

Regulating Fuels Value Chain: From Market Transparency to Energy Transition

Training Day

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01 Fuels markets in transition

Value chains, market transformation and the importance of transparency

02 New fuels and new regulatory questions

Biofuels, energy security, decarbonization and emerging alternatives

03 Conventional fuel markets through the transition

Market contraction, value-chain risks, price formation and freely determined prices

04 From market signals to proportionate supervision

Regulatory evidence, market assessment criteria and possible responses

05 Regulatory cooperation and key takeaways

Shared knowledge, different market realities and lessons for a just transition

Fuels markets are undergoing unprecedented transformation



Key Question

How can regulators ensure transparent and efficient fuel markets while facilitating the transition towards cleaner energy systems?



Understanding the fuels value chain

Traditional Fuel Value Chain



Regulatory Objectives Across the Chain



Transparency



Competition



Security of Supply



Operational Efficiency



Consumer Protection



Sustainability



Key Message

Regulatory effectiveness depends on visibility across the entire value chain.



Why market transparency matters?

Market Transparency Enables:



Better Investment Decisions

Investors require reliable market information and regulatory predictability.



Fair Competition

Transparent markets reduce opportunities for anti-competitive behaviour.



Consumer Confidence

Consumers benefit from access to accurate pricing and market information.



Evidence-Based Regulation

Reliable data supports better regulatory decisions.



Regulatory Tools



Licensing frameworks



Market reporting obligations



Price monitoring systems



Compliance audits



Digital reporting platforms



Key Message

Reliable data supports better regulatory decisions.



Transparent
Markets



Informed
Decisions



Stronger
Outcomes

Angola's perspective

Managing today's energy needs while preparing for tomorrow



Angola's Energy Context



Major oil-producing country



Growing focus on energy diversification



Expanding renewable energy agenda



Significant potential for biofuels development



ANPG Priorities



Strengthening fuel market governance



Promoting investment



Supporting energy diversification



Advancing energy transition initiatives



Developing sustainable fuel pathways





Strategic Objective

Building a resilient energy system capable of supporting economic growth and sustainability objectives.

Biofuels:

A bridge between energy security and energy transition

Why Biofuels Matter



ENVIRONMENTAL BENEFITS

- Reduced greenhouse gas emissions
- Lower carbon intensity



ECONOMIC BENEFITS

- Rural development
- Job creation
- New industrial opportunities



ANGOLA'S OPPORTUNITY



Large agricultural potential



Available land resources



Existing fuel infrastructure



Growing regional demand



STRATEGIC OBJECTIVE

Biofuels provide a practical pathway for achieving both energy security and decarbonisation goals.



Emerging fuels: New regulatory questions



Emerging Fuels



Bioethanol



Biodiesel



Sustainable
Aviation Fuel (SAF)



Renewable fuels



Low-carbon
liquid fuels



Key Regulatory Questions

How do we:



Ensure **sustainability**?



Certify **fuel origin**?



Attract **private investment**?



Promote **market competition**?



Protect **consumers**?



Integrate new fuels into
existing infrastructure?



Regulatory Evolution Required

Future fuel markets require
future-ready regulatory frameworks.

The transition reshapes fuel-market risks

01

DECLINING VOLUMES

Lower demand may raise unit costs
before infrastructure adjusts.

02

ASSET RATIONALISATION

Fewer terminals, stations or suppliers
may increase concentration.

03

REMAINING CONSUMERS

Those least able to switch may remain
exposed for longer.

A smaller market may require more – not less – supervision.

Regulation is the antidote to deal with concentrated markets!

ERSE synthesis based on the RSSPN and the 2026 study; forward-looking risks, not forecasts.

The Portuguese fuels value chain



SUPPLY & TRANSFORMATION

Portugal: one refinery, imports and free prices

DISTRIBUTION & RETAIL



How a Portuguese pump price is formed



INTERNATIONAL COST

- 1 Refined-product quotation**
The Platts quotation for gasoline or diesel — not Brent. Crude is an input; consumers buy the refined product.
- 2 Placing the product in Portugal**
Freight, insurance and the EUR/USD exchange rate.

NATIONAL COST

- 3 Biofuel incorporation**
Compliance with the national target — 13% in energy terms for road fuels in 2025.
- 4 Logistics, storage and reserves**
Primary logistics and the cost of strategic and security stocks.
- 5 Retail activity**
Remuneration of the distribution and forecourt business.

POLICY LAYER

- 6 Taxes**
The excise duty (ISP), the carbon component, and VAT applied on top of everything below it.

Portugal: a freely priced fuel market

01

Operators set their own prices

Wholesale and retail prices for petroleum-derived fuels are set freely by each operator. There is no regulated price, no tariff and no approval step.

02

No administratively fixed margin

Commercial margins are an outcome of the market. ERSE does not approve them, cap them, or guarantee that any operator recovers its costs.

03

One conditional exception

Law 69-A/2021 allows maximum commercial margins for simple fuels – only on an ERSE proposal, after hearing the Competition Authority. Used once, for bottled LPG in 2022; never for road fuels.

≈ 75%

of volumes sold at the pump are simple fuels – precisely the segment where the exception could ever be applied. The freedom is not marginal: it covers the bulk of the market.

Freedom is the rule. Intervention is the exception – and it has to be earned by evidence.

From market signals to regulatory evidence



Weekly transparency continues throughout; parameters are reviewed periodically.

The Supervision Regulation separates a price signal from a market diagnosis – and a diagnosis from a remedy.

