AMENDMENTS
115 - 464

Draft report
Peter Liese
(PE703.068v01-00)

Amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union, Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and Regulation (EU) 2015/757

Proposal for a directive
Amendment 115
Anna Zalewska

**Draft legislative resolution**

**Citation 2**

- having regard to Article 294(2) and Article 192(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0318/2021),

**Amendment**

- having regard to Article 294(3) and Article 192(2) of the Treaty on the Functioning of the European Union, as well as the Commission proposal submitted to Parliament (C9-0318/2021),

Or. en

Amendment 116
Anna Zalewska

**Proposal for a directive**

**Citation 1**

**Text proposed by the Commission**

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

**Amendment**

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(2) and Article 194(3) thereof,

Or. en

**Justification**

The legal basis in the Commission proposal is incorrect, as Art. 192 par. 2 and Art. 194 par. 3 of TFEU are better suited. It entails provisions that significantly impact the energy mix and energy security of Member States, and are also "of a fiscal nature", both in the climate and energy context, which the EU ETS is. As such, it would require unanimity from the Council.

Amendment 117
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Hermann Tertsch, Nicola Procaccini, Pietro Fiocchi

**Proposal for a directive**

**Citation 1**
Text proposed by the Commission

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Amendment

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(2) thereof,

Or. en

Justification

Proposed changes will significantly affect a Member State's choice between different energy sources and the general structure of its energy supply. Such measures shall be adopted in line with Article 192(2) of TFEU.

Amendment 118
Michael Bloss
Proposal for a directive
Recital 1

Text proposed by the Commission

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 (“the Paris Agreement”)
. Its Parties have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels.

Amendment

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 (“the Paris Agreement”)
. By adopting the Glasgow Climate Pact, its Parties recognised that limiting the global average temperature increase to 1,5 °C above pre-industrial levels would significantly reduce the risks and impacts of climate change, and committed to increase their 2030 climate targets to close the ambition gap. Aligning the European Union Emissions Trading System (EU ETS) with the 1,5°C target is a unique opportunity for the Union to contribute to the international climate effort to close the ambition gap before the United Nations Framework Convention on Climate Change 27th session of the Conference of the Parties (UNFCCC COP27) in Egypt.

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Amendment 119
Silvia Modig

Proposal for a directive
Recital 1

Text proposed by the Commission

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 (“the Paris Agreement”)


Or. en
Amendment

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 (“the Paris Agreement”). Its Parties have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels.

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Amendment 120
Silvia Modig

Proposal for a directive
Recital 1 a (new)

Text proposed by the Commission

(1a) The urgency of not exceeding the Paris Agreement goal of 1,5 °C has become more significant following the findings of the Intergovernmental Panel on Climate Change (IPCC) in its reports of 8 October 2018 entitled ‘Global warming of 1.5°C’ and of 7 August 2021

Or. en
entitled ‘Climate Change 2021: The Physical Science Basis’. The IPCC found that the consequences of climate change are far more destructive if global warming is failed to delimit to 1.5 °C and reaches 2°C. In addition, global temperature will reach or exceed the 1.5 °C mark earlier than previously anticipated, namely averaging over the next 20 years. It also found that unless there are immediate and ambitious reductions in greenhouse gas emissions, it will no longer be possible to limit global warming to close to 1.5 °C or even 2°C.

Amendment 121
Michael Bloss
Proposal for a directive
Recital 1 a (new)

Text proposed by the Commission

(1a) Latest climate science in the IPCC Sixth Assessment Report of August 2021 and the 2020 UNEP Emissions Gap Report indicate that, despite a brief dip in carbon dioxide emissions caused by the COVID-19 pandemic, the world is still heading for a temperature rise in excess of 3°C this century. It also stresses that the levels of ambition in the Paris Agreement must be roughly tripled for the 2°C pathway and increased at least fivefold for the 1.5°C pathway.

Amendment 122
Silvia Modig
Proposal for a directive
Recital 1 b (new)
In its resolution of 28 November 2019 on the climate and environment emergency\(^a\), the European Parliament urged the Commission to take immediate and ambitious action to limit global warming to 1.5°C and to avoid massive biodiversity loss, including by addressing inconsistencies in current Union policies with the climate and environment emergency and by ensuring that all relevant future legislative and budgetary proposals are fully aligned with the objective of limiting global warming to under 1.5°C and that they do not contribute to biodiversity loss.

\(^{a}\) P9_TA(2019)0078.
human right.

Amendment 124
Silvia Modig

Proposal for a directive
Recital 1 d (new)

Text proposed by the Commission

(1d) The Union should therefore address this urgency by stepping up its efforts and establishing itself as an international leader in the fight against climate change while reflecting the principles of equity and of common but differentiated responsibilities and respective capabilities, as laid down in Article 2(2) of the Paris Agreement.

Amendment

Or. en

Amendment 125
Michael Bloss

Proposal for a directive
Recital 2

Text proposed by the Commission

(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the Communication on “The European Green Deal”, adopted by the Commission on 11 December 2019\(^{37}\).

Amendment

(2) Accelerating the green transition to a climate-neutral, sustainable, non-toxic, resource-efficient, renewable energy-based, resilient and competitive circular economy in a just, equitable and inclusive way while protecting, restoring and improving the state of the environment is at the core of the 8th Environmental Action Programme.

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Amendment 126
Silvia Modig

Proposal for a directive
Recital 2

Text proposed by the Commission

(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the Communication on “The European Green Deal”, adopted by the Commission on 11 December 2019.37

Amendment

(2) Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are addressed in the Communication on “The European Green Deal”, adopted by the Commission on 11 December 2019.37


Amendment 127
Radan Kanev

Proposal for a directive
Recital 3

Text proposed by the Commission

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged

Amendment

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged.
groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind. Sustained efforts should be provided in order to mitigate the possible negative effects of the current legislation on affected households, businesses and Member States. The overall ambitiousness of the EU climate engagement for the next decades demands univocal transparency in the efforts to lessen the burden on affected Europeans and businesses and a just transition is decisive for providing positive public perception and support for the successful implementation of the European Green Deal.

Amendment 128
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Hermann Tertsch, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 3

Text proposed by the Commission

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

Amendment

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is dependent on sustainable and responsible resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. Simultaneously, the intent is to create conditions for a dignified life for Europeans with access to...
groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

affordable sustainable energy to meet their necessities for life. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

**Amendment 129**

Silvia Modig

**Proposal for a directive**

**Recital 3**

*Text proposed by the Commission*

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

*Amendment*

(3) The European Green Deal provides a starting point for achievement of the Union’s climate-neutrality objective by 2050 at the latest and the aim to achieve negative emissions thereafter as laid out in Article 2(1) of Regulation (EU) 2021/1119. It combines a set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050 at the latest, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient economy. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of people from environment-related risks and impacts. At the same time, this transition affects all genders differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.
Proposal for a directive
Recital 3

Text proposed by the Commission

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

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(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities, the population of structurally disadvantaged regions and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

Or. cs

Amendment 131
Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov, Tiemo Wölken, Nikos Androulakis, Robert Hajšel

Proposal for a directive
Recital 3

Text proposed by the Commission

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

Amendment

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities, the population of structurally disadvantaged regions and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

Or. cs
reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects women and men differently and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

Amendment 132
Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov, Tiemo Wölken, Marek Pawel Balt, Nikos Androulakis, Robert Hajšel

Proposal for a directive
Recital 3 a (new)

Text proposed by the Commission

(3a) The EU ETS is a cornerstone of the Union's climate policy and constitutes its key tool for reducing greenhouse gas emissions in a cost-effective way. In line with the commitments made in COP26 in Glasgow to review the nationally determined contributions (NDCs) on an annual basis, the Commission should revise its NDC to account for all the sectors included in this revision.

Amendment 133
Anna Zalewska
Proposal for a directive
Recital 3 a (new)

Text proposed by the Commission

(3a) The Union is committed to fighting against energy poverty, with at least 50 million Europeans still suffering from energy poverty, and will ensure that its legislative proposals and amendments affecting the energy sector do not impede efforts in this regard.

Amendment

Or. en

Amendment 134
Silvia Modig
Proposal for a directive
Recital 4

Text proposed by the Commission

(4) The necessity and value of the European Green Deal have only grown in light of the very severe effects of the COVID-19 pandemic on the health, living and working conditions and well-being of the Union’s citizens, which have shown that our society and our economy need to improve their resilience to external shocks and act early to prevent or mitigate them. European citizens continue to express strong views that this applies in particular to climate change\(^38\).

Amendment

(4) The necessity and value of the European Green Deal have only grown in light of the very severe effects of the COVID-19 pandemic on the health, living and working conditions and well-being of the Union’s citizens, which have shown that our society and our economy need to improve their resilience to external shocks and act early to prevent or mitigate them. European citizens continue to express strong views that this applies in particular to climate change\(^38\). In addition, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) in its report of 29 October 2020 entitled ‘Biodiversity and Pandemics’ pointed out that the underlying causes of pandemics are the same global environmental changes that drive biodiversity loss and climate change. Climate change has been implicated in disease emergence and will likely cause substantial future pandemic risk.
According to the report, the cost of inaction vastly outweighs the cost of action.


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Amendment 135
Stanislav Polčák

Proposal for a directive
Recital 4

Text proposed by the Commission

(4) The necessity and value of the European Green Deal have only grown in light of the very severe effects of the COVID-19 pandemic on the health, living and working conditions and well-being of the Union’s citizens, which have shown that our society and our economy need to improve their resilience to external shocks and act early to prevent or mitigate them. European citizens have long been strongly convinced that this is particularly the case for climate change.38

Amendment

(4) The effects of the COVID-19 pandemic on the health, living and working conditions and well-being of the Union’s citizens have shown that our society and our economy need to improve their resilience to external shocks and act early to prevent or mitigate them. European citizens have long been strongly convinced that this applies in particular to climate change. A well-executed Green Deal for Europe can make a significant contribution to strengthening the resilience of our society and economy.

(4a) Delivering on the European Green Deal should ensure quality job creation and social progress for all. To be socially acceptable, the climate ambition proposed in this Directive should be matched by an equivalent social ambition, in line with the European Pillar of Social Rights. The European Green Deal agenda is an opportunity to maintain and create quality jobs, promote decent work, raise labour standards, strengthen social dialogue and collective bargaining, tackle discriminations at work, promote gender equality, and workplace democracy. In order to achieve these objectives, just transition mechanisms should complement all proposed actions in the framework of the Green Deal and the “Fit for 55” package.

Or. en

Amendment 137
Anna Zalewska

(4a) Legislative proposals should take into account evolving circumstances, and in particular, the economic and energy crisis the EU is currently facing, which is putting many businesses at competitive disadvantage and increasing the households at risk of energy poverty. Particular attention should be paid to speculative actions that may affect this and should be addressed immediately.

Or. en
Amendment 138
Michael Bloss

Proposal for a directive
Recital 5

Text proposed by the Commission

(5) The Union committed to reduce to reduce the Union’s economy-wide net greenhouse gas emissions by at least 55 % by 2030 below 1990 levels in the updated nationally determined contribution submitted to the UNFCCC Secretariat on 17 December 2020³⁹.

³⁹ https://www4.unfccc.int/sites/ndestaging/PublishedDocuments/European%20Union%20First/EU_NDC_Submission_December%202020.pdf

Or. en

Amendment 139
Silvia Modig

Proposal for a directive
Recital 6

Text proposed by the Commission

(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council⁴⁰ the Union has enshrined the target of economy-wide climate neutrality by 2050 in legislation. That Regulation also establishes a binding Union domestic reduction commitment of net greenhouse gas emissions (emissions after deduction of removals) of at least 55 % below 1990 levels by 2030.

