

UPEI Position Paper on the revision of the Energy Taxation Directive (ETD)

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Introduction

UPEI, the voice of Europe's independent energy and mobility suppliers, appreciates the efforts made by the Danish Presidency of the EU Council to conclude the negotiations on the revised ETD by end 2025.

UPEI fully embraces the EU's carbon neutral objectives and calls on policymakers to ensure that the energy taxation legislative framework remains practical, harmonised, and proportionate.

UPEI Recommendations

UPEI supports an energy-content-based taxation model, but the ETD revision should also offer an opportunity to review the ETS2: indeed, if we carbon emissions can be effectively controlled through additional taxation, the need for ETS2 might be eliminated entirely. This would overcome the issues raised by the current overlay of ETS2 obligations onto the excise duty regime of the ETD, that bring duplicative regulation and additional administrative burdens for fuel suppliers.

We therefore also support the attention brought in the European Parliament's draft Opinion to regulatory overlaps between the ETD and ETS2, which sectors (transport and buildings) will face a combination of fuel taxation, compliance costs and emission charges.

UPEI recommends:

- Introducing mandatory tax exemptions for advanced biofuels, RFNBOs, and low-carbon alternatives.
- Including LNG under the Excise Movement and Control System (EMCS) for uniform treatment.
- Issuing an implementing act to clarify taxation of blended products, including clear setup aligned with the ETS2 required proof of renewable. This to ensure there will be no need for separate double reporting on same renewable molecule for ETS2 and Excise "rebates"
- Maintaining the mandatory tax exemption for energy products for the maritime transport.

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- Ensuring a consistent implementation of the revised Directive at Member States level.

Conclusion

UPEI calls upon the EU Council Presidency, the Member States and the European Parliament to ensure that the ETD revision is adopted as quickly as possible.

UPEI stands ready to engage constructively in the legislative process and to support the successful and equitable delivery of Europe's climate and energy transition.

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UPEI, the voice of Europe's independent energy and mobility suppliers, 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.