

FuelsEurope's contribution to the Call for Evidence on the Industrial Decarbonisation Accelerator Act

July 2025

FuelsEurope welcomes the European Commission's consultation of stakeholders on the upcoming Industrial Decarbonisation Accelerator Act, fully supporting the objective to accelerate the deployment of key decarbonisation technologies for energy-intensive industries while maintaining a technology neutral approach and supporting their competitiveness, and that of their products, internationally.

*If the EU wants to achieve its climate ambitions while maintaining industrial resilience, fulfilling the commitment of the Clean Industrial Deal to turn decarbonisation into a driver of growth for European industry and following up to the recommendations of the Draghi Report, its industrial strategy must evolve to **support competitiveness, safeguard jobs, and incentivise decarbonisation within the EU.***

In a time when energy-intensive industries are already engaged in a low-carbon transition, competitiveness, productivity, acceleration of administrative procedures, facilitation of investments including by creating lead markets for decarbonised products is key to ensure the European Union is enabled to decarbonise without deindustrialise. To fully realise the objectives of the Industrial Decarbonisation Accelerator Act and building on FuelsEurope's calls to adopt a dedicated Action Plan for the Fuel Manufacturing Industry, we call on the European Commission to adopt specific measures that will support the transition of the fuel manufacturing industry, upholding the recognition of the refining industry as strategic sector to enable a competitive low-carbon transition, unleash the potential of industrial decarbonisation within our sector, and fully exploit the synergies between the refining industry and other industrial sectors.

This document is intended as an accompanying narrative to a number of responses provided to the questionnaire of the Consultation, or the reasoning to abstain from answering.

The fuel manufacturing sector's strategic role in achieving EU's climate and competitiveness goals: the need for an Action Plan

FuelsEurope **fully supports** the EU's ambition to achieve climate neutrality by 2050. **To get there, an enabling policy framework should be put in place** so that Europe's industry can transition to deliver essential renewable and low-carbon fuels and products and support the competitiveness and resilience of the EU, its member states' economies, and societies.

The transition of the EU fuel manufacturing industry, including the conversion of its traditional plants, is essential to achieving the EU's 2050 climate neutrality objective. Refineries find themselves at a critical juncture in the industrial ecosystem, with synergies and interlinkages with downstream uses from transport to chemicals. The refining infrastructures are therefore especially critical, enabling Europe's energy security, industrial resilience, and the provision of low-carbon and renewable fuels essential to the decarbonisation of transport and other hard-to-abate sectors (i.e. chemical & petrochemical, automotive, aviation, maritime, military). The sector also supplies vital feedstocks for the chemical and petrochemical industries and plays a key role in circular economy processes. Despite this, Europe's refineries face mounting challenges, including high energy and carbon costs, regulatory complexity, and an uneven level playing field on the global scale. These undermine the business case to invest in the transition and threaten future investment required for decarbonisation. The risk is clear: **deindustrialisation, energy security vulnerability, and site closures** across strategic sectors.

Hence, this transformation requires a policy framework that strengthens the business case for decarbonisation investments, de-risks capital deployment, and ensures global competitiveness.

The objectives of the Industrial Decarbonisation Accelerator Act - to accelerate the decarbonisation of energy-intensive industries, simplify permitting procedures, and foster lead markets for low-carbon technologies — are **not only timely but essential to securing Europe's industrial competitiveness and climate leadership**.

While calling for the adoption of an Action Plan for our industry to uphold its recognition as a strategic sector and fully unleash its potential for industrial decarbonisation, to realise the objectives of the IDAA effectively, we recommend the European Commission to adopt specific and targeted measures in the context of the IDAA to support the transition of the Fuel Manufacturing Industry. This is not only aligned with the Act's purpose but is essential to its success, as the refinery sector is a quintessential energy-intensive industry, vital to the EU's energy security, transport decarbonisation, and strategic industrial value chains—including petrochemicals, aviation, maritime, and defence.