⁴⁰ In Regulation (EU) 2021/1119 of the European Parliament and of the Council the Union has enshrined the target of economy-wide climate neutrality by 2050 at the latest and the aim to achieve negative emissions thereafter in legislation. That Regulation also establishes a binding Union domestic reduction commitment of net greenhouse gas emissions (emissions after deduction of removals) of at least 55 % below 1990 levels by 2030.
Amendment 140
Michael Bloss

Proposal for a directive
Recital 6

*Text proposed by the Commission*

(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council the Union has enshrined the target of economy-wide *climate neutrality by 2050 in legislation*. That Regulation also establishes a binding Union domestic *reduction commitment of net* greenhouse gas emissions (*emissions after deduction of removals*) of at least 55 % below 1990 levels by 2030.

*Amendment*

(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council the Union has enshrined the target of *achieving an* economy-wide *balance between anthropogenic emissions and removals by sinks of greenhouse gas emissions within the Union by 2050 at the latest* in legislation.

Amendment 141
Silvia Modig

Proposal for a directive
Recital 6 a (new)
(6a) The Union’s climate and environmental policy should be implemented in line with the principle of a fair and just transition that leaves no one behind. In addition, pursuant to Article 191(2) of the Treaty on the Functioning of the European Union (TFEU), Union policy on the environment is to aim at a high level of protection taking into account the diversity of situations in the various regions of the Union, and is to be based on the precautionary principle and on the principles that preventive action should be taken, that environmental damage should, as a priority, be rectified at source and that the polluter should pay.

Amendment 142
Silvia Modig
Proposal for a directive
Recital 7

Text proposed by the Commission

(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council 41 to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner, should be increased in a manner commensurate with this economy-wide net greenhouse gas emissions reduction target for 2030.

Amendment

(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council 41 to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner, should be increased in a manner commensurate with this economy-wide net greenhouse gas emissions reduction target for 2030, the Union’s climate-neutrality objective by 2050 at the latest and the aim to achieve negative emissions thereafter laid down in Article 2(1) of Regulation (EU) 2021/1119 and the objectives of the Paris Agreement, while reflecting the precautionary principle.
(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner, should be increased in a manner commensurate with this economy-wide net greenhouse gas emissions reduction target for 2030 and at the same time, constantly to assess the impacts of the EU ETS on the development of production and energy sectors in order to provide a tool to support the transition, not to attenuate the economic activity.

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Amendment 143
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Hermann Tertsch, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 7

Text proposed by the Commission

(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner, should be increased in a manner commensurate with this economy-wide net greenhouse gas emissions reduction target for 2030.
(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council\(^\text{41}\) to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner, should be increased in a manner commensurate with this economy-wide net greenhouse gas emissions reduction target for 2030.

(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner, should be increased in a manner commensurate with this economy-wide net greenhouse gas emissions reduction target for 2030.

Amendment

(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner, should be increased in a manner commensurate with this economy-wide net greenhouse gas emissions reduction target for 2030, while taking into account the social and economic impact and the risk of reinforcing inequalities between Member States, regions and citizens in the Union.

Amendment 146
Nicola Procaccini

Proposal for a directive
Recital 7

Text proposed by the Commission

(7) All sectors of the economy need to contribute to achieving those emission reductions. Therefore, the ambition of the EU Emissions Trading System (EU ETS), established by Directive 2003/87/EC of the European Parliament and of the Council to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner, should be increased in a manner commensurate with...
this economy-wide net greenhouse gas emissions reduction target for 2030.


Or. it

Amendment 147
Michael Bloss

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions, while implementing the polluter pays principle established in the Treaties. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, benchmarks should be applicable independent of the nature of the production process. It is therefore necessary to revise, as soon as possible, the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for innovative, zero-emission technologies and to take into account circularity potentials. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector. Moreover, free allocation should end as soon as the Carbon Border Adjustment Mechanism
fully enters into force. Additional revenues created by phasing out free allowances should be used to support those companies that are committed to rapid decarbonisation through the Innovation Fund and the establishment of Carbon Contract for Differences.

Amendment 148
Alexander Bernhuber, Angelika Winzig
Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, if low-carbon alternative options are integrated in certain benchmark system-boundaries and taking account of the definitions of processes under Annex I to Commission Delegated Regulation (EU) 2019/331, the integration of such options should not have an impact on the benchmark values referred to in Article 10a of this Directive. Furthermore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks with the objective of ensuring there is a level playing field for new and existing technologies. The 'one product, one benchmark' principle should be respected. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing
importance of production of hydrogen outside the refineries sector.

Or. en

Amendment 149
Edina Tóth

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

 Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process.

Or. en

Justification

Until a comprehensive assessment on potential impact and necessity of such a change is conducted, the present practice of setting benchmarks by using performance level of the best installations should be kept. Currently there is no appropriate data available for setting a new, separate benchmark. If hydrogen production is excluded from the refinery unit, a complex, cohesive technological process will need to be dismantled with significant additional costs and administrative burden. Therefore, we do not support the decoupling of hydrogen from the refinery.
Amendment 150
Agnès Evren

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies.

Or. fr

Amendment 151
Adam Jarubas, Jerzy Buzek

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free

Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. Due to their
allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

public utility nature, the units for the incineration of hazardous or municipal waste should continue to benefit from the exemption from the greenhouse gas emission permit. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

Amendment 152
Alexandr Vondra
Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of

Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies.
production of hydrogen outside the refineries sector.

Amendment 153
Raffaele Fitto
Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. **It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.**

Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies.

Amendment 154
Silvia Modig
Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise

Amendment

(8) The EU ETS should incentivise
production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies and products and emissions reduction target for 2030, the Union’s climate-neutrality objective by 2050 at the latest and the aim to achieve negative emissions thereafter laid down in Article 2(1) of Regulation (EU) 2021/1119 and the goal of the Paris Agreement, while reflecting the precautionary principle. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned.

Amendment 155
Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov, Tiemo Wölken, Marek Pawel BALT, Nikos Androulakis, Robert Hajšel

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary
to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

circular economy measures. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of, in particular, green hydrogen outside the refineries sector.

Or. en

Amendment 156
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. Commission Implementing Regulation (EU) 2018/2066 should be reviewed accordingly to take into account lower emissions associated with the low-carbon fuels.

Or. en

Amendment 157
Radan Kanev
Proposal for a directive
Recital 8 a (new)

Text proposed by the Commission

(8a) However, the EU ETS could only incentivise the use of existing, market available and affordable technologies. When imposed on technologies with no feasible alternative on the global, EU-wide, or national and regional market, the EU ETS will achieve no reduction of greenhouse gas emissions, but will effectively play the role of an additional tax burden on production and consumption, hampering the competitiveness of European business and especially SMEs and affecting negatively the purchasing power of households and particularly vulnerable groups and especially the population of less developed and isolated regions.

Amendment 158
Anna Zalewska

Proposal for a directive
Recital 8 a (new)

Text proposed by the Commission

(8a) To achieve the transformation to a low-emission technology in the district heating sector with its specificities, it is necessary to define a separate emission benchmark for district heat, which would be based on the heat generation process reflecting technological progress.

Amendment 159
Radan Kanev
<table>
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<th>Recital 8 b (new)</th>
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<tr>
<td><strong>Text proposed by the Commission</strong></td>
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<td>(8b) Therefore, extension of the EU ETS should be gradual and conditional to the existence, accessibility and affordability of low- and zero-carbon alternatives, taking into account the significant variations in new technology uptake and market share in different countries and regions, and particularly differences regarding the affordability of green alternatives and solutions, calculated as the share of local median income in the local market price.</td>
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<th>Amendment 160</th>
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<tr>
<td>Radan Kanev</td>
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<th>Proposal for a directive Recital 8 c (new)</th>
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<td><strong>Text proposed by the Commission</strong></td>
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<td>(8c) A tailor-made system of timelines with relevant milestones, temporary free allowances and targeted investments should allow for a flexible approach, ensuring that no new financial burdens are imposed on Member States and regions before alternative solutions are affordable and vulnerable groups are protected from increasing cost of living through targeted investments.</td>
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<th>Amendment 161</th>
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<tr>
<td>Silvia Modig</td>
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(9) Council Directive 96/61/EC\(^{42}\) was repealed by Directive 2010/75/EU of the European Parliament and of the Council\(^{43}\). The references to Directive 96/61/EC in Article 2 of Directive 2003/87/EC and in its Annex IV should be updated accordingly. Given the need for urgent economy-wide emission reductions, Member States should be able to act to reduce greenhouse gas emissions that are under the scope of the EU ETS through other policies \textit{than} emission limits adopted pursuant to Directive 2010/75/EU.


(10) In its Communication ‘Pathway to a Healthy Planet for All’\(^{44}\), the Commission calls for steering the EU towards zero pollution by 2050, by reducing pollution across air, freshwaters, seas and soils to

\(^{44}\) Or. en
levels which are no longer expected to be harmful for health and natural ecosystems. Measures under Directive 2010/75/EU, as the main instrument regulating *air, water and soil pollutant* emissions, will often also enable emissions *greenhouse gases* to be reduced. In line with Article 8 of Directive 2003/87/EC, Member States should ensure coordination between the permit requirements of Directive 2003/87/EC and those of Directive 2010/75/EU.

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44 Communication from the Commission to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions Pathway to a Healthy Planet for All, EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil' (COM/2021/400 final).

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Amendment 163
Stanislav Polčák

Proposal for a directive
Recital 10

**Text proposed by the Commission**

(10) In its Communication 'Pathway to a Healthy Planet for All'\(^4^4\), the Commission calls for steering the EU towards zero pollution by 2050, by reducing pollution across air, freshwaters, seas and soils to levels which are no longer expected to be harmful for health and natural ecosystems. Measures under Directive 2010/75/EU, as the main instrument regulating air, water and soil pollutant emissions, will often also enable emissions greenhouse gases to be reduced. In line with Article 8 of Directive 2003/87/EC, Member States should ensure coordination between the permit requirements of Directive 2003/87/EC and those of Directive 2010/75/EU.

**Amendment**

(10) In its Communication ‘Pathway to a Healthy Planet for All’\(^4^4\), the Commission calls, *in accordance with the zero pollution hierarchy*, for steering the EU towards zero pollution by 2050, by reducing pollution across air, freshwaters, seas and soils to levels which are no longer expected to be harmful for health and natural ecosystems. Measures under Directive 2010/75/EU, as the main instrument regulating air, water and soil pollutant emissions, will often also enable emissions greenhouse gases to be reduced. In line with Article 8 of Directive 2003/87/EC, Member States should ensure

Amendment 164
Silvia Modig

Proposal for a directive
Recital 10

Text proposed by the Commission

(10) In its Communication ‘Pathway to a Healthy Planet for All’\(^4\), the Commission calls for steering the EU towards zero pollution by 2050, by reducing pollution across air, freshwaters, seas and soils to levels which are no longer expected to be harmful for health and natural ecosystems. Measures under Directive 2010/75/EU, as currently the main instrument regulating air, water and soil pollutant emissions, will often also enable emissions greenhouse gases to be reduced. In line with Article 8 of Directive 2003/87/EC, Member States should ensure coordination between the permit requirements of Directive 2003/87/EC and those of Directive 2010/75/EU.

