

Fit for 55 Package and the Fuels Industry Strategy

Meeting with Mr. Stefano Grassi
Head of Cabinet, Commissioner Kadri SIMSON

Brussels, 22 October 2021

John Cooper, Director General
Alessandro Bartelloni, Director

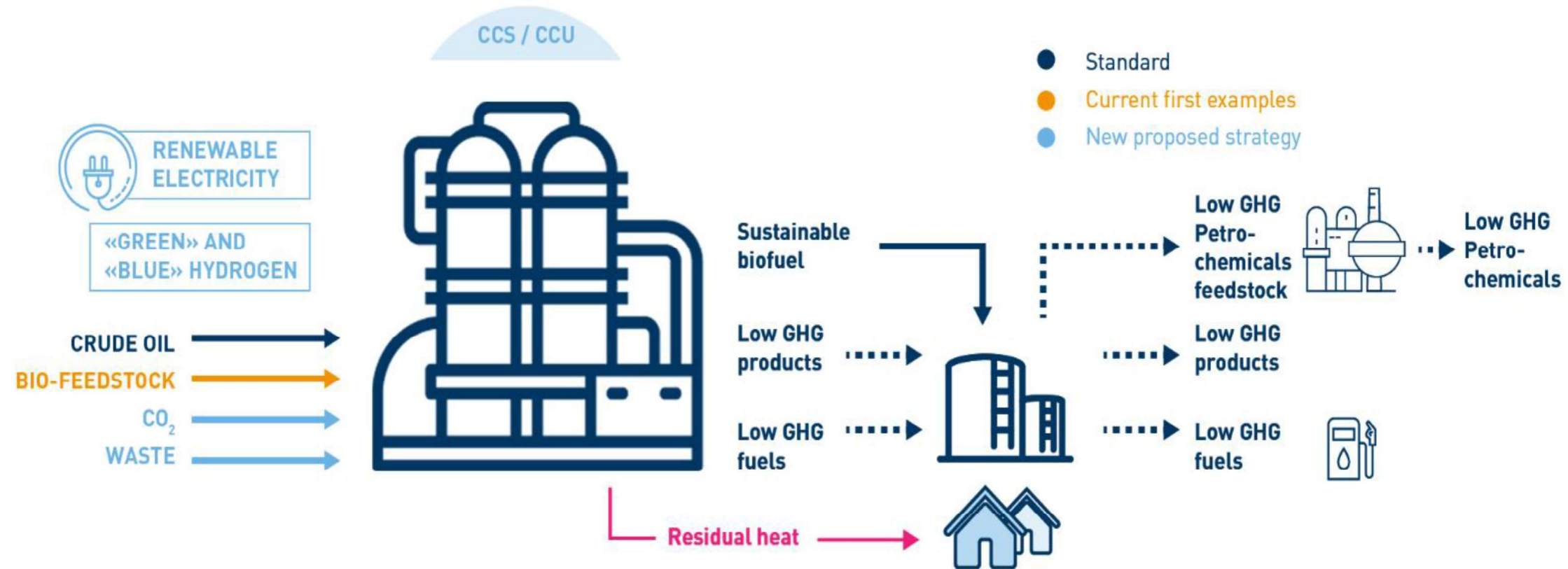


FuelsEurope represents 41 Member Companies ≈ 100% of EU Refining



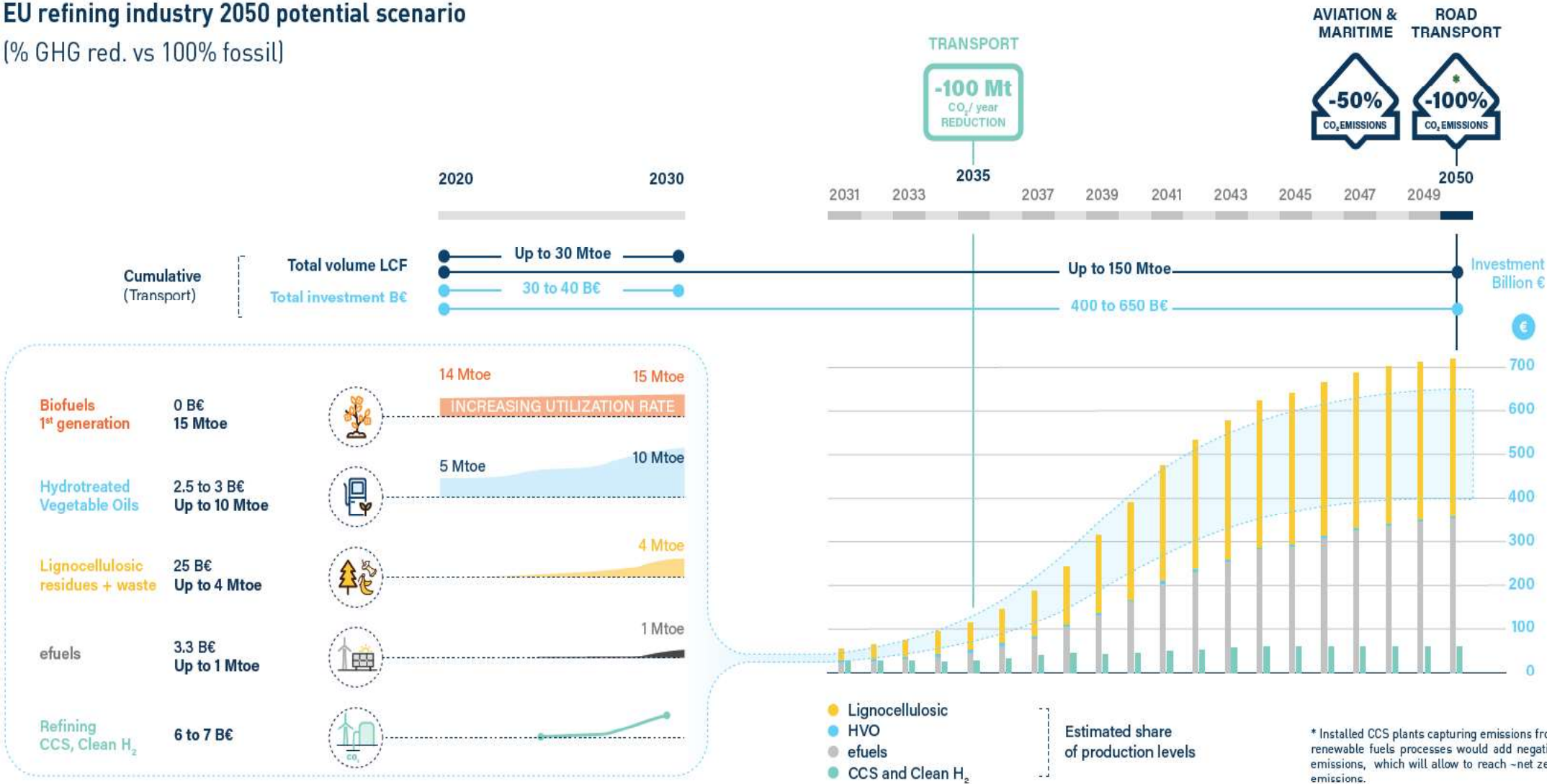
The future refinery: an ENERGY HUB...

... within an INDUSTRIAL CLUSTER



EU refining industry 2050 potential scenario

(% GHG red. vs 100% fossil)



Transition to low-carbon liquid fuels initiatives

- FuelsEurope's members pursue a wide range of low-carbon initiatives across at least 12 member states in different phases of the project cycle, including CCUS, E-Fuels, Green H2, Advanced biofuels, bio-refinery conversions, waste to fuel, etc.
 - Well over 20 projects for low-carbon liquids have already been started or are planned until 2030 (in the public domain)
 - Projects facilitate industrial clustering through links with Chemicals, Recycling, Steel and Cement Industries, ...
 - Scaling up and increasing the overall number of projects will be possible with the right enabling framework in place

Provisional examples*:

- 9 Advanced biofuel projects**, with capacities between 100.000 and 750.000 tonnes of output.
- 7 CCUS projects**, up to 6 mt. of capacity for CO2 sequestration.
- 12 Green Hydrogen Projects**, some of which lower the GHG intensity of manufacturing processes, others combine the green H2 with captured carbon to produce synthetic fuels with a capacity of up to 3.4 million tonnes of output per year.
- 3 Waste-to-fuel projects**, with a capacity of up to 100.000 tonnes per year in output (derived from urban waste).

