

AEGPL Position Paper on the Energy Union Communication

AEGPL, the European LPG Association, welcomes the European Commission's effort in reviewing some of the main pillars of the EU energy policy agenda, which was kicked-off with the recent release of the Energy Union Strategy. As stated in its introduction, the plan is designed to "give EU consumers - households and businesses - secure, sustainable, competitive and affordable energy." AEGPL particularly agrees with the utmost importance of **placing energy users at the core of the EU policy agenda.**

LPG can play a strategic role in Europe's energy mix and in helping the EU to achieve its climate goals, since it is a low-carbon, near-zero back carbon and low-polluting alternative to solid and liquid fossil fuels. For this reason, LPG is one of the most environmentally friendly options for meeting the energy needs of households and businesses in areas not covered by the natural gas network.

In addition, **LPG already does and can further help the EU to strongly enhance its energy security**, as its supply is stable, abundant and diverse and, due to its physical similarity to natural gas, is also an ideal back-up solution in case of supply disruptions. LPG does not rely on pipelines for its distribution, and can therefore be used virtually anywhere, even in the remotest locations. The global availability of LPG, an energy which can be easily transported under moderate pressure in sea, rail or road tankers, is expected to grow by over 25% until 2020.

The communication further reiterates the EU's commitment to decarbonise the transport sector, which accounts for a quarter of EU GHG emissions, making it the second biggest GHG emitting sector after energy production. The Commission has rightly proposed to achieve GHG savings in this field by speeding up its progressive switch to alternative fuels, among which Autogas (automotive LPG) is currently the most popular in Europe - with over 7.4 million vehicles already on EU roads, served by 30.000 stations. Furthermore, as referenced in the latest implementing measure for the Fuel Quality Directive, LPG offers well-to-wheel GHG emissions that are 23% lower than diesel and 21% lower than gasoline. AEGPL welcomes that the draft Energy Union strategy takes a fuel neutral approach and support the idea that **all alternative fuels bringing proven benefits in the short, medium, and long-term have to be promoted.** In line with this, AEGPL is fully supportive as well of the Commission's current practice of including support measures for alternative fuels in all relevant pieces of legislation in the transport field. Such an approach could be applied to the upcoming revision of the Eurovignette Directive, for which one of the objectives should be to ensure the implementation of a **tolling system that promotes the use of alternative fuel vehicles.**

AEGPL would also like to highlight that support to **alternative fuels will contribute to creating growth and jobs in the European Union.** European car makers and their suppliers are global leaders in the sector of LPG vehicles and a wider and less fragmented market will strengthen their leadership and ease the emergence of the most innovative home-grown technologies.

AEGPL also welcomes the **emphasis placed on the heating sector**, and in particular the dedicated actions foreseen in "Action point 10" to support the retrofitting of existing buildings. We would like to highlight that the issue is particularly acute in rural areas, where the building stock is generally older, larger, and more poorly insulated compared with buildings in urban areas. Any upcoming EU actions

in that area should therefore take into account the **particular constraints of rural areas**, and help rural inhabitants benefiting from supportive measures aimed at improving energy efficiency in heating. AEGPL would for instance like to stress that district heating, which is the only heating technology explicitly mentioned in the section of the Energy Union Communication dedicated to the heating strategy, is only suitable for cities. More generally, AEGPL believes that beyond a simplistic dichotomy between fossil fuels and renewables, **all heating technologies should be assessed** according to their respective proven benefits regarding energy efficiency, CO2 emissions, and air pollutant emissions.

AEGPL notes that the European Commission will be working on a Renewable Energy Package, including “bioenergy sustainability policy” and “a new policy for sustainable biomass”. AEGPL would like to stress that while a significant amount of work has rightly been undertaken at EU level to define sustainability criteria for biofuels in transport, an equivalent effort regarding biomass, both for power generation and heating, is still missing. As many stakeholders have pointed out, it is evident that a **clear definition of what is and what is not sustainable biomass should be a prerequisite** for further policy initiatives in this area. This would establish the legal certainty which is absolutely essential for consistent investments to be made in bioenergy. Legal certainty should also be provided, through inclusion in the revision of Directive 2009/28/EC on Renewable Energy Sources, to **emerging types of bioenergy such as biopropane**, which is now being introduced in small but growing quantities into the European market.

The Energy Union’s Roadmap also foresees a review of the Energy Labelling Directive and of the Ecodesign Directives. AEGPL has actively been participating in all related consultations in the last years, and calls on the Commission to maintain, for all relevant product categories, a **single labelling scheme based on primary energy consumption** for appliances that can run on electricity or gas.

AEGPL will closely follow the legislative work leading to the adoption and eventual implementation of the Energy Union strategy and looks forward to offer its support to policy-makers during this process.

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About AEGPL (The European LPG Association)

AEGPL is the sole representative of the LPG industry at European level, representing national LPG Associations as well as distributors and equipment manufacturers from across Europe. Our mission is to engage with EU decision-makers and the wider policy community in order to optimise the contribution that LPG - as a clean and immediately available energy source - can make to meeting Europe’s energy and environmental challenges.