Amendment

(10) In its Communication ‘Pathway to a Healthy Planet for All’\(^4\), the Commission calls for steering the EU towards zero pollution by 2050, by reducing pollution across air, freshwaters, seas and soils to levels which are no longer expected to be harmful for health and natural ecosystems. Measures under Directive 2010/75/EU, as currently the main instrument regulating air, water and soil pollutant emissions, should also enable emissions greenhouse gases to be reduced in the future. In line with Article 8 of Directive 2003/87/EC, Member States should ensure coordination between the permit requirements of Directive 2003/87/EC and those of Directive 2010/75/EU.

\(^4\) Communication from the Commission to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions Pathway to a Healthy Planet for...

**Amendment 165**
Silvia Modig

Proposal for a directive
Recital 11

*Text proposed by the Commission*

(11) Recognising that new innovative technologies will often allow reducing emissions of both greenhouse gases and pollutants, it is important to ensure synergies between policies delivering reductions of emissions of both greenhouse gases and pollutants, namely Directive 2010/75/EU, and review their effectiveness in this regard.

*Amendment*

(11) Recognising that new innovative technologies will often allow reducing emissions of both greenhouse gases and pollutants, it is important to ensure synergies between policies delivering reductions of emissions of both greenhouse gases and pollutants, namely Directive 2010/75/EU, and review their effectiveness in this regard **aligned with the Union’s climate-neutrality objective by 2050 at the latest and the aim to achieve negative emissions thereafter laid down in Article 2(1) of Regulation (EU) 2021/1119 and the objectives of the Paris Agreement.**

**Amendment 166**
Silvia Modig

Proposal for a directive
Recital 12

*Text proposed by the Commission*

(12) The definition of electricity generators was used to determine the maximum amount of free allocation to industry in the period from 2013 to 2020, but led to different treatment of cogeneration power plants compared to industrial installations. In order to

*Amendment*

deleted

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incentivise the use of high efficiency cogeneration and to ensure equal treatment of all installations receiving free allocation for heat production and district heating, all references to electricity generators in Directive 2003/87/EC should be deleted. In addition, Commission Delegated Regulation (EU) 2019/331\(^45\) specifies the eligibility of all industrial processes for free allocation. Therefore, the provisions on carbon capture and storage in Article 10a(3) of Directive 2003/87/EC have become obsolete and should be deleted.


Amendment 167
Esther de Lange

Proposal for a directive
Recital 12 a (new)

Text proposed by the Commission

(12a) Efficiency and the most optimal cross-sectoral ratio between CCU and CCS are important principles in order to reduce carbon emissions in the best way possible. Innovative national policies to ensure and incentivise cooperation between sectors to assure the most optimal cross-sectoral uptake and ratio between CCU and CCS should be stimulated if approved by the national emission authority.

Or. en
### Amendment 168

**Michael Bloss**

**Proposal for a directive**

**Recital 12 a (new)**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td><em>(12a)</em> The inclusion of municipal waste incineration installations in the EU ETS would contribute to the circular economy by encouraging recycling, reuse and repair of products, while also contributing to economy-wide decarbonisation. Accordingly, municipal waste incineration installations should be included within the scope of the EU ETS as of the entry into force of this Directive.</td>
<td></td>
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Or. en

### Amendment 169

**Silvia Modig**

**Proposal for a directive**

**Recital 13**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tr>
<td><em>(13)</em> Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council[^26], or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a deleted</td>
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</table>

[^26]: Directive 2009/31/EC
product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.


Amendment 170
Michael Bloss

Proposal for a directive
Recital 13

Text proposed by the Commission

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council46, or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to

Amendment

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are unavoidable industrial process emissions, where no direct emission reduction options are available, and are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council46.
the certification of carbon removals.


Amendment 171
Cristian-Silviu Busoi

Proposal for a directive
Recital 13

(13) Greenhouse gases that are not released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

(13) Greenhouse gases that are not released into the atmosphere should not be considered emissions under the EU ETS. The Commission should be empowered to adopt delegated acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals or they are captured and used to produce recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin. The Commission should be empowered to adopt delegated acts specifying the framework conditions under which greenhouse gases transferred for further use should be accounted for at the point of release into the atmosphere. For any other transfer of CO\(_2\) out of the installation, no subtraction of CO\(_2\) from the installation's emissions should be
allowed unless the CO2 is transferred to and used by another installation that stored CO2 in a product permanently so that the CO2 is not released into the atmosphere\textsuperscript{46a}.


\textsuperscript{46a} Judgement ECJ, Case C 460/15, 19.12.2017 Schaefer Kalk GmbH & Co. KG v Germany

Justification

The existing definition of “emissions” in Article 3(b) of the EU ETS Directive requires a release into the atmosphere. This requirement should be kept as it ensures coherence with the ETS scheme which seeks to protect the environment by means of reduction of greenhouse gas emissions. Such reduction is achieved by a CO2 capturing entity which subsequently transfers the CO2 for further use or permanent storage without releasing the CO2 into the atmosphere. The obligation to surrender allowances should not fall on the capturing entity which reduces its emissions in line with the objective of the ETS as long as it does not emit the CO2 into the atmosphere. Delegated acts should specify how the CO2 emissions transferred from a capturing installation need to be accounted for at the point of release.

Amendment 172
Pernille Weiss, Sara Skyttedal

Proposal for a directive
Recital 13

\begin{itemize}
\item \textbf{Text proposed by the Commission}
\begin{itemize}
\item (13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in
\end{itemize}
\item \textbf{Amendment}
\begin{itemize}
\item (13) Greenhouse gases that are not released into the atmosphere should not be considered emissions under the EU ETS. The Commission should be empowered to adopt delegated acts specifying the conditions where greenhouse gases are to
\end{itemize}
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In accordance with Directive 2009/31/EC of the European Parliament and of the Council, or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals. Or they are captured and used to produce recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin. The Commission should be empowered to adopt delegated acts specifying the framework conditions under which greenhouse gases transferred for further use should be accounted for at the point of release into the atmosphere. For any other transfer of CO2 out of the installation, no subtraction of CO2 from the installation's emissions should be allowed unless the CO2 is transferred to and used by another installation that stored CO2 in a product permanently so that the CO2 is not released into the atmosphere.

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47a Judgement ECJ, Case C 460/15, 19.12.2017 Schaefer Kalk GmbH & Co. KG v Germany

Or. en
Text proposed by the Commission

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^\text{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.


Amendment

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^\text{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use, or they are captured and used to produce recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.


Or. en

Amendment 174
Dan-Ştefan Motreanu
Proposal for a directive
Recital 13

Text proposed by the Commission

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Amendment

PE703.069v01-00
(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council, or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.


Amendment 176
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 13

Text proposed by the Commission

(13) Greenhouse gases that are not directly released into the atmosphere

Amendment

(13) Greenhouse gases that are not directly released into the atmosphere
should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.


**Amendment 177**

Ivan David

**Proposal for a directive**

**Recital 13**

*Text proposed by the Commission*

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be

*Amendment*

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be
surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council, or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.


Or. en

Justification

The proposal exempts from the surrendering obligation only GHG emissions that are captured and utilised to be permanently chemically bound in a product. Other CCU applications would remain subject to the surrendering obligation. The overall environmental benefits of capturing and re-using carbon should be acknowledged and thus the compliance obligation should be on the activity finally releasing emissions rather than on the industrial installation capturing them.

Amendment 178
Jens Gieseke, Dennis Radtke, Markus Pieper

Proposal for a directive
Recital 13

AM\1245924EN.docx 47/293 PE703.069v01-00
(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council, or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

Or. en


Proposal for a directive
Recital 13
Text proposed by the Commission

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^\text{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

Amendment

(13) Greenhouse gases directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^\text{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use or they are captured and used to produce recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.


Or. en


Justification

An emission should be considered as such only if and at the point of release in the atmosphere. Reconfirming this principle would foster investments in breakthrough technologies, such as Carbon, Capture, Usage and Storage (CCUS), and lead to environmental benefits. In this regard, the obligation to surrender allowances should be on the activity releasing emissions in the atmosphere rather than on the industrial installation capturing them.
(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals. The Commission should also be empowered to adopt implementing acts specifying the conditions under which greenhouse gases transferred for further use should be accounted for at the point of release into the atmosphere.

Recital 13

**Text proposed by the Commission**

(13) Greenhouse gases that are not
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released into the atmosphere
*should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

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**Amendment**

(13) Greenhouse gases that are not released into the atmosphere should not be considered emissions under the EU ETS. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals. The Commission should be empowered to adopt implementing acts specifying the framework conditions under which greenhouse gases transferred for further use should be accounted for at the point of release into the atmosphere.

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**Justification**

*The existing definition of "emissions" in Article 3(b) of the EU ETS Directive requires a release into the atmosphere. This requirement should be kept as it ensures coherence with the ETS scheme which seeks to protect the environment by means of reduction of greenhouse gas emissions. Such reduction is achieved by a CO2 capturing entity which subsequently transfers the CO2 for further use or permanent storage without releasing the CO2 into the atmosphere. The obligation to surrender allowances should not fall on the capturing entity which reduces its emissions in line with the objective of the ETS as long as it does not emit the CO2 into the atmosphere. Maintaining the existing definition also ensures coherence with Article 3(3) of...*
the proposed CBAM Regulation. Implementing acts should specify how the CO2 emissions transferred from a capturing installation need to be accounted for at the point of release.

Amendment 182
Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov, Tiemo Wölken, Robert Hajšel

Proposal for a directive
Recital 13

Text proposed by the Commission

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

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Amendment

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council\(^{46}\), or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use and disposal. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use and disposal, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

Amendment 183
Alexander Bernhuber

Proposal for a directive
Recital 13

*Text proposed by the Commission*

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council, or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

*Amendment*

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council, or they are permanently chemically bound in a product so that they do not enter the atmosphere under normal use, or they are captured and used to produce recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use.


Or. en

Amendment 184
Agnès Evren
Proposal for a directive
Recital 13 a (new)

Text proposed by the Commission

(13a) The Effort Sharing Regulation currently covers the municipal waste sector. The inclusion of the municipal waste sectors that contribute the most to GHG emissions (landfill and energy recovery of waste from incineration) within the scope of Directive 2003/87/EC necessitates a careful assessment to avoid any disturbance to the integrated management of municipal waste. This fulfils a public interest mandate for the benefit of the environment and human health. In particular, the inclusion should avoid potential negative externalities (large-scale transfers of non-recyclable municipal waste from incineration and from landfill to other illegal processing methods) and should ensure the profitability and effectiveness of integrated national systems for managing municipal waste.

Therefore, by 31 December 2025, the Commission shall submit a report to the European Parliament and to the Council assessing the potential consequences of the inclusion of landfill and energy recovery of waste from municipal waste incineration in the EU ETS.

If necessary, this should be accompanied by a legislative proposal to include the landfill and energy recovery of waste from municipal waste incineration within the scope of Directive 2003/87/EC.

Amendment 185
Peter Liese, Jytte Guteland, Emma Wiesner

Proposal for a directive
Recital 13 a (new)
(13a) According to the European Union Methane Strategy, published in October 2020, 26% of the continent's methane emissions come from waste. Worldwide, landfills and dumpsites are predicted to account for 8–10% of all anthropogenic greenhouse gas emissions by 2025. The Union should aim to significantly reduce landfilling in the Union and should in any case avoid that the future inclusion of waste incineration in the EU ETS creates an unlevel playing field and leads to increased landfilling. Therefore, the Commission should also assess the possibility and feasibility to include all waste management processes, such as landfills, fermentation, composting and mechanical-biological treatment, in the EU ETS.