9.9 MT

Potential quantity of low-carbon liquid fuels produced per year in 2030

31

New projects in Europe

See more:

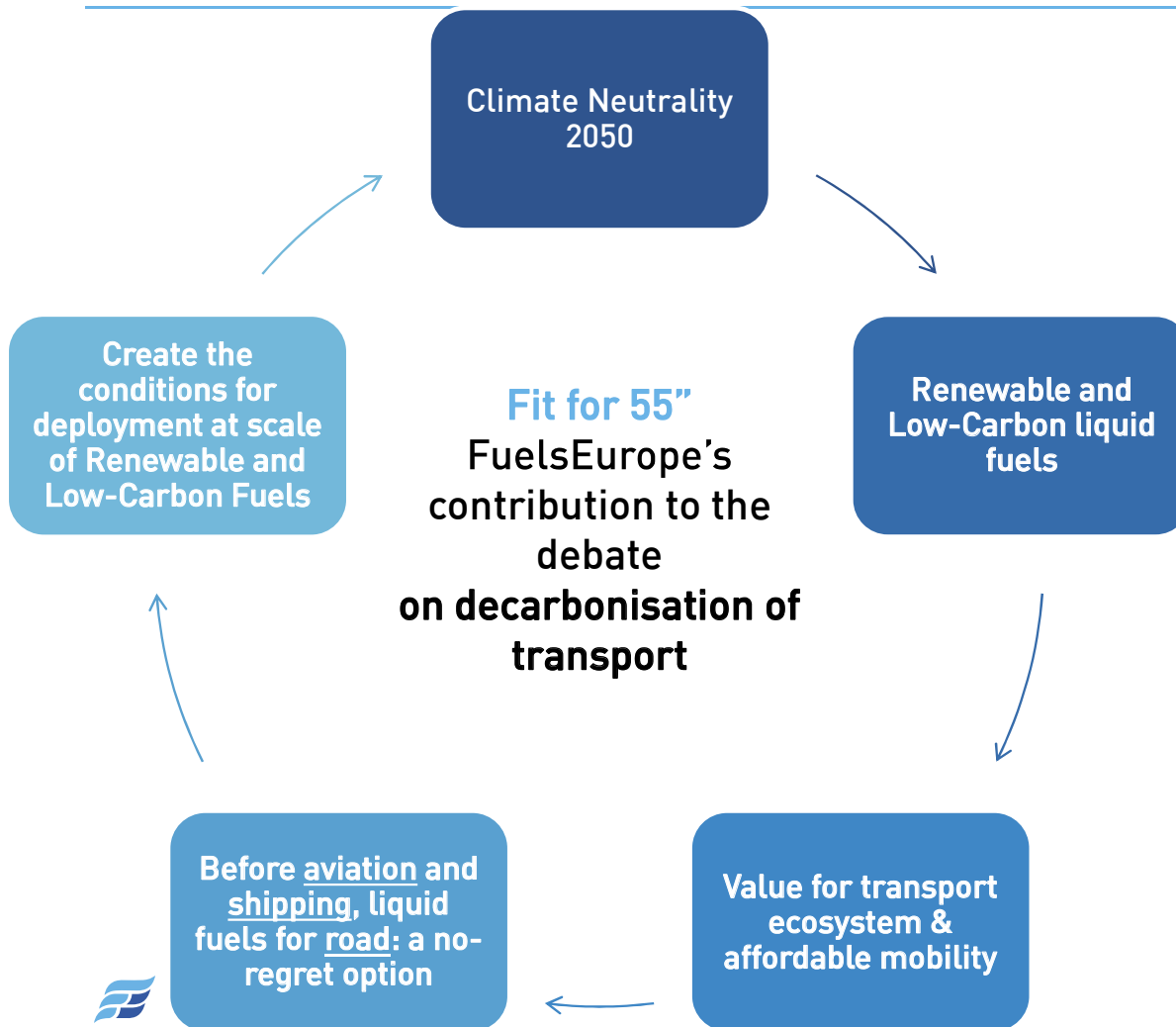
<https://www.cleanfuelsforall.eu/towards-climate-neutrality/>

<https://www.concawe.eu/low-carbon-pathways/>



*While the final list of projects may differ from the map or the list shown here, these projects are being considered by FuelsEurope's members to be put forth for support under the EU Recovery Fund.

