



CEE Energy Alliance Initiative

Uniting Central and Eastern Europe for a
Competitive and Secure Energy Future



In Unstable Times Europe Needs Stable Energy Industry

Joint Declaration of Fuel Industry Associations from Bulgaria, the Czech Republic, Greece, Poland, Romania and Slovakia¹

Sofia, October 2026

We, the undersigned representatives of the energy industry associations from Bulgaria, the Czech Republic, Poland, Romania and Slovakia, reaffirm our commitment to the European Union's climate objectives, including the goal of climate neutrality by 2050.

This declaration is issued in the context of an ongoing fuel and energy security crisis in Europe, driven by geopolitical tensions, disrupted global supply chains, sanctions regimes and exceptional price volatility. Over recent years, these factors have repeatedly tested the resilience of the European energy system.

In these conditions, the fuel industry has played a critical stabilising role, acting as a buffer against supply disruptions, ensuring continuity of transport, logistics, emergency services and economic activity. Despite extraordinary market pressures, the sector has absorbed shocks, diversified supply routes, maintained refinery operations and ensured physical fuel availability for citizens and businesses.

As Europe enters a prolonged transition period, during which alternative propulsion technologies remain limited in scale and accessibility, the continued stability of fuel markets is essential. Climate policy implementation must therefore strengthen the resilience of the energy sector, rather than eroding its capacity to respond to future crises.

Against this background, we jointly call for the following:

- 1. Ensure a socially balanced and economically realistic implementation of ETS 2 for road transport and buildings.** The start of the system should be postponed or clearly phased in order to ensure that carbon price signals are introduced in parallel with viable access to affordable and scalable alternatives to fossil liquid fuels across the Member States. ETS 2 must include binding mechanisms limiting allowance price levels and volatility, so that CO₂ costs are not automatically and immediately transferred into fuel and heating prices for households and SMEs as affordability constraints risk to undermine stability and social acceptability of the system. It is also important to strengthen price stability mechanism under ETS2. The emissions reduction trajectory under ETS 2, including the linear reduction factor after 2030, should be revised to reflect the real pace of infrastructure deployment and fleet renewal, by aligning carbon price signals with realistic technology deployment pathways. Fuels should not be exposed to parallel cost burdens at production and consumption levels as this risks distorting price signals and weakening the coherence of the regulatory framework.
- To maintain a level playing field with non-EU producers while preserving incentives for efficiency and methane reduction, it is recommended to exempt self-consumption from the E&P sector within the EU, taking into account that this self-consumption of gas is part of the technological process meant to ensure the final product and its quality (oil and gas) for delivery. Therefore, fuels for road transport and buildings will not have a double cost (production & use) stemming from ETS2. ETS2 creates a cost disadvantage for EU domestic

¹ Bulgarian Petroleum and Gas Association (BPGA), Czech Association of Petroleum Industry and Trade (CAPPO), Polish Petroleum Industry and Trade Organisation (POPiHN), Energy Employers' Federation (FPE), Slovak Association of Petroleum Industry and Trade (SAPPO)

crude production compared to imports, risking competitiveness and causing additional costs to be passed on to consumers, without a guaranteed climate benefit.

- Establishment of a fund to finance investments that can mitigate ETS2 costs ahead of the start of the trading period.
- Stability and predictability of ETS2 certificate prices are needed to protect consumers (citizens, SME, public institutions) as the fuel prices may increase.
- Market stabilization and price cap mechanisms should be considered.

2. **Reassess the feasibility of RED III transport targets**, which require either a 29% renewable energy share or a 14.5% reduction in GHG intensity by 2030. In CEE these targets face structural constraints related to vehicle fleet age, blending limits and fuel availability. Sticking to these unrealistic targets may only limit the responsiveness of the sector to carbon price signals and affect the overall effectiveness of decarbonisation measures.

3. **Recognise the structural limits of transport electrification in the 2030 horizon**, particularly in regions with insufficient charging infrastructure, low EV penetration and high reliance on road transport for economic activity. Differentiated national starting points shall be explicitly recognized when it comes to achieving targets' ambitions. Any targets should reflect actual market uptake, infrastructure readiness and feedstock availability, with defined trajectories allowing for progressive scaling over time.

Any restrictions on internal combustion engine vehicles should be phased in taking into account the level of infrastructure readiness, ensuring that decarbonisation policy does not impose mobility poverty on citizens without viable alternatives.

4. **Fully acknowledge biofuels and recycled carbon fuels as the key scalable decarbonisation solution for the existing vehicle fleet**, enabling immediate GHG reductions, without disrupting fuel supply chains. Conventional and advanced biofuels must be treated as a core pillar of EU transport decarbonisation policy.

5. **Increase flexibility under RED III**, including broader recognition of feedstocks and production pathways, and allowing Member States to fully utilise their domestic agricultural, industrial and waste based potential for biofuel production, especially through full use of the 7% limit for crop-based biofuels (without additional 1% limit above the 2020 rate) and, for countries with higher agricultural potential, allow them a targeted flexibility within the existing framework, keeping in mind the proposed Member State-differentiated trajectory framework. To ensure strategic autonomy, provide security of supply and make use of EU available resources, RED III implementation shall reconcile climate ambition with the fundamental requirement of safeguarding energy security, strengthening the role of regional and sustainable feedstocks, while ensuring supply chain resilience and reducing exposure to external dependencies. Increased flexibility would allow Member States to align decarbonisation pathways with domestic resource availability, support cost-effective emissions reductions and maintain stable and diversified fuel supply.