Or. en

Justification

Landfills generate significant methane emissions. While including landfills in the ETS would create a level playing field with waste incinerators, it is even more technically complex than including waste incinerators. Therefore, the Commission should assess the possibility and feasibility to also include all other waste management processes, such as landfills, fermentation, composting and mechanical-biological treatment, in the EU-ETS.

Amendment 186
Silvia Modig

Proposal for a directive
Recital 13 a (new)

Text proposed by the Commission

(13a) Municipal waste incineration installations shall be covered by the EU ETS. Since recycling and regeneration activities are already covered by the EU ETS, the inclusion would reinforce incentives for sorting and recycling the municipal waste in line with the waste hierarchy. Moreover, integrating waste
incineration into the EU ETS would create a level playing field between the regions that have included municipal waste incineration under the scope, reducing the risk of tax competition between regions. To ensure that a large portion of municipal waste incineration installations do not fall out of scope, the threshold for their inclusion should be total rated thermal input exceeding 10 MW.

Amendment 187
Pernille Weiss

Proposal for a directive
Recital 13 a (new)

Text proposed by the Commission

(13a) Inclusion of municipal waste incineration installations in the EU ETS may encourage recycling and proper sorting of waste leading to climate and environmental benefits. To assess any positive as well as negative consequences of this proposal, the Commission should by 31 December 2023 conduct an impact assessment on the inclusion of municipal waste incineration installations within the scope of Directive 2003/87/EC from 1 January 2026. If appropriate, this assessment should be accompanied by a legislative proposal to prevent any large-scale deviation of waste from municipal waste incineration installations towards landfills in the Union and exports to third countries.

Amendment 188
Jytte Guteland, Mohammed Chahim, Milan Brglez, Petar Vitanov, Tiemo Wölken, Marek Pawel Balt, Robert Hajšel
Proposition pour une directive
Recital 13 a (nouveau)

Texte proposé par la Commission

Amendement

(13a) La mise en œuvre des installations de combustion des déchets municipaux dans l’ETS de l’UE contribuerait à la circularité en encourageant le recyclage, le réemploi et la réparation des produits, tout en contribuant à la décarbonation à l’échelle de l’économie. En conséquence, les installations de combustion des déchets municipaux devraient être incluses dans le cadre de la directive 2003/87/CE à partir du 1er janvier 2024.

Or. en

Justification

La mise en œuvre des incinérateurs sous l’ETS de l’UE ferait peser un prix sur ces émissions et permettrait l’assainissement des externalités liées aux émissions d’emballages en plastique. Cela inciterait les substituts de produits de plus faible contenu carbone. La mise en œuvre des installations de combustion des déchets municipaux devrait être couverte par l’ETS de l’UE aussi tôt que possible. Simultanément, la Commission devrait mettre en place la législation nécessaire pour éviter et traiter les risques de déroutement de flux de déchets vers les décharges et les déchets exportés vers les pays tiers.

Amendement 189
Andreas Glück, Jan Huitema

Proposition pour une directive
Recital 13 a (nouveau)

Texte proposé par la Commission

Amendement

(13a) Pour autant que le dépôt de déchets municipaux non traités est encore autorisé dans certaines parties de l’Union, les émissions de décharges devraient être incluses dans l’ETS de l’UE également, afin de mettre à niveau les technologies de gestion des déchets.

Or. en
Justification

The welcomed inclusion of waste incineration installations into the existing EU-ETS should not tilt the playing field to the benefit of the ecologically undesirable treatment of waste via landfilling by pricing carbon for one technology but not for the other. Where waste is landfilled and thus emitting carbon emissions during decay, these emissions must come under the scope of the ETS cap too.

Amendment 190
Silvia Modig

Proposal for a directive
Recital 14

Text proposed by the Commission

(14) International maritime transport activity, consisting of voyages between ports under the jurisdiction of two different Member States or between a port under the jurisdiction of a Member State and a port outside the jurisdiction of any Member State, has been the only means of transportation not included in the Union's past commitments to reduce greenhouse gas emissions. Emissions from fuel sold in the Union for journeys that depart in one Member State and arrive in a different Member State or a third country have grown by around 36 % since 1990. Those emissions represent close to 90 % of all Union navigation emissions as emissions from fuel sold in the Union for journeys departing and arriving in the same Member State have been reduced by 26 % since 1990. In a business-as-usual scenario, emissions from international maritime transport activities are projected to grow by around 14 % between 2015 and 2030 and 34 % between 2015 and 2050. If the climate change impact of maritime transport activities grows as projected, it would significantly undermine reductions made by other sectors to combat climate change.

Amendment

(14) International maritime transport activity, consisting of voyages between ports under the jurisdiction of two different Member States or between a port under the jurisdiction of a Member State and a port outside the jurisdiction of any Member State, has been the only means of transportation not included in the Union's past commitments to reduce greenhouse gas emissions. Emissions from fuel sold in the Union for journeys that depart in one Member State and arrive in a different Member State or a third country have grown by around 36 % since 1990. Those emissions represent close to 90 % of all Union navigation emissions as emissions from fuel sold in the Union for journeys departing and arriving in the same Member State have been reduced by 26 % since 1990. In a business-as-usual scenario, emissions from international maritime transport activities are projected to grow by around 14 % between 2015 and 2030 and 34 % between 2015 and 2050. If the climate change impact of maritime transport activities grows as projected, it would significantly undermine reductions made by other sectors to combat climate change and therefore achieving the economy-wide net greenhouse gas emissions reduction target for 2030, the Union’s climate-neutrality objective by
2050 at the latest and the aim to achieve negative emissions thereafter laid down in Article 2(1) of Regulation (EU) 2021/1119 and the goal of the Paris Agreement, while reflecting the principles of equity and of common but differentiated responsibilities and respective capabilities of nations.

Or. en

Amendment 191
Hermann Tertsch

Proposal for a directive
Recital 14

Text proposed by the Commission

(14) International maritime transport activity, consisting of voyages between ports under the jurisdiction of two different Member States or between a port under the jurisdiction of a Member State and a port outside the jurisdiction of any Member State, has been the only means of transportation not included in the Union's past commitments to reduce greenhouse gas emissions. Emissions from fuel sold in the Union for journeys that depart in one Member State and arrive in a different Member State or a third country have grown by around 36 % since 1990. Those emissions represent close to 90 % of all Union navigation emissions as emissions from fuel sold in the Union for journeys departing and arriving in the same Member State have been reduced by 26 % since 1990. In a business-as-usual scenario, emissions from international maritime transport activities are projected to grow by around 14 % between 2015 and 2030 and 34 % between 2015 and 2050. If the climate change impact of maritime transport activities grows as projected, it would significantly undermine reductions made by other sectors to combat climate change.

Amendment

(14) International maritime transport activity, consisting of voyages between ports under the jurisdiction of two different Member States or between a port under the jurisdiction of a Member State and a port outside the jurisdiction of any Member State, has been the only means of transportation not included in the Union's past commitments to reduce greenhouse gas emissions. Emissions from fuel sold in the Union for journeys that depart in one Member State and arrive in a different Member State or a third country have grown by around 36 % since 1990. Those emissions represent close to 90 % of all Union navigation emissions as emissions from fuel sold in the Union for journeys departing and arriving in the same Member State have been reduced by 26 % since 1990. In a business-as-usual scenario, emissions from international maritime transport activities are projected to grow by around 14 % between 2015 and 2030 and 34 % between 2015 and 2050. However, this legislation would only affect 12 % of the sector’s emissions and more ambitious multilateral agreements are required that will ensure the proper functioning of a global market such as that of maritime transport.
Amendment 192
Silvia Modig

Proposal for a directive
Recital 14 a (new)

Text proposed by the Commission

(14a) International maritime transport is the only means of transportation that has not been included in the Union's commitment to reduce greenhouse gas emissions, despite the fact that the European Parliament has repeatedly called for all sectors of the economy to contribute to the joint effort to complete the transition to net-zero greenhouse gas emissions as soon as possible and by 2050 at the latest, in line with the Union’s commitments under the Paris Agreement. CO2 remains the dominant cause of maritime transport's climate impact when calculated on a global warming-potential 100-year basis, accounting for 98 %, or, if black carbon is included, 91 %, of total international greenhouse gas emissions in CO2 equivalents. However, according to a report entitled ‘Fourth IMO Greenhouse Gas Study’ of the International Maritime Organization (IMO), published in 2020, there was an 87 % increase of methane (CH4) over the period from 2012 to 2018. Therefore, and in line with the amendments adopted by the European Parliament on 16 September 2020 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2015/757 in order to take appropriate account of the global data collection system for ship fuel oil consumption data, both CO2 and CH4 emissions should be included in the extension of the EU ETS to maritime transport activities. Furthermore, the
Commission should by 31 December 2024 submit a legislative proposal, accompanied by an assessment, on the inclusion of other greenhouse gasses and particles with a global warming potential from maritime transport activities to the scope of the EU ETS.

Amendment 193
Hermann Tertsch
Proposal for a directive
Recital 14 a (new)

Text proposed by the Commission

(14a) The inclusion of the maritime sector must not promote carbon leakage or the delocalisation of certain activities to the ports of states bordering Europe and/or prior stops in non-European ports. The Commission shall ensure that the gradual integration of the sector does not affect activities such as fuel supply or the transshipment of containers.

Amendment 194
Emma Wiesner, Claudia Gamon, Frédérique Ries, Jan Huitema, Catherine Chabaud
Proposal for a directive
Recital 15

Text proposed by the Commission

(15) In 2013, the Commission adopted a strategy for progressively integrating maritime emissions into the Union's policy for reducing greenhouse gas emissions. As a first step in this approach, the Union established a system to monitor, report and verify emissions from maritime transport in Regulation (EU) 2015/757 of the European
Parliament and of the Council\textsuperscript{47}, to be followed by the laying down of reduction targets for the maritime sector and the application of a market based measure. In line with the commitment of the co-legislators expressed in Directive (EU) 2018/410 of the European Parliament and of the Council\textsuperscript{48}, action by the International Maritime Organization (IMO) or the Union should start from 2023, including preparatory work on adoption and implementation of a measure ensuring that the sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement and due consideration being given by all stakeholders.\textit{In order to increase the environmental effectiveness of EU measures and avoid unfair competition and incentives for circumvention, the scope of Regulation (EU) 2015/757 should be amended to cover ships with a gross tonnage above 400. The EU ETS should include such ships where they have annual emissions over 1 000 tonnes CO\textsubscript{2} equivalents per year. The maritime emissions covered by the EU ETS should also include methane, which should therefore be part of the scope of Regulation (EU) 2015/757.}


Proposal for a directive
Recital 15

(15) In 2013, the Commission adopted a strategy for progressively integrating maritime emissions into the Union's policy for reducing greenhouse gas emissions. As a first step in this approach, the Union established a system to monitor, report and verify emissions from maritime transport in Regulation (EU) 2015/757 of the European Parliament and of the Council\(^{47}\), to be followed by the laying down of reduction targets for the maritime sector and the application of a market based measure. In line with the commitment of the co-legislators expressed in Directive (EU) 2018/410 of the European Parliament and of the Council\(^{48}\), action by the International Maritime Organization (IMO) or the Union should start from 2023, including preparatory work on adoption and implementation of a measure ensuring that the sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement and due consideration being given by all stakeholders. These actions should avoid creating carbon and business leakage, and should take due consideration of the competitiveness of the European maritime industry, including the competitive position of EU ports.

