



DECARBONISING THE EU ECONOMY

For those of you who are new to FETSA, it is the Federation of European Tank Storage Associations. FETSA works for the bulk liquid storage sector to ensure tank storage industry interests are listened to, and acted upon, in Brussels, the de facto 'capital' of the EU.

It is the start of a new policy making cycle at EU level with a new European Commission about to take office, a newly elected European Parliament and new Presidents of the EU public authorities. The policies and legislation made in Brussels, will impact storage operators directly at national level as EU countries are obliged to apply EU law and policy, developed in Brussels.

One of the features of the new legislature (i.e. European Parliament and Commission) is an absolute commitment to decarbonising the EU economy and achieving net zero emissions by 2050. The EU has a plan on how to reach these goals. This plan is composed of 'pathways'. Each pathway to the decarbonisation/net-zero objective focuses on a blend of different, potentially sustainable fuel types. Many of these fuel types will require tank storage companies to make investments and upgrades to existing terminal and tank infrastructure to store e-fuels, synthetic fuels, next generation biofuels and so on.

Just recently, FETSA has been in meetings with the energy directorate of the European Commission to discuss other liquified fuel types such as liquified hydrogen and LNG. It is clear that at EU level, geo-political, trade and environmental imperatives are driving this diversification agenda. As a result, civil servants

are interested in the investment needs of this industry to build new terminals and storage facilities for these volatile liquid fuels.

These discussions will become more intensive and detailed as the European Commission starts work on an ambitious new raft of policy measures, to be called the Green Deal for Europe. FETSA is already contributing to these discussions.

For example, on new policies to promote liquified hydrogen, the association has been advocating that the development of clean hydrogen on its own is not a solution for the energy transition. Instead, FETSA has explained that energy needs will be met through a variety of different technologies, including electricity, biofuels, e-fuels and hydrogen derived liquid fuels.

E-fuels, for example, produced from renewable electricity and clean hydrogen (through electrolysis, methanation and

then synthesis into a liquid fuel) is one of the technologies that should be part of the European Commission and Parliament's future thinking.

Delivering commercially viable clean hydrogen supply chains will not be easy. FETSA's work on this issue involves explaining that public funding should be made available to build the necessary storage terminal infrastructure for liquified hydrogen and its derived e-fuels to meet potential future demand if European policies intend to drive this demand. There is also a need to fund more research in e-fuels to develop the efficient catalysts and semi-conductors needed for a commercially valid process.

FETSA is committed to constructive engagement in Brussels with the different European bodies. It will help both the tank storage sector and public officials to develop a consensus on future policy decisions as we go further into the energy transition. One thing is certain, and this viewed is also shared by civil servants: liquid storage will be essential to maintain continuity of supply and to enable the energy transition to future fuel types.

FETSA will be working with the energy team in the European Commission and with the offices of the European Commission President, her Commissioners and parliamentarians as they develop policies to accelerate the energy transition.

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FOR MORE INFORMATION

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