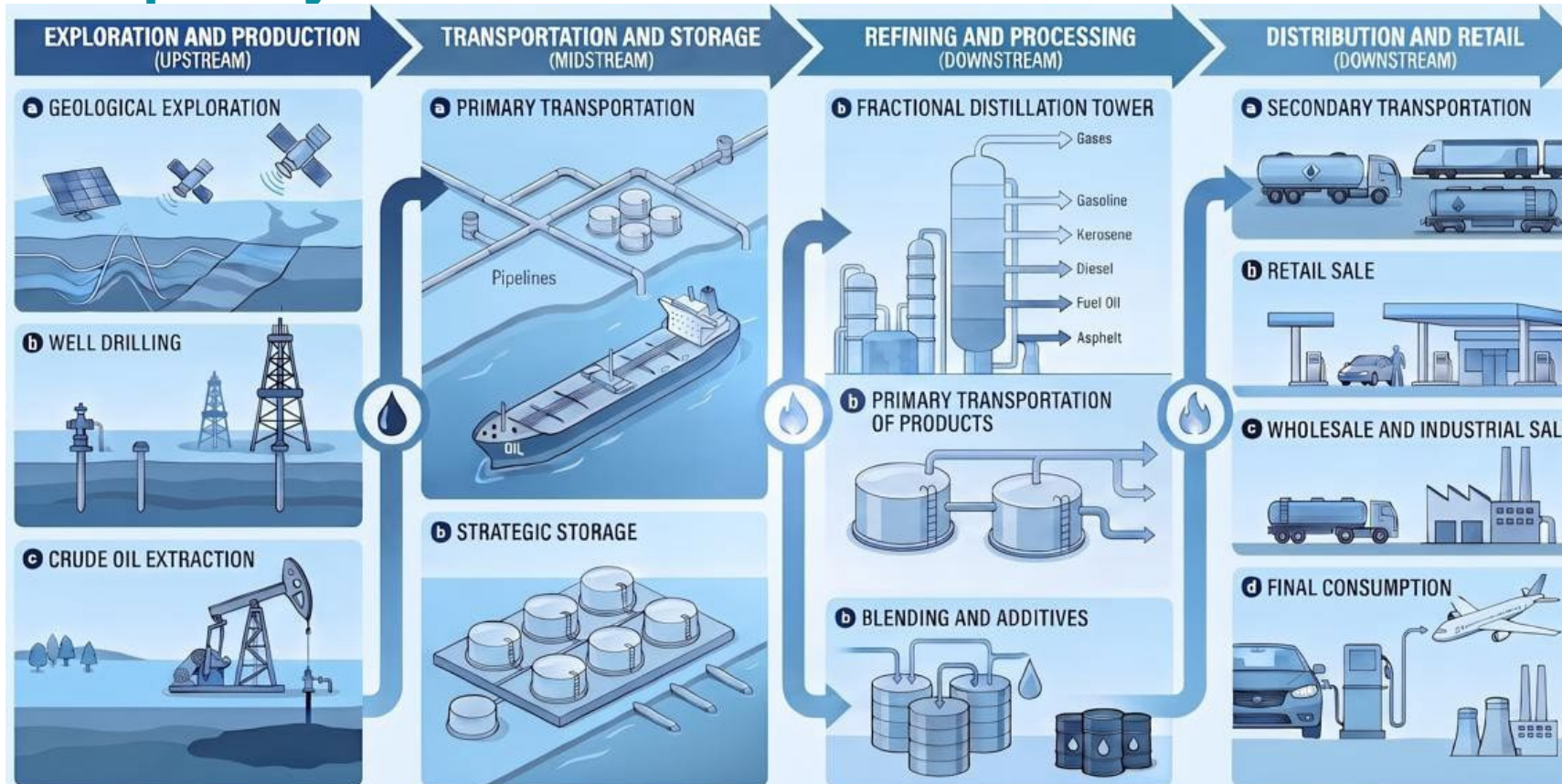


Regulating fuels value chain: from market transparency to energy transition

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FUELS VALUE CHAIN

Market competition transforms fuels value chains by opening different market segments to competence, fostering efficiency and empowering consumers through greater transparency and choice.



Liberalised activities

Market-based pricing

Access to networks?

Authorization needed for certain activities

Structural characteristics:
high concentration in refining and primary transportation (products).
In many cases vertical integration.
Competition possibilities in fuel stations

FROM MARKET TRANSPARENCY TO ENERGY TRANSITION

Fuels value chain regulators activities are no longer about supervising traditional markets

Historically, regulators focused on ensuring fair competition, market transparency, consumer protection and security of supply across well-established fossil fuel value chains.

Today, however, the energy transition is reshaping the sector at every stage, from production and refineries to distribution and final consumption.

Regulators are, therefore, facing a broader mission: not only to monitor markets, but also to create the conditions for the emergence of low-carbon fuels, new technologies and innovative business models, while preserving the fundamental principles that have underpinned regulation.

- Wholesale Market:
 - Supervision of third-party access to logistics infrastructure
 - Supervision of wholesale operators
- Retail Market: Monitoring of the fuel station network

SUPERVISION



- Monitoring international market developments and their impact on fuel prices
- Fuel market monitoring retail prices. Transparency platform for consumer

TRANSPARENCY



Some examples....

- Market behaviour analysis
- Early detection of fraud and market irregularities

INCREASED
BEHAVIOURAL
SUPERVISION



- Compliance with strategic oil stockholding and biofuel obligations
- Compliance with greenhouse gas (GHG) emission reduction obligations
- Compliance with fuel price reporting requirements

ENFORCEMENT
ACTIVITIES



European Renewable Energy Directive (RED III) implementation in Spain (effective 1 Jan 2027): a new framework for transport decarbonization.

Shift to emission reductions

Spain implements RED III replacing the traditional focus on renewable energy content with a **system primarily based on GHG emission reductions**.

RED III Member State options (2030):

OPTION A

29%

Renewable energy in transport

OPTION B (SPAIN'S CHOICE)

14.5%

GHG emission reduction target

Sub-targets beyond conventional biofuels (energy content):

- ✓ **Advanced Biofuels**
- ✓ **Biogas & Biomethane**
- ✓ **Dedicated RFNBO sub-target: Starts from 2027, reaching 25% by 2030**
- ✓ **Advanced Bioalcohols**

14.5%

GHG Target

Overall reduction adopted by Spain
for 2030

4

Sectors Covered

Road, Rail, Aviation & Maritime
transport

2040

Extended Horizon

Long-term certainty for investments

Flex

Modal Mechanisms

Cross-modal compliance options

Spain strengthens

- Sustainability certification
- Traceability across the supply chain
- Guarantees of Origin
- Integration with the EU Union Database to prevent fraud.

Energy Transition: Challenge & Opportunity.

Structural sector shift

Liquid hydrocarbons face a structural transformation with new products, players, and obligations, requiring an updated regulatory framework and CNMC supervisory role.

Heavy transport driving new fuels

Maritime: Natural Gas & Bio-LNG

Aviation: SAF

Road: RFNBOs & Synthetics

Service stations network evolution

Progressive integration of electric vehicle charging points across service stations for light transport decarbonisation.

Renewable hydrogen key role

Renewable hydrogen gains central prominence in the energy landscape, propelled by RFNBO production mandates.

Spain's Strategic Advantage

Spain starts from a highly favorable position to lead this transition, backed by:

- ✓ Abundant renewable energy availability
- ✓ Advanced energy regulatory framework
- ✓ Robust gas & power grid infrastructure
- ✓ Updated refineries & regasification plants





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