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(15) In 2013, the Commission adopted a strategy for progressively integrating maritime emissions into the Union's policy for reducing greenhouse gas emissions. As a first step in this approach, the Union established a system to monitor, report and verify emissions from maritime transport in Regulation (EU) 2015/757 of the European Parliament and of the Council, to be followed by the laying down of reduction targets for the maritime sector and the application of a market based measure. In line with the commitment of the co-legislators expressed in Directive (EU) 2018/410 of the European Parliament and of the Council, action by the International Maritime Organization (IMO) or the Union should start from 2023, including preparatory work on adoption and implementation of a measure ensuring that the sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement and due consideration being given by all stakeholders, and would thus fundamentally undermine the achievement of the intended climate goals.

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Amendment 196
Stanislav Polčák
Proposal for a directive
Recital 15

Text proposed by the Commission

(15) In 2013, the Commission adopted a strategy for progressively integrating maritime emissions into the Union's policy for reducing greenhouse gas emissions. As a first step in this approach, the Union established a system to monitor, report and verify emissions from maritime transport in Regulation (EU) 2015/757 of the European Parliament and of the Council, to be followed by the laying down of reduction targets for the maritime sector and the application of a market based measure. In line with the commitment of the co-legislators expressed in Directive (EU) 2018/410 of the European Parliament and of the Council, action by the International Maritime Organization (IMO) or the Union should start from 2023, including preparatory work on adoption and implementation of a measure ensuring that the sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement and due consideration being given by all stakeholders.

Amendment

(15) In 2013, the Commission adopted a strategy for progressively integrating maritime emissions into the Union's policy for reducing greenhouse gas emissions. As a first step in this approach, the Union established a system to monitor, report and verify emissions from maritime transport in Regulation (EU) 2015/757 of the European Parliament and of the Council, to be followed by the laying down of reduction targets for the maritime sector and the application of a market based measure. In line with the commitment of the co-legislators expressed in Directive (EU) 2018/410 of the European Parliament and of the Council, action by the International Maritime Organization (IMO) or the Union should start from 2023, including preparatory work on adoption and implementation of a measure ensuring that the sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement and due consideration being given by all stakeholders, and would thus fundamentally undermine the achievement of the intended climate goals.


Amendment 197
Hermann Tertsch
Proposal for a directive
Recital 15 a (new)

Text proposed by the Commission

(15a) Despite the targets imposed by the Green Deal, there is currently no technically and commercially viable non-carbon fuel alternative for maritime transport.

Amendment

Or. es

Amendment 198
Silvia Modig
Proposal for a directive
Recital 16

Text proposed by the Commission

(16) Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the

Amendment

Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the
IMO towards an ambitious emission reduction objective, and on accompanying measures to ensure that the maritime transport sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement. Efforts to limit global maritime emissions through the IMO are under way and should be encouraged. However, while the recent progress achieved through the IMO is welcome, these measures will not be sufficient to achieve the objectives of the Paris Agreement.

Efforts to limit global maritime emissions through the IMO are currently progressing too slowly in order for the global maritime sector to contribute to the achievement of the objectives of the Paris Agreement in an adequate manner. As a global leader on climate and environmental measures, the Union and its Member State should act as an forerunner in developing effective policy tools to reduce the emissions of the maritime sector and bringing its emissions reductions aligned with the objectives of the Paris Agreement, while reflecting the principles of equity and of common but differentiated responsibilities and respective capabilities of nations. The Union’s and its Member States’ efforts should not be seen as an alternative to multilateral co-operation through the IMO, but as complementary measures, while still recognising the Union’s sovereignty to regulate its share of emissions from international shipping voyages in line with the obligations of the Paris Agreement.

Amendment 199
Andrey Novakov, Cláudia Monteiro de Aguiar, Marian-Jean Marinescu, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 16

Text proposed by the Commission

(16) Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the IMO towards an ambitious emission

Amendment

(16) Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the IMO towards an ambitious emission
reduction objective, and on accompanying measures to ensure that the maritime transport sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement. Efforts to limit global maritime emissions through the IMO are under way and should be encouraged. However, while the recent progress achieved through the IMO is welcome, these measures will not be sufficient to achieve the objectives of the Paris Agreement. Given the international character of shipping, a global market-based measure would be the most suitable and effective option. The Commission in collaboration with Member States should therefore further step up diplomatic efforts to make progress on the development of such a global market-based measure at the International Maritime Organization (IMO) level. Overall, EU initiatives addressing emissions from shipping should be compatible with IMO efforts in order to avoid carbon leakage and leakage of business to ports outside Europe.

Amendment 200
Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov, Tiemo Wölken, István Ujhelyi, Nikos Androulakis

Proposal for a directive
Recital 16

Text proposed by the Commission

(16) Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the IMO towards an ambitious emission reduction objective, and on accompanying measures to ensure that the maritime transport sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement. Efforts

Amendment

(16) Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the IMO towards an ambitious emission reduction objective, and on accompanying measures to ensure that the maritime transport sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement. Efforts
to limit global maritime emissions through the IMO are under way and should be encouraged. However, while the recent progress achieved through the IMO is welcome, these measures will not be sufficient to achieve the objectives of the Paris Agreement.

Amendment 201
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 16 a (new)

Text proposed by the Commission

(16a) Evasive port calls at neighbouring non-EU ports could seriously jeopardise the effectiveness of the maritime EU ETS, as it would not reduce total shipping emissions. It could even increase overall emissions, in particular when evasion leads to longer voyages to and from third countries with lower environmental standards.

Amendment

Or. en

Amendment 202
Silvia Modig

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive

Amendment

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive
2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. Considering the global dimension of maritime transport and the insufficient progress achieved in the IMO, it is appropriate that the EU ETS covers all of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. If the third country adopts sufficient policies to reduce greenhouse gas emissions of maritime transport or if sufficient policy measures are implemented through the IMO, a proportionate reduction of the scope of application EU ETS should be implemented to voyages to and from third countries. In order to increase climate ambition and create revenues to fund decarbonisation and just transition efforts in the sector, the EU ETS in the maritime sector should be implemented by applying full auctioning of allowances from the beginning.
third countries ensures the effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transhipment activities outside the Union. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2023 to 2025. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2026, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.

49 Paris Agreement, Article 4(4).

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive

Amendment

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive
2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets.\(^\text{49}\)

*Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions.* The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. *This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context.* The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transhipment activities outside the Union. *In line with the position of the Parliament expressed in the context of the revision of Regulation (EU) 2015/757, the extension of the EU ETS to greenhouse gas emissions from the maritime transport sector should apply immediately, and cover a broad range of greenhouse gas emissions.*
effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transhipment activities outside the Union. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2023 to 2025. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2026, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.

49 Paris Agreement, Article 4(4).

Amendment 204

Jytte Guteland, Mohammed Chahim, Milan Brglez, Petar Vitanov, Tiemo Wölken, Nikos Androulakis, Robert Hajšel

Proposal for a directive

Recital 17

Text proposed by the Commission

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive

Amendment

(17) Greenhouse gas emissions from the maritime sector account for around 2.5 % of Union emissions. The lack of decisive action within the IMO framework has delayed innovation and introduction of necessary measures to reduce emissions in the sector. In the European
2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes its fair share to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers 100 % of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country. The extension of the EU ETS to the maritime transport sector should thus include all of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, all of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. As the maritime transport sector has been exempted from carbon pricing measures, and this despite industrial installations having been a part of the EU ETS for a long time, the surrendering of allowances by shipping companies should
effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transhipment activities outside the Union. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2023 to 2025. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2026, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.

_________________ _________________

49 Paris Agreement, Article 4(4).

Or. en

Amendment 205
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive

Amendment

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive
2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the effectiveness of 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. The coverage of half of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the effectiveness of
the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transhipment activities outside the Union. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2023 to 2025. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2026, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.

The extension of the EU ETS to the maritime sector should affect Member States in a fair and equal manner, taking into account their specific circumstances, such as those relating to climate and weather conditions. Furthermore, the definition of port call applied in Directive 2003/87/EC and in Regulation(EU) 2015/757 should consider the risk of carbon and business leakage arising from the implementation of a regional EU ETS. Accordingly, the definition of port call should account for, and help prevent, vessels evading the EU ETS through evasive port calls on ports in countries neighbouring the EU. To that end, a port call should include a significant transfer of cargo from one vessel to another for the purposes of transhipment, or significant bunkering. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2026 to 2028. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2029, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.

49 Paris Agreement, Article 4(4).

Or. en
Amendment 206
Danilo Oscar Lancini, Marco Campomenosi, Rosanna Conte, Marco Dreosto, Gianantonio Da Re

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. 49 Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a

Amendment

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. 49 Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it might be highly detrimental that the EU ETS would cover a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, because it might cause a loss of competitiveness to our ports, especially in the transhipment sector. In addition, ships operating routes included in the Motorways of the Seas or granting territorial continuity as a public service to islands should not be considered in the scope of the EU ETS, in order to avoid the concrete risk of a modal backshift to more pollutant sectors in the former case, as well as the risk of endangering territorial
Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transhipment activities outside the Union. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2023 to 2025. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2031, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.

49 Paris Agreement, Article 4(4).
Amendment 207
Nils Torvalds

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets.

Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the

Amendment

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets.

Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the
jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transhipment activities outside the Union. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2023 to 2025. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2026, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year. **However, measures should be taken to ensure that the extension of the EU ETS to maritime transport affects Member States in a fair and not disproportionate manner, taking into account their specific circumstances, such as those related to climate and weather.**
Amendment 208
Stanislav Polčák

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. 49 Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing voyages arriving at a port under the

Amendment

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets. 49 Considering that emissions from international aviation outside Europe have been capped from January 2021 by global, although in the initial phase voluntary, market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers a share of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, with the third country being able to decide on appropriate action in respect of the other share of emissions. The extension of the EU ETS to the maritime transport sector should thus include half of the emissions from ships performing
jurisdiction of a Member State from a port outside the jurisdiction of a Member State, half of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transhipment activities outside the Union. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2023 to 2025. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2026, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.
Amendment 209
Estrella Durá Ferrandis, Isabel García Muñoz, Inma Rodríguez-Piñero, Alicia Homs Ginel, Juan Fernando López Aguilar, Domènec Ruiz Devesa, Clara Aguilera, Adriana Maldonado López, Cristina Maestre Martín De Almagro

Proposal for a directive
Recital 17 a (new)

Text proposed by the Commission

(17a) The Commission stated in its "Sustainable and Smart Mobility Strategy" the importance of all transport modes to become more sustainable, with green alternatives widely available and to put in place the right incentives to drive the transition. Furthermore, the Commission’s Strategy recognised that maritime transport has greater decarbonisation challenges since there is currently no economically viable zero-emission power train technology available and the fuel mix in the maritime sector relies entirely on fossil fuels. The June 2020 Council Conclusions on “EU Waterborne Transport Sector – Future outlook: Towards a carbon-neutral, zero accidents, automated and competitive EU Waterborne Transport Sector” stressed the need to support the development of alternative fuels for use in all segments of waterborne transport. It presented a vision for green and carbon-neutral ports and coastal areas that included the use of liquefied natural gas (LNG) as a transitional fuel. In addition, the European Parliament’s resolution of 27 April 2021 on technical and operational measures for more efficient and cleaner maritime transport, recognised the importance of transitional technologies, such as LNG and LNG infrastructure, for a gradual transition towards zero-emissions alternatives in the maritime
Amendment 210
Silvia Modig
Proposal for a directive
Recital 17 a (new)

Text proposed by the Commission

(17a) Following the expansion of EU ETS to maritime transport, Regulation (EU) 2015/757 should be amended to apply to ships above 400 gross tonnage in respect of their greenhouse gas emissions, as the current threshold of 5 000 gross tonnes leaves outside the scope of the EU ETS up to 20% of ships calling into Union ports. The amendment would also promote innovation in the maritime transport sector, since while having higher average emissions and engine propulsion power than ships just above the threshold current threshold of 5 000 gross tonnes, smaller vessels are relatively simpler to decarbonise. The inclusion in the EU ETS would provide a sufficient incentive for this development.