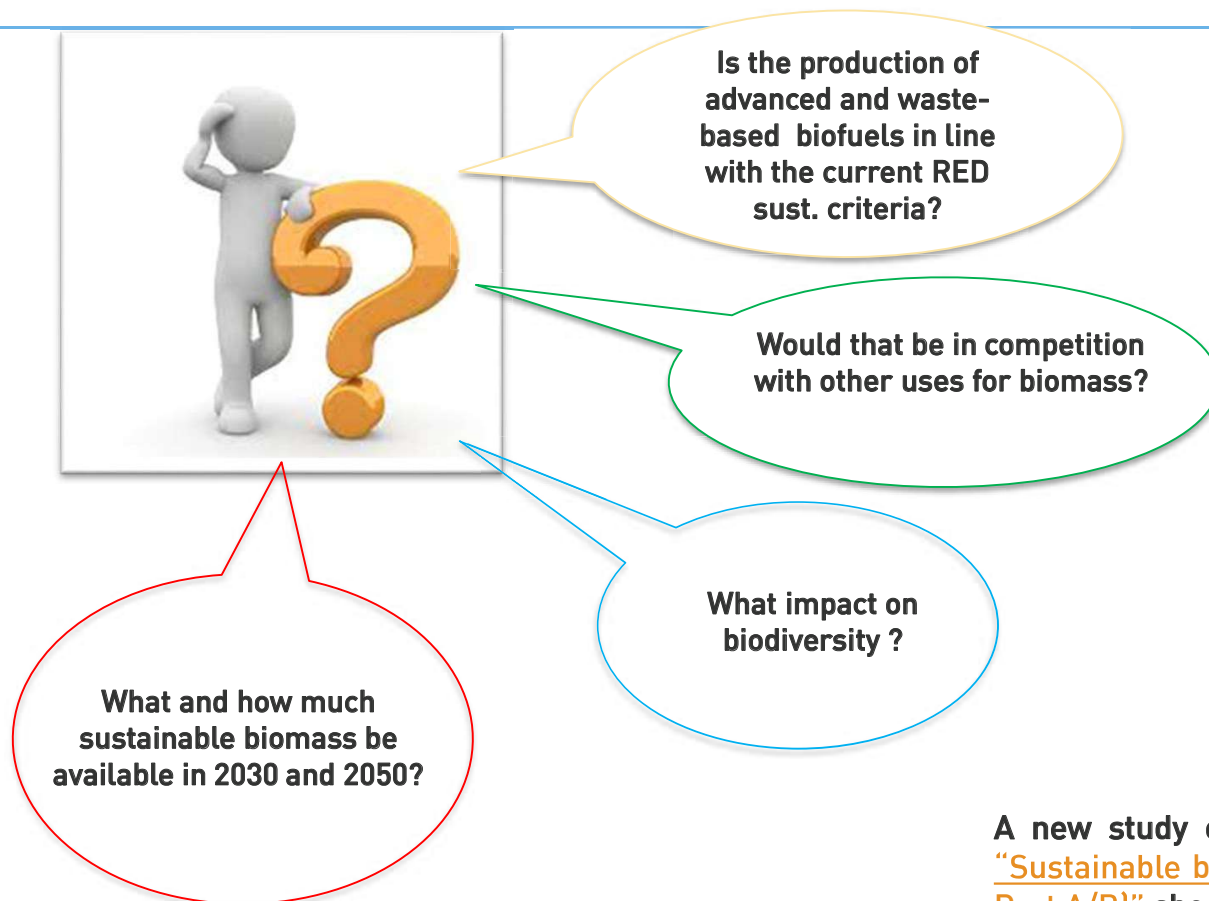
Recommendations on the “Fit for 55”



Preliminary assessment of the Fit for 55 proposals relevant to transport & industry

- In general, the Fit for 55 proposals go in the right direction, towards **creating the conditions** for unlocking **investments** in low-carbon liquid fuels and renewable energy.
- The refinery liquid products demand (both for conventional and LCLFs) is heavily impacted by **ETS in transport & buildings, CO2 standards in LDVs, RED, ReFuel EU aviation and FuelEU maritime**.
- While **LCLFs** recognised for decarbonizing aviation, maritime and possibly HDVs, their **contribution to (new) LDVs decarbonisation is excluded and ICE sales are banned in 2035**. Impact on ability to make investment case for low-carbon liquid fuels.
- The **definition of sustainable biofuels** is unclear and risks imposing unnecessary restrictions.
- No sufficient assessment of impacts of rapid electrification of cars and vans on **employment**, supply value chain and affordability of personal mobility (especially for low-income households).
- While industry is engaged in the energy transition, the ETS proposal is weakening instead of strengthening the protection against **carbon leakage**. Changes to the proposal are needed to ensure that the **competitiveness of installations performing at benchmark level** is not impaired.