Source: Regulation No 1184/2022; Directive No 11/2023.

Assessing market functioning: Four regulatory criteria

01

WHOLESALE CONCENTRATION

The wholesale market remains highly concentrated

CR4 / HHI

02

RETAIL CONCENTRATION

The retail structure is less concentrated

CR4 / HHI

03

OFFER DIVERSITY

Commercial offers remain differentiated

CV $\geq$ 20%

04

INTERNATIONAL ALIGNMENT

Pre-tax prices closely track product quotations

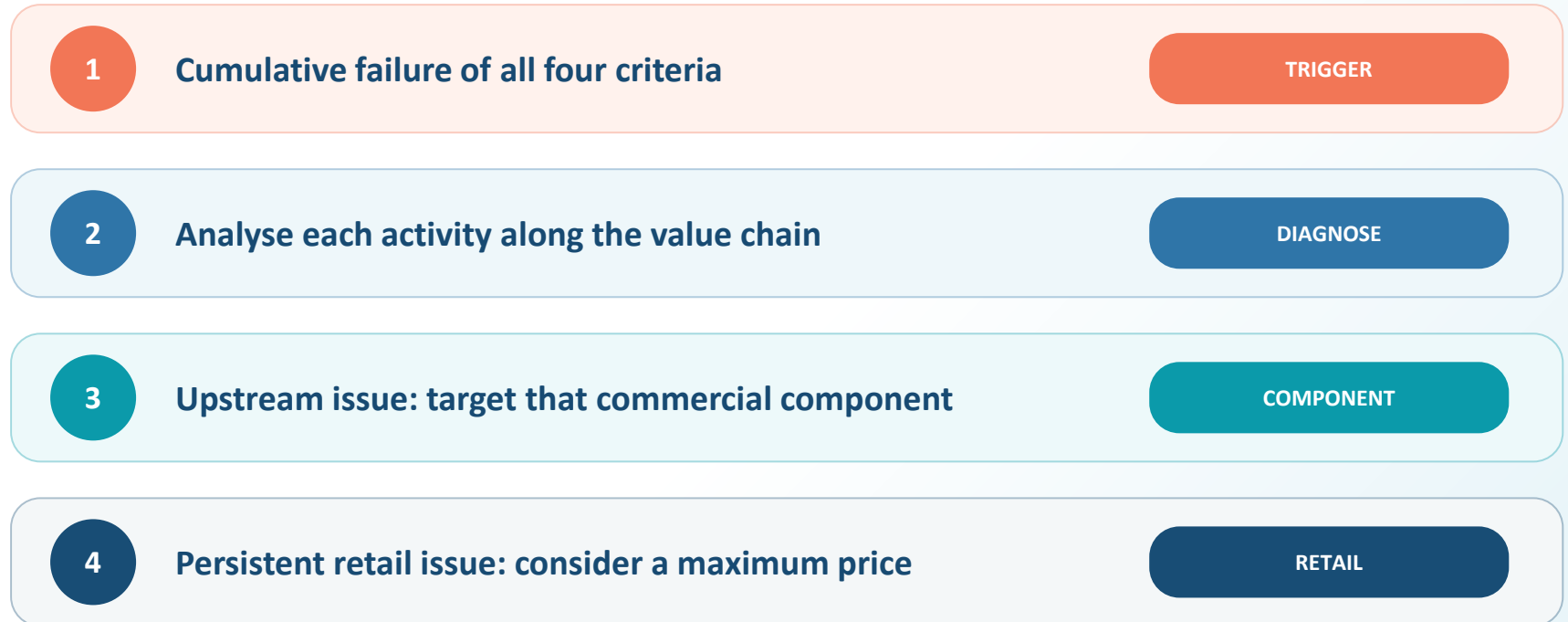
CORR $\geq$ 0.90

No cumulative failure → no grounds, to propose maximum prices or margins.

Source: ERSE public study (2026), Table 6-9 and conclusions.

4

STEPS TO A TARGETED RESPONSE



Any cap is temporary · ERSE proposes · Competition Authority is heard · Government decides

Source: Decree-Law No 31/2006, Article 8; ERSE public study, pp. 87–89.



Why Cooperation Matters



Energy transition challenges are global.



No regulator works in isolation.



RELOP Experience



The cooperation among Portuguese-speaking regulators demonstrates how knowledge exchange contributes to stronger regulatory institutions and better policy outcomes.



Benefits of Regulatory Cooperation



Exchange of best practices



Capacity building



Knowledge sharing



Regulatory convergence



Faster implementation of innovative solutions



Key Message

Collaboration accelerates **regulatory excellence.**



01

The energy transition is reshaping the fuels value chain

New fuels create opportunities but also require clear and adaptable regulatory frameworks.

02

Biofuels can support both energy security and decarbonization

Angola's experience illustrates their potential within a broader transition strategy.

03

Market freedom requires market transparency

Freely determined prices must remain understandable to regulators and consumers.

04

Contracting conventional fuel markets may require closer supervision

Lower demand can increase concentration, infrastructure costs and risks for remaining consumers.

05

A just transition must protect consumers without concealing the real cost of energy

Targeted, temporary and transparent support protects consumers. Suppressing the price signal only postpones the bill.

06

Regulatory cooperation supports better decisions

Reliable information and cooperation through RELOP help regulators respond to different market realities.



WFER IX



NARUC
National Association of Regulatory
Utility Commissioners

Thank you



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