Furthermore, lowering the vessel size would create a more levelled playing field between actors situated in different Member States. Similarly, unnecessary exemptions among different vessel types should be removed, but still avoid unjustified and disproportionate impacts on citizens that rely on maritime transport in their daily lives, such as communities in islands or remote areas. In addition, in order to lower the administrative burden for small and medium enterprises, the EU ETS should be applied only to vessels that report emissions over 1 000 tonnes of CO₂ in the previous year.
Recital 17 a (new)

Text proposed by the Commission

(17a) The EU ETS should contribute to effectively decarbonising maritime transport activities as much as possible. The transition from fossil fuels to renewable and low-carbon fuels will play a considerable role in that process. However, considering the high level of competition between shipping companies and the important price differential between conventional fuels and renewable and low-carbon fuels, this transition should be supported through economic incentives that reflect the environmental benefit of alternative fuels and make them more competitive for shipping companies thereby avoiding carbon leakage. For this purpose, free allowances should be allocated to shipping companies, in proportion to the amount of alternative fuels used and reported. The amount of allowances allocated for free should be adjusted with multipliers in order to take into account that some types of alternative fuels deliver higher environmental benefits and are more costly to purchase for aircraft operators. The Commission should regularly review the level of the multipliers based on fuels market price information.

Amendment 212
Dolors Montserrat

Proposal for a directive
Recital 17 a (new)
Text proposed by the Commission

(17a) Measures should be included in this Directive to prevent the carbon leakage produced as a result of more stringent rules applied in EU ports than in non-EU countries. Special attention needs to be paid to transhipment operations in non-EU neighbouring ports, which could benefit from an unfair playing field if sufficient compensatory measures are not foreseen. This difference in the applicable rules would imply a shift in deep sea traffic towards ports outside the EU and would generate feeder ship traffic that only registers 50\% of its emissions. The traffic – whose origin is at a neighbouring, non-EU transhipment port – should be treated as intra-EU traffic and ship-owners should acquire 100\% of their emission rights when their ships are en route to an EU port. Also, a gradual phase-in of the EU ETS should be set for deep sea routes performing at least 30\% of transhipment operations in EU ports.

Amendment 213
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 17 a (new)

Text proposed by the Commission

(17a) To avoid the negative impacts in terms of emission reduction and competitiveness of a regional measures, Directive 2003/87/EC should find solutions to limit the risk of carbon leakage linked to rerouting and evasion calls, as well as recognise and mitigate the possible negative impacts of such a regional system on the competitiveness and connectivity of ports in Europe, as well as the possible negative impact on the
modal split.

Amendment 214
Teuvo Hakkarainen

Proposal for a directive
Recital 17 a (new)

Text proposed by the Commission

(17a) In order to ensure a level playing field for vessels operating in ice conditions, this Directive ought not to apply to ice classified vessels.

Or. fi

Justification

Operation in ice conditions and heavy ice classified vessels inevitably generate additional emissions; the price of these should not accumulate to be payable by Member States that suffer from cold geographical conditions.

Amendment 215
Estrella Durá Ferrandis, Isabel García Muñoz, Inma Rodríguez-Piñero, Alicia Homs Ginel, Juan Fernando López Aguilar, Domènec Ruiz Devesa, Clara Aguilera, Adriana Maldonado López, Cristina Maestre Martín De Almagro

Proposal for a directive
Recital 17 b (new)

Text proposed by the Commission

(17b) Given the key role of alternative fossil fuels for a transitional phase, such as LNG, in the decarbonisation of the maritime transport, and taking into account the long lifetime of ships, ships operating with these alternative fossil fuels for a transitional phase, should be liable to surrender allowances from 2026 in order to ensure a smooth and just inclusion in the EU ETS.
Amendment 216
Marian-Jean Marinescu, Markus Ferber, Gheorghe Falcă
Proposal for a directive
Recital 17 b (new)

Text proposed by the Commission

(17b) Where necessary, the Commission should review Regulation (EU) 2015/757, to ensure that the information on the use of all types of alternative fuels, is available for the purpose of determining the amount of free allowances under the EU ETS.

Amendment

Or. en

Amendment 217
Marian-Jean Marinescu, Markus Ferber, Gheorghe Falcă
Proposal for a directive
Recital 17 c (new)

Text proposed by the Commission

(17c) A Maritime Transition Fund (‘the Maritime Fund’) should be established to provide funds to the Member States to support their policies supporting maritime transport sector decarbonisation. This should be achieved notably through development of innovative technologies for decarbonising the sector, production of sustainable alternative fuels as defined in Regulation (EU) .../... on the use of renewable and low-carbon fuels in maritime transport, including systems for collection of raw materials for alternative fuels, investments in research and development and first industrial application of technologies and designs reducing greenhouse gas emissions, research for new engines and
technologies, and ports infrastructure. The Commission should submit legislative proposals for the creation of a Maritime Fund. The Maritime Fund should be a fully budgeted expenditure programme within the MFF. The budgetary envelope for this programme should be expressed as an amount set at a level equivalent to 50% of the revenue expected from the auctioning of maritime allowances. The Maritime Fund shall be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular Regulations (EU, Euratom) 2018/1046 and (EU, Euratom) 2020/2092 of the European Parliament and of the Council.

Amendment 218
Estrella Durá Ferrandis, Isabel García Muñoz, Inma Rodríguez-Piñero, Alicia Homs Ginel, Juan Fernando López Aguilar, Domènec Ruiz Devesa, Clara Aguilera, Adriana Maldonado López, Cristina Maestre Martín De Almagro

Proposal for a directive
Recital 17 c (new)

*Text proposed by the Commission*

(17c) Ships operating under a public service contract or subject to public service obligations, and ships operating to and/or from the outermost regions of the EU should be exempted from any obligations under this Directive, given their high EU value in improving EU regions' accessibility and socioeconomic cohesion.

*Amendment*

Or. en

Amendment 219
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă
Proposal for a directive
Recital 18

**Text proposed by the Commission**

(18) The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the Commission should report any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 - to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the Commission should analyse the International Maritime Organization instruments and, assess, as relevant, how to implement those instruments in Union law through a revision of Directive 2003/87/EC. In its report, the Commission should include proposals as appropriate.

**Amendment**

(18) The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the Commission should report any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 - to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the Commission should analyse the International Maritime Organization instruments and, assess, as relevant, how to implement those instruments in Union law through a revision of Directive 2003/87/EC. In its report, the Commission should include proposals as appropriate.

*The Commission should maximise efforts with the view to establishing a global market-based measure in partnership with the International Maritime Organization (IMO) in order to extend the scope of the EU ETS for maritime transport to one hundred percent (100 %) for the emissions from both ships performing voyages between ports under the jurisdictions of a Member States and ships performing voyages between ports under the jurisdiction of a Member States and third countries.*

Or. en

**Amendment 220**

PE703.069v01-00 90/293 AM\1245924EN.docx
Recital 18

The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the Commission should report any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 - to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the Commission should analyse the International Maritime Organization instruments and, assess, as relevant, how to implement those instruments in Union law through a revision of Directive 2003/87/EC. In its report, the Commission should include proposals as appropriate.

Or. en

Amendment 221
Michael Bloss

Proposal for a directive
Recital 18

Text proposed by the Commission

(18) The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the Commission should report any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 - to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the Commission should analyse the International Maritime Organization instruments and, assess, as relevant, how to implement those instruments in Union law through a revision of Directive 2003/87/EC. In its report, the Commission should include proposals as appropriate.

Amendment

(18) The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the European Scientific Advisory Board should report any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 - to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the European Scientific Advisory Board should analyse the International Maritime Organization instruments and, assess their compatibility with the objective of limiting global warming under 1,5°C above pre-industrial levels. The Commission may only revise the provisions applying to international maritime transport activities if that report demonstrates that the IMO instruments are fully compatible with the objective of limiting global warming under 1,5°C above pre-industrial levels.
activities should be kept under review in light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the Commission should report any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 - to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the Commission should analyse the International Maritime Organization instruments and, assess, as relevant, how to implement those instruments in Union law through a revision of Directive 2003/87/EC. In its report, the Commission should include proposals as appropriate.

Amendment 223
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 19

Text proposed by the Commission

(19) The Commission should review the functioning of Directive 2003/87/EC in relation to maritime transport activities in the light of experience of its application, including in relation to possible evasive practices, and should then propose measures to ensure its effectiveness.

Amendment

(19) Before the entry into force of the provisions of amended Directive 2003/87/EC in relation to maritime transport activities, the Commission should conduct an impact assessment, in close cooperation with the relevant stakeholders, based on real data, determining possible impacts of these provisions on carbon leakage, delocation of calls and port business to ports outside the EU, connectivity of ports in Europe and where relevant on the modal shift.
Such a dedicated impact assessment is a precondition for the EU ETS to work as intended, in particular in the light of possible evasive practices. If the impact assessment determines a risk of a negative impact on the maritime sector and EU ports, the Commission should propose preventive measures to address it, including recommendations for specific provisions based on ports in EU sea-basins or in neighbouring EU countries, in order to ensure level playing field and effectiveness of the EU ETS. Alignment with a market-based measure developed in the IMO should be closely examined as a means of addressing potential negative impacts of a regional EU ETS scope. In addition, the Commission should conduct a synergistic impact assessment investigating the effect of all Fit for 55 proposals, including analysis on EU competitiveness, potential risk of mobility reduction and cost effectiveness of greenhouse gas emissions reductions.

Amendment 224
Silvia Modig
Proposal for a directive
Recital 19

_text proposed by the Commission_

(19) The Commission should review the functioning of Directive 2003/87/EC in relation to maritime transport activities in the light of experience of its application, including in relation to possible evasive practices, and should then propose measures to ensure its effectiveness.

 Amendment

(19) The Commission should review the functioning of Directive 2003/87/EC in relation to maritime transport activities in the light of experience of its application, including in relation to possible evasive practices, and should then propose measures to ensure its effectiveness **aligned with the Union’s climate-neutrality objective by 2050 at the latest and the aim to achieve negative emissions thereafter laid out in Article 2(1) of Regulation(EU) 2021/1119 and the**
objectives of the Paris Agreement.

Or. en

Amendment 225
Radan Kanev

Proposal for a directive
Recital 19

Text proposed by the Commission

(19) The Commission should review the functioning of Directive 2003/87/EC in relation to maritime transport activities in the light of experience of its application, including in relation to possible evasive practices, and should then propose measures to ensure its effectiveness.

Amendment

(19) The Commission should review the functioning of Directive 2003/87/EC in relation to maritime transport activities in the light of experience of its application. The effects of the alternative technologies market uptake and the development of market shares of various alternative fuels and other market developments and technological tendencies in the sector, including in relation to possible evasive practices, shall be taken into account when proposing measures to ensure its effectiveness.