- **Increasing the cap for waste-based biofuels (Annex IX, Part B) from 1.7%**

Context: RED III maintains a 1.7% cap on Annex IX Part B feedstocks (waste and residues), which can be modified by Member States with Commission's approval.

Proposal – *Increasing the limit can enhance waste valorisation and reduce GHG emissions, given the availability of municipal and industrial waste streams. It would also align with the*

national waste-management strategy and provide an additional incentive for its implementation, while encouraging investment in waste-to-fuel technologies too.

- Reaching the 2030 targets can be done only by using more types of biofuels, as biodiesel and bioethanol are limited through the E10 and B7 standards. To incentivize the use of HVO, which contributes to the larger targets, clear mandates could be defined and proved via mass balance.
 - Use **the full decarbonization potential of feedstocks** - recognize the potential of additional feedstocks for the production of biofuels by supporting *a wide glossary of feedstocks*.
6. **Guarantee proportionality and feasibility under the Net-Zero Industry Act (NZIA)**, in particular with respect to CO₂ storage target of 50 mtpa by 2030. In order for any CCS deployment target to be feasible, a full value chain approach needs to be implemented. Consequently, in case of mandatory CO₂ storage capacity targets, actual emissions levels and capture as well as transport infrastructure readiness, geological conditions, permitting timelines and investment capacities must be considered. Disproportionate or misaligned obligations put on a limited number of companies or Member States may divert investment from more immediately deployable decarbonisation options, thereby slowing overall emissions reductions and creating implementation bottlenecks. The recent [Wood Mackenzie study on NZIA CCS feasibility report](#)² brings valuable input concerning the need to balance forward-leaning regulation with practical delivery models. The experience of the most advanced European CCS projects shows that for the CCS ecosystem to scale a multi-factor equation should be considered while a state backed risk-sharing mechanism seems a basic condition for the mutual dependency loop to be closed under the current European CCS market conditions.
7. **Revise the ReFuelEU Aviation Regulation to align mandates with realistic fuel availability and production capacity.** The current trajectories for SAF, in particular synthetic fuels (e-SAF), are not fully aligned with actual market readiness and risk creating structural shortages. Mandatory redirection of limited volumes of advanced biofuels and RFNBOs to aviation reduces availability for other transport sectors, increases compliance costs and undermines fuel market stability. ReFuelEU Aviation should ensure full technology neutrality, allow the broadest possible range of sustainable biofuels, introduce more gradual targets, and provide flexibility mechanisms such as mandate smoothing and carry-over, so that aviation decarbonisation does not destabilise fuel supply chains or affordability across the economy. An efficient allocation of limited sustainable fuel resources across sectors is essential to maximise emissions reduction impact at system level.

Reaching commercial SAF production scale requires a multi-year investment horizon from FID to first volumes. We therefore propose a gradual SAF mandate step-up schedule aligned with certified production capacity growth rather than the current front-loaded trajectory.

- A technology-neutral and flexible regulatory approach is essential. EU rules currently allow various SAF types – advanced biofuels, synthetic fuels (RFNBO), recycled carbon fuels (RCF) and, in some cases, low-carbon hydrogen – if strict sustainability and emissions criteria are met. We recommend **preserving and, if needed, expanding EU flexibility mechanisms to allow the use of all SAF types (advanced biofuels, synthetic fuels, recycled carbon fuels) during the ramp-up period (2030–2034).**

² NZIA feasibility report: Is the NZIA achievable from a full value-chain perspective? - <https://www.woodmac.com/news/opinion/nzia-feasibility-report-is-the-nzia-achievable-from-a-full-value-chain-perspective/>

