

(English version)

**Priority question for written answer P-000712/24  
to the Commission  
Jerzy Buzek (PPE)  
(6 March 2024)**

*Subject:* Interpretative doubts regarding the climate neutrality plans (CNPs) in the Emissions Trading System (ETS) Directive

The cost of the energy transition in the Polish district heating sector is estimated at up to EUR 95 billion. Therefore, the additional free emission allowances that companies can obtain after developing CNPs in accordance with the ETS Directive offer a crucial opportunity. Polish companies are currently working on these CNPs. However, there are interpretive doubts that require clarification:

1. Will additional free CO<sub>2</sub> allowances be counted as 30% of the total amount of benchmarked allowances, bringing the potential amount of free allowances for district heating networks operated in specific Member States to 60%, and will the quantity of free allocations be accounted based on the entire 4th period of the ETS (2021-2030), or only on its 2nd half (2026-2030)?
2. Can projects that have been commissioned and put into operation recently (2023-2026) be included in the CNPs, and can such projects meet the condition of allocating the value of the additional allocation of free allowances for investments?
3. If the operator of an installation has carried out the investment, resulting in decreased capacity below 20MWth and the installation exit from the ETS to be included under the ETS2 from 2028, can the installation submit a CNP and receive additional free allowances?

Submitted: 6.3.2024

**Answer given by Mr Hoekstra on behalf of the European Commission  
(3 April 2024)**

1. In accordance with Article 10b (4) of Directive 2003/87/EC <sup>(1)</sup>, operators under the Emission Trading System (ETS) with a district-heating sub-installation can obtain conditional additional free allowances of 30% of the benchmark level (in total 60% of benchmark level) for the period from 2026 to 2030.
2. For each of the measures and investments that are planned to be implemented during each of the five-year periods up to 2050, as defined in the climate-neutrality plan <sup>(2)</sup> (CNP), to reach the interim targets and milestones, a detailed description must be included in the CNP. Investments that have been made before the CNP was established can be included in the CNP, as long as the financed measures only take effect (and therefore impact emissions) after the baseline period (2019-2023).
3. Only those ETS installations that established the plan by 1 May 2024 and submitted their application for free allocation by 30 May 2024 can be considered. The installation needs to remain covered by the ETS in order to receive free allocation, including additional free allocation in accordance with Article 10b (4) of Directive 2003/87/EC. In accordance with Article 2 (1) of Directive 2003/87/EC, operators may request to stay in the scope of the ETS until the end of the current and next five-year allocation period (e.g. 2026-2030), if the installation changes its production processes to reduce greenhouse emissions and no longer meets the 20 MW threshold.

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<sup>(1)</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32003L0087>

<sup>(2)</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R2441&qid=1710749136992>