Or. en

Amendment 226
Nikos Androulakis, Eva Kaili

Proposal for a directive
Recital 20

Text proposed by the Commission

(20) The person or organisation responsible for the compliance with the EU ETS should be the shipping company, defined as the shipowner or any other organisation or person, such as the manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and

Amendment

(20) The person or organisation responsible for the compliance with the EU ETS should be the shipping company, defined as the shipowner or any other organisation or person, such as the manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and
responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention. This definition is based on the definition of ‘company’ in Article 3, point (d) of Regulation (EU) 2015/757, and in line with the global data collection system established in 2016 by the IMO. In line with the polluter pays principle, the shipping company could, by means of a contractual arrangement, hold the entity that is directly responsible for the decisions affecting the CO₂ emissions of the ship accountable for the compliance costs under this Directive. This entity would normally be the entity that is responsible for the choice of fuel, route and speed of the ship.

Amendment 227
Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov, Tiemo Wölken, Robert Hajšel

Proposal for a directive
Recital 20

Text proposed by the Commission

(20) The person or organisation responsible for the compliance with the EU ETS should be the shipping company, defined as the shipowner or any other organisation or person, such as the

Amendment

(20) The person or organisation responsible for the compliance with the EU ETS should be the shipping company, defined as the shipowner or any other organisation or person, such as the
manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention. This definition is based on the definition of ‘company’ in Article 3, point (d) of Regulation (EU) 2015/757, and in line with the global data collection system established in 2016 by the IMO. In line with the polluter pays principle, the shipping company could, by means of a contractual arrangement, hold the entity that is directly responsible for the decisions affecting the CO\textsubscript{2} emissions of the ship accountable for the compliance costs under this Directive. This entity would normally be the entity that is responsible for the choice of fuel, route and speed of the ship.

Amendment 228
Silvia Modig
Proposal for a directive
Recital 20a (new)

Text proposed by the Commission

(20a) The successful transition to zero emission shipping requires an integrated approach and the appropriate enabling environment to stimulate innovation, both on ships and in ports, and the support of citizens by ensuring a fair and just transition that leaves no one behind. That enabling environment involves public and private investment in research and innovation, technological and operational measures to improve the energy efficiency of ships and ports, and the deployment of sustainable alternative fuels, such as hydrogen and ammonia, that are
produced from renewable energy sources, including through carbon contracts for difference aimed at bridging the price difference between low- and zero-carbon fuels and conventional fuels, and of zero emission propulsion technologies, including the necessary refuelling and recharging infrastructure in ports, while proving a just transition to the workers of the maritime industry and ensuring the availability of skilled workforce required for the necessary transition. An Ocean Fund should be established from revenues generated from the auctioning of allowances in respect of maritime transport activities under the EU ETS to improve the energy efficiency of ships, support investment aimed at facilitating the decarbonisation of maritime transport, including as regards short sea shipping and ports, and training and re-training of workforce. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Ocean Fund as external assigned revenue in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEUMaritime]. Certain northern shipping routes are dependent on ice-class ships for winter navigation. Such ships can generate a greater quantity of emissions compared to similar ships for open-seas navigation due to higher fuel consumption when navigating through ice and the higher relative weight of their hull. In order to hasten the technical innovations that reduce the emissions of ice-class ships, support should be provided through the Ocean Fund for innovation and decarbonisation as regards ice-class ships. Furthermore, all activities under the Ocean Fund should be aligned with the conditions laid
down in Articles 17 and 18 of Regulation (EU) 2020/852 of the European Parliament and of the Council and the European Pillar of Social Rights, while promoting responsible corporate operations, diffusion of innovation and rule of law in the Union and its Member States.

Or. en

Amendment 229
Jessica Polfjärd

Proposal for a directive
Recital 20 a (new)

Text proposed by the Commission

(20a) The successful transition to zero emission shipping requires an integrated approach and the appropriate enabling environment to stimulate innovation, both on ships and in ports. That enabling environment involves public and private investment in research and innovation, technological and operational measures to improve the energy efficiency of ships and ports, and the deployment of sustainable alternative fuels, such as hydrogen and ammonia, that are produced from renewable, low-carbon or nuclear energy sources, including through carbon contracts for difference aimed at bridging the price difference between low- and zero-carbon fuels and conventional fuels, and of zero emission propulsion technologies, including the necessary refuelling and recharging infrastructure in ports. An Ocean Fund should be established from revenues generated from the auctioning of allowances in respect of maritime transport activities under the EU ETS to improve the energy efficiency of ships and support investment aimed at facilitating the decarbonisation of maritime transport, including as regards short sea shipping.
and ports. In addition, the revenues generated from penalties imposed under Regulation (EU) xxxx/xxxx [FuelEUMaritime] of the European Parliament and of the Council should be allocated to the Ocean Fund as external assigned revenue in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council. The Commission should ensure that due consideration is given to support innovative projects aimed at accelerating the development and deployment of renewable and low-carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation (EU) xxxx/xxxx [FuelEU Maritime]. Certain northern shipping routes are dependent on ice-class ships for winter navigation. Such ships can generate a greater quantity of emissions compared to similar ships for open-seas navigation due to higher fuel consumption when navigating through ice and the higher relative weight of their hull. In order to take into account the specific circumstances of ice-class ships and avoid undercounting actual emissions, support should be provided through the Ocean Fund for innovation and decarbonisation as regards ice-class ships.

Amendment 230
Michael Bloss

Proposal for a directive
Recital 20 a (new)

Text proposed by the Commission

Amendment

(20a) The successful transition to zero-emission shipping requires an integrated approach and the appropriate enabling environment to stimulate innovation, both on ships and in ports. That enabling
environment involves public and private investment in research and innovation, technological and operational measures to improve the energy efficiency of ships, and the deployment of sustainable alternative fuels that are produced from renewable energy sources, such as green hydrogen and ammonia, and of zero-emission propulsion technologies, including the necessary refuelling and recharging infrastructure in ports. An Ocean Fund should be established from revenues generated from the auctioning of maritime allowance under the EU ETS to improve the energy efficiency of ships and support investment aimed at helping to decarbonise maritime transport, including in short sea shipping and ports.

Amendment 231
Hermann Tertsch
Proposal for a directive
Recital 20 a (new)

Text proposed by the Commission

Amendment

(20a) A proportionate share of the money raised from penalties and allowances shall be allocated to a specific sectoral fund with the aim of reducing the existing price differential between conventional and alternative fuels and promoting the offering through greater investment in R&D (the ‘Sectoral Competitiveness Fund’).

Amendment 232
Silvia Modig
Proposal for a directive
Recital 20 b (new)
Renewing fleets of ice-class ships and developing innovation that reduce emissions while sailing in winter conditions will take time and require financial support. Currently, due to the design that enables ice-classed ships to sail in winter condition, they produce more emissions both in open water and when navigating in ice conditions compared to ships of similar size designed for sailing only in open water. On average, ice-classed ships, when sailing in open water, consume about 2-5% more fuel than ships of similar size designed for sailing in open water only. In addition, more engine power is required to navigate in ice conditions. In the routes most impacted by ice, the increase in fuel consumption when sailing in ice conditions is even 20-60% higher than in open water. As a result, winter navigation increases the costs of maritime transport especially in the northern parts of the Baltic Sea, where ships need to be constructed to ensure safe navigation in ice conditions. The difference in costs of maritime transport within the EU will be further increased by the planned introduction of emissions trading for maritime transport, especially considering Nordic Member States that rely on maritime transportation for their foreign trade, unless a level playing field will be specifically guaranteed between the ice classed and other ships. Therefore, a flag-neutral method to take into account ice conditions in northern parts of the Union should be implemented under this Directive.

Amendment 233
Hermann Tertsch
Proposal for a directive
Recital 21 a (new)

Text proposed by the Commission

(21a) The Commission shall ensure that the administrative burden is reduced, especially for SMEs, with the aim of minimising possible distortions of competition that could have a negative impact on smaller enterprises.

Amendment

Or. es

Amendment 234
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 23 a (new)

Text proposed by the Commission

(23a) Special consideration should be given to promoting accessibility for the outermost regions of the Union. Therefore, a derogation from this Directive should be provided for emissions from maritime voyages to and from the outermost regions due to their dependency on maritime transport for territorial continuity, for import of raw materials, essential goods and other products, as well as for some exports.

Or. en

Amendment 235
Lídia Pereira

Proposal for a directive
Recital 23 a (new)

Text proposed by the Commission

(23a) This Directive should recognise
the specificities of the Outermost Regions, as laid down in Article 349 TFEU. Its implementation will require substantial investment in these regions, entailing a significant cost for public and private actors as well as households, a reality that should be considered when mobilising funds for modernisation and innovation.

Amendment 236
Emma Wiesner, Claudia Gamon, Martin Hojsík, Frédérique Ries, Michal Wiezik, Pascal Canfin, Jan Huitema, Linea Søgaard-Lidell, Catherine Chabaud

Proposal for a directive
Recital 24 a (new)

Text proposed by the Commission

(24a) The EU ETS should as much as possible avoid undue exemptions and distortive measures. Municipal waste incineration is an important source of greenhouse gas emissions and should be included under the EU ETS. The inclusion would encourage waste prevention and recycling and contribute to the economy-wide decarbonisation. Since recycling and regeneration activities are already covered by the EU ETS, the inclusion would reinforce incentives for sustainable management of waste in line with the waste hierarchy. It would complement other elements of EU waste legislation. Moreover, integrating waste incineration into the EU ETS would create a level playing field between the regions that have included municipal waste incineration under the scope, reducing the risk of tax competition between regions.

Amendment 237
<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>(24a) The Commission shall produce a detailed impact study that addresses the implications of the expansion of the European Emissions Trading System to the maritime sector in terms of the economic and environmental impact of certain evasive practices that might develop through non-European ports of countries neighbouring the Union; with the aim of preventing delocalisation and carbon leakage, the Commission shall, if appropriate, submit specific proposals to extend the scope of the Directive to non-European ports bordering Union territories.</td>
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</tbody>
</table>

Amendment 238
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(25a) To ensure that there is a level playing field for ships that navigate in ice conditions and other ships, a specific method should be applied to take into account additional emissions related to navigation in ice conditions and additional emissions of ice-classed ships when sailing in open water, while ensuring that emissions trading through the EU ETS continues to drive down emissions in the maritime sector. To that end, relevant provisions on the transfer, surrender and cancellation of allowances under Directive 2003/87/EC should be</td>
<td></td>
</tr>
</tbody>
</table>
Amendment 239
Nils Torvalds

Proposal for a directive
Recital 25 a (new)

*Text proposed by the Commission*

(25a) To ensure that there is a level playing field for ships that navigate in ice conditions and other ships a specific method should be applied to take into account additional emissions related to navigation in ice conditions and additional emissions of ice-classed vessels when sailing in open water, while ensuring that emissions trading through the EU ETS continues to drive down emissions in the maritime sector. To that end, relevant provisions on the transfer, surrender and cancellation of allowances under Directive 2003/87/EC should be modified accordingly.

*Amendment*

(25) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of 61% compared to 2005. The Union-wide quantity of allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this

Amendment 240
Silvia Modig

Proposal for a directive
Recital 26

*Text proposed by the Commission*

(26) Achieving the objectives of the Paris Agreement, while reflecting equity and the principle of common but differentiated responsibilities and respective capabilities and respecting the precautionary principle, will require a reduction in the emissions of the sectors covered by the EU ETS of 75% compared
degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

The Union-wide quantity of allowances of the EU ETS needs to be reduced to address the structural oversupply of allowances, while creating the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

Or. en

Amendment 241
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Hermann Tertsch, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 26

Text proposed by the Commission

(26) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of 61 % compared to 2005. The Union-wide quantity of allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

Amendment

(26) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of 61 % compared to 2005. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.
(26) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of 61 % compared to 2005. The Union-wide quantity of allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

Or. en

(26) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of 61 % compared to 2005. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

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degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

Or. en

Justification

The linear reduction factor must be set with the aim of delivering both the EU’s minimum 2030 target and making the ETS fit for the 1.5 degree target of the Paris Agreement.