- We recommend policies enabling e-SAF targets (1.2% avg. in 2030–2031, 10% in 2040) through **conditional, pragmatic flexibility** to ensure full SAF quota compliance. **Temporary substitution with SAF should be allowed where e-SAF volumes are unavailable, especially in the early years (2030–2034).** Regulatory adaptation should be seen as smart policy calibration to foster SAF market growth and prevent early system failure.
 - Ensuring predictable, bankable investment conditions through long-term regulatory clarity, stable eligibility rules and refined SAF accounting mechanisms.
 - Ultimately, ReFuelEU Aviation will only succeed if the regulatory design reflects the realities of SAF market development. **Without calibrated targets, diversified pathways, and robust flexibility tools, the policy risks creating cost spirals, supply bottlenecks and competitive disadvantages rather than delivering sustainable aviation fuel at scale.** The EU's own assessments make clear that supporting a balanced, flexible and investment-friendly framework is not only beneficial, but also indispensable for achieving decarbonisation without compromising the resilience of Europe's air transport sector.
 - Mandates should be flattened, and carry-over should be enabled (to avoid market disruptions).
- 8. Ensure a realistic, proportionate and security-oriented implementation of the Methane Emissions Regulation (MER).** The regulation should recognise, inside the EU territory for the European oil and gas company producers, the technical lifecycle of oil and gas infrastructure and the long permitting and investment timelines required for compliance. Current implementation pathways risk forcing premature decommissioning of upstream and midstream assets, particularly in Member States with a large number of existing installations, thereby reducing domestic production, increasing import dependence and weakening the EU's ability to respond to supply disruptions.
- Starting with January 2027, the EU Methane Emissions Regulation introduces importers' obligation to demonstrate that the imported crude oil or natural gas (including LNG) was produced in a jurisdiction with stringent monitoring, reporting, and verification (MRV) requirements equivalent to those applied domestically in the EU or at OGMP 2.0 Level 5.
 - Most EU crude oil and natural gas buyers do not have direct contractual relationships with upstream producers, making methane intensity traceability and site level verification extremely difficult.
 - Global gas supply chains rely on intermediaries and cargo aggregation, limiting the feasibility of obtaining detailed operational data or commissioning audits. These constraints pose material risks to supply security.
 - If methane intensity certificates become a precondition for market access, crude oil and gas from major producing regions may become noncompliant simply due to the absence of accredited certification mechanisms – regardless of its actual emissions performance. This could restrict supply options, increase costs, and weaken Europe's resilience during tight market conditions.

RECOMMENDATIONS

- In view of the escalating Middle East tensions, postpone the implementation of importers' obligations, originally set for 1st January 2027 to a later date, to ensure the continued security of crude oil supplies to the EU during this challenging period.
- Establishing an official EU list of recognized compliance schemes backed by transparent evaluation criteria.

- Deferring implementation until all secondary legislation, methodologies and MRV standards are finalized.
- Ensuring recognition of voluntary schemes remains stable for the full duration of supply contracts; and
- Extending reporting timelines from six months to at least one year to account for the complexity of global gas logistics. A compliance framework that is both stringent and workable is essential to achieving methane reduction goals without unintended disruptions to the EU's energy supply, competitiveness or contractual stability. A recent [WoodMackenzie study](#)³ suggest that if implemented as is, the Regulation would noticeably affect supplies to the EU, and energy prices, even if the geopolitical situation normalises in the near term. That's why we support the requests of industry associations for a stop-the-clock provision, for instance through an energy omnibus that reduces the administrative burden and regulatory uncertainty around emissions reporting and verification.

9. Avoid regulatory measures that undermine refining capacity and security of fuel supply, including overly rigid methane emissions requirements. Accelerated or unbalanced implementation risks increasing import dependence and reducing the EU's ability to maintain stable and resilient fuel supply under stress conditions.

In an era of geopolitical uncertainty and repeated market disruptions, Europe needs a stable, resilient and competitive energy industry to underpin economic activity, social stability and energy security. Because of that we welcome the Commission's proposal for an Industrial Accelerator Act and inclusion of manufacturing of refined petroleum products among the strategic sectors for acceleration.

European refining capacity constitutes a critical asset for the EU's energy security, crisis response and industrial resilience. Loss of this capacity through regulatory misalignment or accelerated decommissioning would increase EU dependence on imported refined products from non-allied third countries, potentially shifting emissions outside the EU.

The energy transition must therefore be conducted through real technological neutrality, regulatory flexibility and realistic sequencing of targets, recognising sustainable biofuels and low-carbon liquid fuels as indispensable transition solutions. Only such an approach will ensure that climate ambition strengthens – rather than destabilises – Europe's energy system, particularly in Central and Eastern Europe.

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(BPGA)



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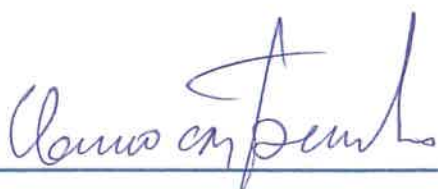
Hellenic Petroleum Marketing Companies
Association



³ EU Methane Regulation Risks Severe Disruption to Europe's Oil and Gas Supply from 2027, <https://www.fuelseurope.eu/publications/publications/eu-methane-regulation-risks-severe-disruption-to-europes-oil-and-gas-supply-from-2027>

Sofia Declaration

on Energy Security and Competitiveness in Central and Eastern Europe



Bulgarian Petroleum
and Gas Association (BPGA)

Svetoslav Benchev



Czech Association
of Petroleum Industry and Trade (CAPPO)

Ing. Martin Kubů



Hellenic Petroleum Marketing
Companies Association (SEEPE)

Dr. Nikolaos Liapis



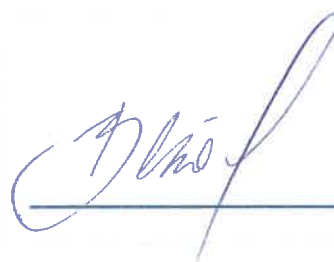
Polish Petroleum Industry
and Trade Organisation (POPiHN)

Leszek Wiwala



Energy Employers'
Federation (FPE), Romania

Franck Neel



Slovak Association of Fuel
Industry and Trade (SAPPO)

Barbora Blazekova