The launch of the European Energy Union is a very welcome initiative, and FuelsEurope (the Association representing the EU petroleum refining and marketing industry) is looking forward to contributing to the process led by the new Commission. FuelsEurope has therefore prepared a set of recommendations on this subject, which are attached to this email and can be summarized as follows:

**First dimension: security of supply**
- Oil products – not just electricity and gas – are essential to the EU security of energy supply.
- A competitive domestic refining industry, unrestricted access to crude oils and a single EU market for oil products are necessary conditions for the resilience and competitiveness of the EU economy.
- Domestic oil and gas resources can provide an important contribution to the EU security of supply.
- Renewable energy sources can contribute to the EU’s security of supply, provided they have a credible pathway to an economically self-sustainable future.

**Second dimension: the internal energy market**
- Creating the conditions for reducing EU’s energy prices – which severely hinder the international competitiveness of EU industry and burden consumers – should be a top priority.
• The transition to a low carbon economy should be managed based on realistic assumptions and - until competitive alternative energies are available - without compromising existing infrastructures.

Third dimension: energy efficiency
• Policies should focus on those sectors which react less to economic signals and where energy consumption can be cut at negative or low cost.
• Technology-neutral fuel economy measures in transport are effective, while technology mandates often result in market distortion and sub-optimal allocation of resources.

Fourth dimension: decarbonisation of the EU energy mix
• The EU’s diplomatic actions aiming at an international binding agreement on climate change are strongly supported.
• Until a global level playing field is achieved, effective carbon leakage protection for the EU’s energy-intensive industries exposed to international competition is necessary to prevent damage to the EU economy and to the global environment.

Fifth dimension: support to innovative technologies
• Funding schemes for promising new technologies are more effective and beneficial than mandates.
• Support for innovative technologies should be technology neutral and time / cost limited.

I would be very happy to discuss these recommendations with you at your best convenience.

Yours Sincerely,

[Director General]

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