

STATEMENT
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LOW CARBON LIQUID FUELS have AN IMPORTANT ROLE TO PLAY IN THE ENERGY TRANSITION TOWARDS A SUSTAINABLE HEATING FUTURE

In Europe some national or regional governments are looking at banning the use of heating oil or oil boilers – here is why we think this is counter-productive.

- Liquid fuels are a reliable, flexible and affordable energy source for heating systems
- We already have the technology to produce renewable carbon neutral liquid fuels
- The principle of technology neutrality guarantees a cost-effective solution and had been acknowledged by the EU Institutions
- Decarbonisation of heating should and can be done in a socially fair way
- Industry evolutions happen every day (hybrid, future low-carbon liquid fuels): a ban would discourage such developments and investments
- The European internal market is the purpose of the European Union: bans are an obstacle to the free movement of goods.
- Easy to store and perfect backup energy in hybrid heating system with renewable energy

Oil heating has the potential to **play a full part in the wider decarbonisation** of heating throughout Europe by 2050. Eurofuel believes that any ban of oil heating goes against this role.

The **technology** to produce renewable liquid fuels is **already available**:

- HVO (Hydrotreated Vegetable Oil: produced from used cooking oil, residues from the food industry and from vegetable oils which are not intended for food) is a mature technology and the fuel is available at an industrial scale.
- BtL (biomass-to-liquid) can be generated from a variety of vegetable raw materials (algae, waste, wood or straw).
- E-fuels are synthesized in a catalyst driven process called the “Fischer-Tropsch” process, which has been known for decades (PtL: Power-to-Liquid process).

Before proposing rash technology bans, the role of liquid fuels for heating should be acknowledged. They provide numerous benefits to consumers and to the wider energy system:

- Liquid fuels are a **reliable** option as they provide efficient energy storage solutions and enjoy a high degree of suitability for more variable climate conditions.
- Thanks to their **flexibility**, heating oil technologies can be easily supplied everywhere with no need of the grid and are easily adaptable to newer forms of liquid fuels (e.g. bioliquids) as well as renewable energy input (e.g. hybrid systems).
- **Affordability** is another asset of liquid fuels: consumers only pay for the energy they use without being subject to providers’ and network’s tariffs.

In light of these considerations, Eurofuel believes that **innovation** is the key factor to achieve decarbonisation in the heating sector. Accordingly, the following measures should be considered instead of banning technologies altogether:

- a) Encourage innovation: a **technology-neutral**¹ and objective-driven approach represents the best way forward as excessive intervention of authorities in the selection of technologies can easily result in blocking innovation;
- b) Encourage / subsidise the immediate **replacement** of all standard efficiency boilers with condensing oil boilers;
- c) Encourage / subsidise the installation of **energy conservation measures** in oil heated homes;
- d) Encourage the installation of **hybrid** oil / heat pump / electric heating solutions for those who wish to convert now, and for the main market from mid-2020's;
- e) Give incentives to help the transition. This evolution will take place progressively, first with drop-in fuels, to finally achieve 100% fossil free fuels, designed to run on existing domestic boilers. Such a transition should be encouraged by ensuring that carbon neutral fuels are competitive towards other energy carriers.

Proposals to ban oil heating systems are counter-productive because they stop innovation, thus discouraging any investment in **sustainable technology with liquid fuels**². Such heating systems could easily be developed and are likely to be taken up quickly once the fuel is on the market.

We strongly believe in keeping the market open and improve consumers' information so that everyone has fair conditions to choose the most appropriate heating system for their specific situation. Bans would impact the most families living in rural areas with no infrastructure connections and poor families, as there is a real lack of affordable alternatives for them. Energy efficiency should be addressed in a socially acceptable way, with incentives which take into account the well-known **issue of energy poverty**.

As regards the claimed objective of promoting renewable energy, the **envisaged bans would not certainly result in a higher share of renewable systems in heating**, since builders may decide to use other non-renewable energy sources and owners may be incited not to renew their heating systems, which will have an overall negative impact on energy efficiency..

The essence of the European Single Market – the **free movement of goods** – should be preserved and sale bans for oil boilers and oil storage tanks avoided. Europe has built its **prosperity** by reinforcing the single market giving consumers a wider **choice** of products and services.

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About Eurofuel

The European Heating Oil Association (Eurofuel) represents organisations that promote the use of heating oil and liquid fuels for domestic heating in Europe. Our membership covers 10 European countries, including over 10,000 companies. Eurofuel is engaged in the promotion of existing and innovative techniques for liquid fuels for heating and equipment, in the domestic market. In this way, our members are committed to ensuring the competitiveness and efficiency of heating with oil and liquid fuels, while also reducing its environmental footprint.

[Find out more at www.eurofuel.eu](http://www.eurofuel.eu) and follow us on Twitter (@EUROFUELenergy).

¹ The principle of 'technology neutrality' is central in the European Union's approach to climate and energy policy (European Commission: COM(2016)860, "Clean Energy For All Europeans", 30 November 2016).

² See our joint brochure with ECFD, FuelsEurope and UPEI:

https://www.eurofuel.eu/images/Heating_with_liquid_fuels.pdf