F.A.Q. On advanced biofuels and sustainable feedstocks



Published on 24/8/2021

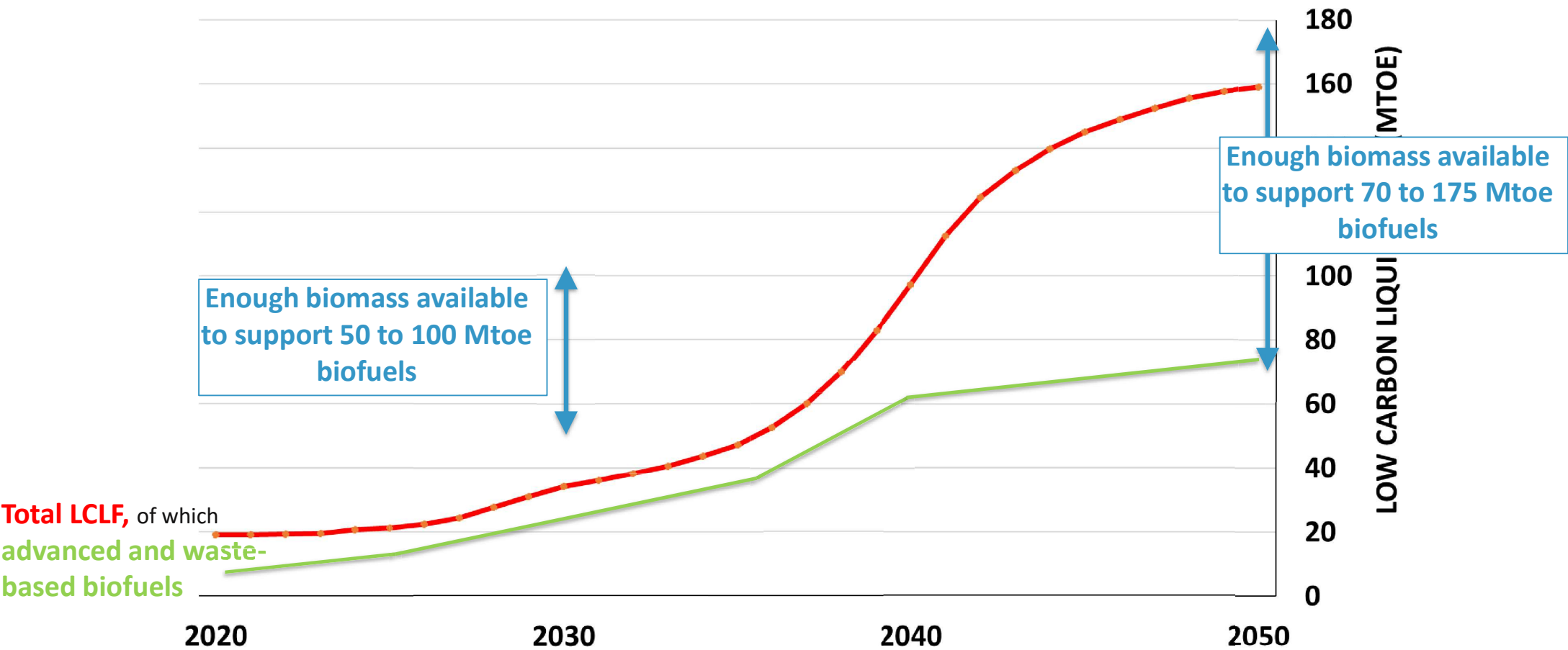
A new study of the Imperial College London Consultants for Concawe, ["Sustainable biomass availability in the EU towards 2050 \(RED II Annex IX Part A/B\)"](#) sheds light on these questions.

