ambition for 2030 and 2050.
- 2. The revised EED has been adopted after a long and difficult negotiation in 2018, and has not yet been 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 by expanding the scope of the directive without questioning previously agreed principles, which would undermine the much needed regulatory stability for investments.
- 3. As market operators, we are experiencing issues linked to the diverging implementation of existing EED measures by Member States. In some countries, the system in place for energy savings certificates is very burdensome for example, affecting the competitiveness of certain players compared with their counterparts in other European countries. We call upon the European Commission to foster harmonisation among Member States, in view of the smooth functioning of the internal market
- 4. In the context of the evaluation of the EED, a special attention should be given to the assessment of overlaps, 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.
- 5. When designing the approach to be taken, UPEI calls for a balance of the three energy and climate policy objectives: energy security, sustainability and affordability of energy prices. The approach should also 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.



- 6. There are many measures already in place to improve efficiency in the transport sector, covering the different sub-sectors. UPEI believes that an obligation for transport in the EED is not the best way to address its emissions, and the opportunity to remove this provision should definitely be considered.
- 7. Access to finance remains the major obstacle to achieve the full energy savings potential. Financial mechanisms and instruments should focus on upstream research and development and, on the other hand, on tax relieves for end users in order to incentivise a modernisation of heating systems. In particular, the Energy Taxation Directive should be revised to adequately support the uptake of alternative energies in the heating sector. Again, UPEI supports technology neutral mechanisms.

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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.