

Transparency for consumers, regulatory certainty and innovation should be the three pillars for EU's Energy Strategy .

Brussels, 30 November 2016: The “Clean Energy for all Europeans” package is a good approach to implement EU's Energy Strategy. Renewable Energy is likely to effectively contribute to the GHG reductions in the transport sector if the proposed targets on renewable energy use in transport are realistic. In Energy Efficiency, the focus on buildings is commendable, whereas a possible inclusion of transport in the scope of Energy Efficiency measures is likely to be inefficient and complex.

This comprehensive set of legislative proposals is a step forward in the implementation of the EU Energy and Climate Strategy till 2030. It provides more clarity on some aspects, others will require more analysis to assess their impact and effectiveness.

Renewable Energy Directive (RED)

FuelsEurope acknowledges the consistency of the 27% target for renewable energy across all sectors of the economy for the EU with the Commission 2030 Energy & Climate Framework and the Council position. John Cooper, Director General said *“This approach will provide more certainty for investors and flexibility for Member States to establish their own individual energy plans.”*

The EU refining industry strongly supports technology neutrality as a key principle in policy making, it however recognises that a target on advanced biofuels can provide certainty to investors and stimulate the development of environmentally sustainable and cost-effective solutions before 2030. John Cooper commented *“the targets must however be achievable and from our first review of the Commission's proposal it is not clear whether the proposed levels are realistic. We therefore recommend a deeper analysis on this aspect.”*

John Cooper commented *“blending biofuels of proven sustainability with high quality petroleum fuels for use in efficient Internal Combustion Engines (ICEs) is one of the possible pathways to reduce GHG emissions from transport, competing with other policy approaches and technologies. Its benefits versus its cost may for instance be higher than for electric vehicles.”* He added *“the contribution of sustainable biofuels to GHG reduction should be taken into account in the context of the vehicle efficiency regulation (CO2 standard in cars)”* On this specific point, John Cooper commented *“we welcome the consumer focus, therefore we believe that the GHG benefits of all technologies should be made visible to consumers.”*

We believe that ensuring consistency in transport fuel specifications across the EU, for the benefit of the internal market and of an efficient supply is essential.

Further, FuelsEurope acknowledges the intention to promote the use of advanced renewables for the aviation and maritime sector.

Energy efficiency Directive

The focus on energy performance of buildings is welcome. This key area for improving the energy efficiency of the EU economy is currently largely

untapped. John Cooper stressed however” *the remaining possibility to include transport in the scope of the Energy Efficiency obligation schemes may cause cost and complexity.*”

Governance

The EU refining industry particularly welcomes the establishment of national and Union registries for nationally determined contributions. This is a step forward towards the linking of ETS / carbon pricing mechanisms in different regions of the world as indicated in article 6 of the Paris agreement (COP 21).

Energy cost and price

FuelsEurope welcomes the attention given to the energy cost and price challenge which is a key element of the international competitiveness of the EU energy intensive industries and – among them – of the refining industry. John Cooper commented *“as concluded by the Refining Fitness Check, energy cost is the most important factor hindering the capability of EU refineries to compete in the global market. We hope to see a follow-up resulting in concrete measures to rebalance the competitive level playing field.”*

Finally, we appreciate the Commission’s commitment to support innovation; this should however be delivered in a technology neutral manner.

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FuelsEurope, the voice of the European petroleum refining industry

FuelsEurope represents with the EU institutions the interest of 41 companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales.

FuelsEurope aims to inform and provide expert advice to the EU institutions and other stakeholders about European Petroleum Refining and Distribution and its products in order to:

- Contribute in a constructive way to the development of technically feasible and cost effective EU policies and legislation.
- Promote an understanding amongst the EU institutions and citizens of the contribution of European Petroleum Refining and Distribution and its value chain to European economic, technological and social progress

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