The Study

- A new study of the Imperial College London Consultants for Concawe, [“Sustainable biomass availability in the EU towards 2050 \(RED II Annex IX Part A/B\)”](#) concludes that the potential availability of sustainable biomass, with no harm to biodiversity, could support an advanced and waste-based biofuel production in the EU of up to 97 Mtoe in 2030 and up to 175 Mtoe in 2050.
- Advanced and waste-based biofuels, together with e-fuels and other renewable fuels, can play a key role, complementary to electrification, for the decarbonisation of EU transport.
- While electrification is increasingly adopted for cars and vans, [the decarbonisation of heavy-duty transport in road, aviation and maritime shipping mostly requires the adoption of renewable and low-carbon fuels to progressively replace fossil-based fuels.](#)
- Advanced and waste-based biofuels are dismissed for an alleged scarcity of sustainable biomass feedstock of agricultural, forest and waste origin, or a possible harm to biodiversity.
- This study shows that the potential availability of sustainable feedstocks (those currently in Annex IX Part A and Part B of the RED), [may satisfy not only the needs for sectors other than transport, but also may support an advanced and waste-based biofuel production of:](#)
 - 46 to 97 Mtoe in 2030 and,
 - 71 to 175 Mtoe in 2050 with no harm to biodiversity. It is a conservative estimate, as it excludes any potential addition to the list of sustainable (Annex IX) feedstocks.
 - To compare: current supply of liquid fuels (mostly of fossil origin) in EU road, aviation and maritime transport, is about 370 Mtoe/y.

CONCLUSION: the potential availability of sustainable biomass is more than sufficient to allow advanced and waste-based biofuel to contribute -together with other solutions - to the decarbonisation of EU transport!

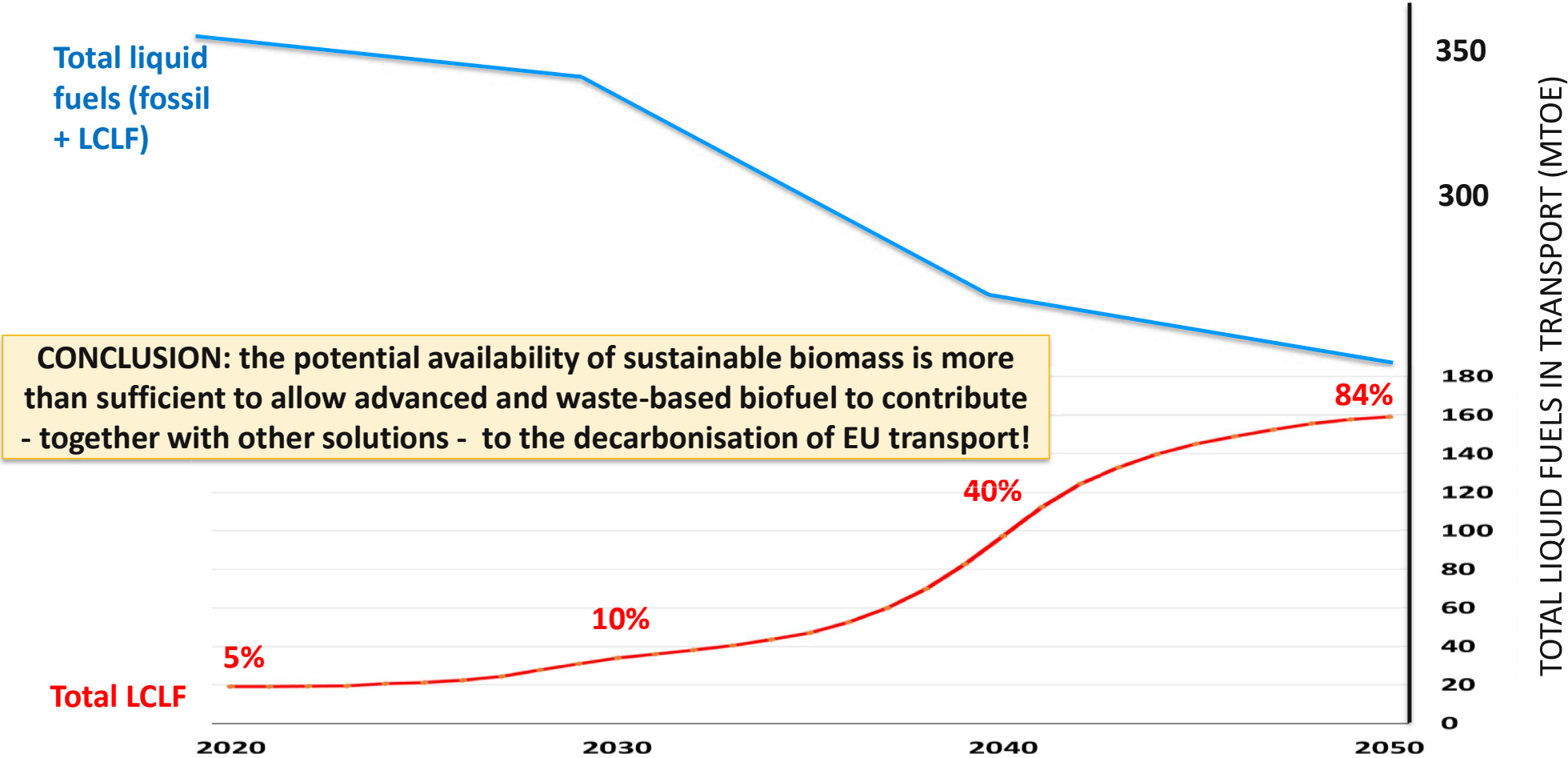
Enough sustainable biomass available for road, aviation and marine fuels biofuels