The Industrial Decarbonisation Accelerator Act should in particular include:

- **A reduction of excessive regulatory and administrative burdens:** assess the impact of recently adopted regulations on implementation costs and competitiveness. Consider postponing until necessary amendments are adopted. Simplify regulatory processes, including streamlining permitting and reduce administrative burdens to accelerate projects and help secure the business case for attracting investment
- **A robust business case** and measures to attract investments for renewable and low-carbon liquid fuels and the transition of the refining industry in the EU, while strengthening carbon leakage protection and ensuring fair international competition of EU industries
- **A roadmap for the scale-up** of domestic production of renewable fuels and products
- **A holistic and technologically neutral approach** enabling the contribution of low carbon and renewable fuels and products to the decarbonisation of transport and the industrial value chain (including their operations as well as the energy supplied)
- **The creation of new value chains**, supporting feedstock availability & logistics
- **An operating plan** to monitor progress & implement corrective measures, engaging all contributing stakeholders equally and effectively through inclusive consultations to design impactful, fit-for-purpose legislation that supports the energy transition

Create and protect European lead markets for renewable and low-carbon products

FuelsEurope believes that the only way to achieve industrial decarbonisation in the EU is by supporting not only the supply, but also the demand for renewable and low-carbon products: while funding can enable individual projects and supply side measures can incentivise renewable and low-carbon manufacturing, in order to make the transition possible at scale, effective demand for lower carbon products will be indispensable. Absent such demand, there is no business case for investments in renewable and low-carbon technologies. Hence, it is critical to support companies that have already invested in low-carbon and renewable technologies by fostering a robust market for their sustainable products, the so-called lead markets: a market for renewable and low-carbon products would provide for a business case to invest in decarbonisation, which is currently absent in the EU.

Without clear signals that consumers — whether businesses, governments, or individuals — will prefer and pay for cleaner alternatives, there is limited incentive for industries to invest in the often-capital-intensive transition to low-carbon production methods. A vibrant demand-side framework would provide the business case needed for these investments, de-risking innovation and accelerating the deployment of cleaner technologies across sectors.

FuelsEurope supports the development of lead markets to promote products with lower embedded GHG emissions. This approach would more firmly establish demand for lower-carbon intensity products, giving confidence to producers that capital expenditures aimed at reducing greenhouse gas emissions are both environmentally necessary and economically viable.

The success of this approach will also hinge on the development of an integrated single market for sustainable feedstocks – including bio-based materials, captured CO₂, and waste-derived inputs. Achieving this requires not only infrastructure development but also targeted incentives to enhance the availability, affordability, and logistics of these alternative inputs and their derived products.

Speed-up permitting for industrial decarbonisation

With particular regard to the survey's section on permitting and the Industrial Emissions Directive, the IED should continue to support the overall ambition to help in the most effective and efficient way protecting the environment and human health from the adverse effects of pollution from large agro-industrial installations, thereby taking into account the state of environment in the area affected by these emissions. At the same time, the IED should also maintain sufficient flexibilities for the competent authorities in permitting.

In this regard, all permit conditions being set at the lower ends of the BAT-AEL ranges 'by default' does not respect the underlying principles of the IED; also, an installation cannot perform at the best possible levels for each and every environmental aspect (from process optimisation point of view and cross media considerations).

Furthermore, FuelsEurope supports efforts to increase automation and digitalisation, in addition to accompanying guides (which include clear and harmonised definitions) prepared by the Commission that improve the clarity of the reporting required, and the means to do so efficiently. In this regard, best practices and taking stock of Member State and Company approaches may define better reporting structures and ensure alignment.

Regarding simplification and the IED, transition plans were recently introduced in EU legislation, including in the IED. However, such requirements present inconsistencies (e.g. scope, level of application, timeline, GHG scope). It is essential that any information required elsewhere can be easily referenced without adding complexity, and all information should be fit for purpose and aligned in timeline and scope.

Conclusion and call to action

The EU has set the goals and now it needs production and delivery. Europe needs its domestic production of low-carbon and renewable fuels and products to achieve climate neutrality by 2050, and our industry can be the reliable pillar for the ramp-up of their production and the multi-billion investments that will be needed.

Europe cannot afford to lose the investments needed for the transition of its fuel manufacturing industry. A further relocation outside of the EU could have major impacts on Europe's strategic energy autonomy, industrial value chains, and loss of high-quality jobs and expertise.

The clock is ticking, but it is not too late, and we stand ready to collaborate with the European Commission and other stakeholders in the development and implementation of this strategic plan. Together, we can ensure that the EU fuel manufacturing industry continues to contribute to Europe's economic resilience, energy security and sustainability leadership.

FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 39 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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