Total LCLF, of which
advanced and waste-
based biofuels

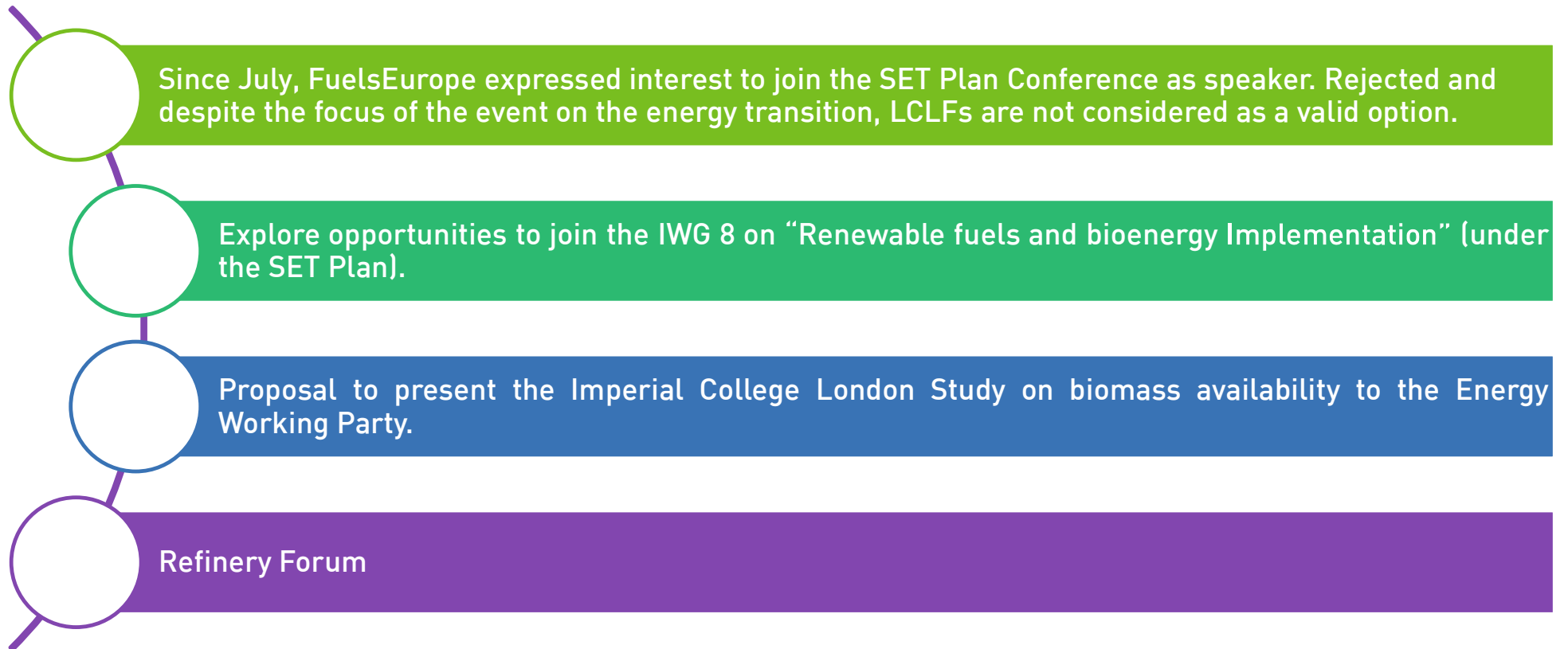
FuelsEurope's elaboration, based on the Imperial College London Cons. study and Concawe's scenario assuming LCLF in all transport modes

Low-Carbon Liquid Fuels progressively replacing fossil fuels in transport



FuelsEurope’s elaboration, based on Concawe’s scenario assuming LCLF in all transport modes

Building Blocks for further discussion



The EU Refining Forum - active since 2012

- The European Commission set up the EU Refining Forum in 2012 on the initiative of the Commissioner for Energy (Günther Oettinger).
- Its aim has been to provide an opportunity for the refining industry, EU Member States, Members of the European Parliament, the European Commission and other stakeholders to come together and *discuss planned and future regulatory proposals* with potentially significant impacts on EU refining industry & on the EU's security of supply of petroleum products.
- Since then there were *13 editions (10 High Level Forum & 3 Expert Forum)* and – together with DG ENERGY - we are always looking for new formats and formulas to involve participants.



Energy4Europe @Energy4Europe · Apr 25

"Climate neutrality is not a choice, but is indispensable in order to maintain [#SustainableDevelopment](#) and to mitigate the impact of [#climatechange](#). The [#refiningindustry](#) should reflect on its way forward to reach our common goals" - @MAC_europa at EU [#RefiningForum](#)



Dominique Ristori and 3 others

A new Refining Forum in the context of the Fit for 55

- Since 2012, the Refinery Forum has been the most suitable venue for *holistically addressing the combination of the challenges* related to increase in the operating costs and the reduction of the conventional (petroleum-based) product demand, with the contribution of the relevant and specific stakeholders.
- A concrete outcome of the Refining Forum was the realisation of the *Refining Fitness Check* [SWD(2015) 284]; at the time, the Refining sector was chosen by the European Commission as the first sectoral Fitness Checks because of several shut downs, job losses and due to its key importance for the security of supply of the EU's value chains.
- The EU refining industry has *a key role within the European industrial value chains* and – as stated in FuelsEurope Clean Fuels For All* – wants to be part of the transition.
- We will be open to *revise the Refining Forum format*, preparing a more interactive agenda and ensuring a wider representation of Energy Intensive Industries and other relevant stakeholders and we would be keen on discussing the *transition towards a climate-neutral refining industry* in the context of the European Green Deal.

* Clean Fuels For All : https://www.cleanfuelsforall.eu/wp-content/uploads/2021/03/2021_DEF_EN_CFFA_Narrative_digital.pdf

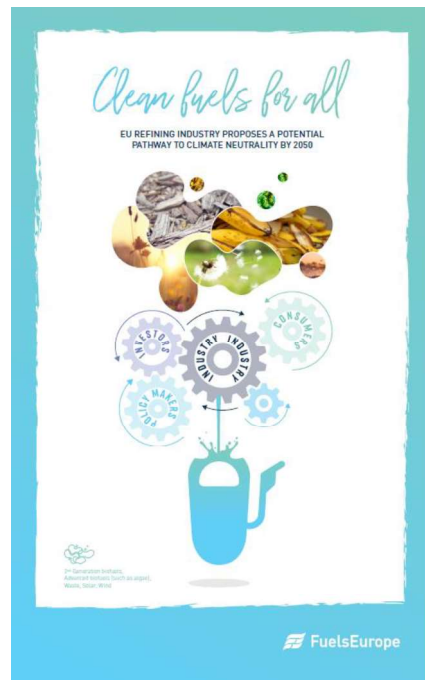
The Tenth High level forum (18 February 2021)* - Overview

An impressive line-up of speakers:

- Kadri Simson (ENER Commissioner);
- Béla Kelemen (FuelsEurope President);
- Cristina Lobillo Borrero (Director DG ENER);
- Anna Michelle Asimakopoulou (Member of the European Parliament, INTA Vice-Chair);
- Catharina Sikow-Magny (Director DG ENER);
- Fulvia Raffaelli (Head of Unit, DG GROW);
- Judith Kirton-Darling (Deputy General Secretary, IndustriAll);
- Herald Ruijters (Director, DG MOVE);
- Henrik Henriksson (CEO of Scania).

- The meeting took place via web and with a high participation from stakeholder (158 in total) and 18 Member State representatives (AT, BE, CZ, DE, ES, FR, GR, IT, HR, HU, FR, LV, LU, NL, NO, PT, SK, TR).
- On the Agenda:
 - Kadri Simson, Commissioner for Energy & Béla Kelemen, President, FuelsEurope President welcomed the participants to the forum.
 - The European Green Deal in relation with the EU industrial strategy and the Recovery post COVID.
 - The last item was more focused on Fuels and their contribution to reach climate neutrality in synergy with the renewable and low carbon fuel value chain.

* EC event page: https://ec.europa.eu/info/events/eu-refining-forum-2021-feb-18_en



www.cleanfuelsforall.eu

Thank you