Amendment 244
Michael Bloss

Proposal for a directive
Recital 26

Text proposed by the Commission

(26) **Achieving the Union’s emissions reduction target for 2030 will require a reduction in the** emissions of the sectors covered by the EU ETS of 61 % compared to 2005. The Union-wide quantity of allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

Amendment

(26) **For the Union and its Member States to participate to the global effort to keep 1,5°C within reach,** emissions of the sectors covered by the EU ETS should be reduced by at least 70 % by 2030 compared to 2005. The Union-wide quantity of allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.
Amendment 245
Jytte Guteland, Mohammed Chahim, Milan Brglez, Petar Vitanov, Tiemo Wölken

Proposal for a directive
Recital 26

Text proposed by the Commission

(26) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of 61% compared to 2005. The Union-wide quantity of allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

Amendment

(26) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of at least 66% compared to 2005. The Union-wide quantity of allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

Amendment 246
Anna Zalewska

Proposal for a directive
Recital 27

Text proposed by the Commission

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS deleted

Amendment

(27) deleted
should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of 61% by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with this level of annual reduction having been made from 2021 onwards.

Amendment 247
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Hermann Tertsch, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 27

Text proposed by the Commission

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of 61% by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with this level of annual reduction having been made from 2021 onwards.

Amendment
Amendment 248
Michael Bloss

Proposal for a directive
Recital 27

_Text proposed by the Commission_

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of 61% by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with this level of annual reduction having been made from 2021 onwards.

Amendment

(27) In order to align the EU ETS cap to the current verified emissions, a one-off reduction of 450 million allowances should reduce the total quantity of allowances as of the year of entry into force of this Directive.

Or. en

Amendment 249
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 27

_Text proposed by the Commission_

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction

Amendment

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction
pathway of the EU ETS should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of 61% by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with this level of annual reduction having been made from 2021 onwards.

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of 61% by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with the average emissions of the previous three years, adjusted, from the mid-point of that period, by the linear reduction factor.
(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of 61% by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with this level of annual reduction having been made from 2021 onwards.

Or. en

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper reduction pathway of the EU ETS should provide a
straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of 61 % by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with this level of annual reduction having been made from 2021 onwards.

clear direction towards Union economy-wide climate neutrality in 2050 at the latest. As the increased reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with the average emissions of the previous three years, adjusted, from the mid-point of this period, by the linear reduction factor.

Amendment 253
Hermann Tertsch

Proposal for a directive
Recital 27

Text proposed by the Commission

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of 61 % by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with this level of annual reduction having been made from 2021 onwards.

Amendment

Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS should be a straight line from 2021 to 2035, such as to achieve emission reductions in the EU ETS of 61 % by 2035, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with this level of annual reduction having been made from 2021 onwards.
Amendment 254
Michael Bloss

Proposal for a directive
Recital 27 a (new)

Text proposed by the Commission

Amendment

(27a) Predictability is needed to ensure constant progress towards achieving the targets set out in Regulation (EU) 2021/1119. A rising carbon floor price would provide mid- and longer-term incentives for operators to invest in zero-emission technologies in line with the EU's climate targets.

Or. en

Amendment 255
Emma Wiesner, Claudia Gamon, Frédérique Ries, Pascal Canfin, Nils Torvalds, Catherine Chabaud

Proposal for a directive
Recital 27 a (new)

Text proposed by the Commission

Amendment

(27a) The main method for allocating emission allowances in the EU ETS is auctioning. The EU ETS should therefore gradually move away from the transitional system of free allocations in order to ensure a market-based system respecting the polluter pays principle.

Or. en

Amendment 256
Teuvo Hakkarainen

Proposal for a directive
Recital 28

Text proposed by the Commission

Amendment
Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.
by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Support to address social aspects in lower- and middle-income households by reducing distortive taxes. To ensure compliance and public scrutiny, the reporting of the use of auctioning revenues under Article 19 of Regulation (EU) 2018/1999 should be amended. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC. Both the used revenues from auctioning and funding through the Modernisation Fund should live up to the green oath to 'do no harm' to other environmental objectives of the Union and be used according to social safeguards. Furthermore, all Member States which benefit from the Modernisation Fund have an obligation to respect the fundamental values enshrined in Article 2 of the Treaty on European Union.

Amendment 258
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in
the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2,5 % of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65 % of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC. The additional funding should be made available from the amount above 400 million allowances held in Market Stability Reserve which is set aside to increase Modernisation Fund, Innovation Fund and to prevent triggering of cross-sectoral correction factor.

**Justification**

*There is a need of strengthening of the Modernisation Fund and Innovation Fund for the purpose of investments in alternative fuels infrastructure and breakthrough technologies in EU maritime sector. The additional funding should be made available from the amount above 400 million allowances held in Market Stability Reserve which is set aside to increase Modernisation Fund, Innovation Fund and to prevent triggering of cross-sectoral correction factor.*

**Amendment 259**

Michael Bloss

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. Member States should adopt ex-ante plans on how they intend to use EU ETS revenues to close the investment gap associated with their respective climate and energy targets, while ensuring a just transition and respecting the EU Pillar of Social Rights. To ensure synergies with the Social Climate Fund, priority should be given to investments that also contribute to eradicate energy and mobility poverty.

Or. en

Amendment 260

Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov, Tiemo Wölken

Proposal for a directive

Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that
are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 1.25% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC. A further amount of 1.25% should be used to top up the Innovation Fund.

Amendment 261
Radan Kanev

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member
States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Or. en

Amendment 262
Pernille Weiss

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related investments in all sectors. This may include the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of Member States. Priority may be given to Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through
Achieving the increased climate ambition will require substantial public and private resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.
Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2,5 % of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65 % of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in

Amendment 265
Emma Wiesner, Claudia Gamon, Frédérique Ries, Nils Torvalds, Jan Huitema, Linea Søgaard-Lidell, Andreas Glück

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in
the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to support the transition to innovative decarbonised technologies and processes, and to the upscaling of relevant technologies across the Union in a way that contributes to mitigating climate change in line with the objectives set out in Regulation (EU) 2021/1119, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used for the Innovation Fund, to be renamed the Net-Zero Fund.

Amendment 266
Kateřina Konečná

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to support the transition to innovative decarbonised technologies and processes, and to the upscaling of relevant technologies across the Union in a way that contributes to mitigating climate change in line with the objectives set out in Regulation (EU) 2021/1119, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used for the Innovation Fund, to be renamed the Net-Zero Fund.
(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2.5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Amendment 267

Edina Tóth

Proposal for a directive

Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 4% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 4% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Or. en
Justification

The Modernisation Fund should be increased to sufficiently compensate the increasing costs of the green transition.

Amendment 268
Nicolae Ștefănuță

Proposal for a directive
Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2,5% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 3% of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65% of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Or. en

Amendment 269
Silvia Modig

Proposal for a directive
Recital 28 a (new)
(28a) The auctioning of allowances is the simplest and the most economically efficient method for allocating emission allowances, and provides funding for the necessary green transition of the Union while living up to the polluter pays principle pursuant to Article 191(2) of the Treaty on the Functioning of the European Union (TFEU). In its Special Report 18/2020 entitled ‘The EU’s Emissions Trading System: free allocation of allowances needed better targeting’, the European Court of Auditors found that free allocation disincentives greenhouse gas reduction efforts in both power and industry sectors and allowed operators to pass cost to customers even when receiving allowances for free, or in other words to accumulate windfall profits. Given the rapid need for decarbonization and the need to ensure that the Union’s environmental policies are socially justifiable in order to maintain the public support of EU citizens, all free allocation of allowances should be phased out from the date of entry into force of this Directive.

 Amendment

 Michael Bloss

 Proposal for a directive

 Recital 28 a (new)

 (28a) Taking into account the findings of the European Court of Auditors in its Special Report 18/2020, the possibility for some Member States to temporarily continue receiving free allocation for the modernisation of their energy sectors
should end.

Amendment 271
Silvia Modig

Proposal for a directive
Recital 28 b (new)

Text proposed by the Commission

(28b) In its Special Report 18/2020 entitled ‘The EU’s Emissions Trading System: free allocation of allowances needed better targeting’, the European Court of Auditors also found that between 2013 and 2020 over 6,66 billion allowances were allocated for free under phase 3 (2013-2020) of the EU ETS. During this time, the prices of allowances fluctuated but increased from less than EUR 3 to around EUR 25. If more allowances for industry had been auctioned, Member States would have received significant additional revenues. The Commission has identified that Member States received EUR 42 billion in auction receipts between 2012 and June 2019. With current prices of allowances and the expected price development under envisaged Union’s environmental policies, future revenues from the EU ETS for Member States are expected to increase substantially. Full auctioning of allowances would provide the necessary revenue source for the Union and its Member States to fund the transition needed to reach the objectives of the Paris Agreement while ensuring a fair and just transition that leaves no one behind.

Amendment 272
Nicola Procaccini
Proposal for a directive
Recital 29

Text proposed by the Commission

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment 273
Rovana Plumb

Proposal for a directive
Recital 29

Text proposed by the Commission

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Or. it
medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

**Justification**

The EU ETS offers a market-based approach to emission reductions, whereby the cleanest plants are rewarded through a lower number of allowances to be surrendered – whilst more polluting installations are required to purchase more allowances. The addition of the principle of conditionality goes against this idea of a market-based system.

**Amendment 274**

Anna Zalewska

**Proposal for a directive**

**Recital 29**

Text proposed by the Commission

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Or. en

**Amendment 275**

Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Nicola Procaccini,
Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.
which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment 277
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 29

Text proposed by the Commission Amendment

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment 278
Dolors Montserrat

Proposal for a directive
Recital 29
Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment 279
Silvia Modig

Proposal for a directive
Recital 29

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

(29) If free allocation of allowances is continued after the date of entry into force of this Directive, further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations should be conditional on investments in techniques to increase energy efficiency and reduce emissions. If failed to comply with these requirements, the operators should lose 100 % of free allocation. In addition, the pay-back time of investments should be raised to 10 years in order to give additional incentive to rationalise the operators energy consumption through long-term
Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2028 onwards should be conditional on achieving emission reductions in accordance with Regulation (EU) 2021/1119. For installations whose greenhouse gas emissions are above the relevant benchmark values, the amount of free allocation of emission allowances from 2028 onwards should vary accordingly. Conversely, installations whose greenhouse gas emissions are below the relevant benchmark values should receive an incentive in the form of an additional free allocation.
Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment
(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions and transition plans to climate neutrality, circular economy and sustainability. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment 282
Laura Huhtasaari
Proposal for a directive
Recital 29

Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment
(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. But the free allocation of emission allowances to stationary installations cannot become conditional on investments in techniques to increase energy efficiency and reduce emissions. Large energy users and businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises, need to maintain investment flexibility to better contribute to achieving the climate neutrality objective.
relevant delegated acts should be adjusted accordingly.

Amendment 283
Michael Bloss

Proposal for a directive
Recital 29

Text proposed by the Commission

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment

(29) Taking into account the findings of the European Court of Auditors in its Special Report 18/2020, free allocation of emission allowances to stationary installations should be discontinued as of the entry into force of this Directive, except for sectors covered by CBAM for which free allocation of emission allowances could be granted until the end of the CBAM transitional period. In that case, free allocation of emission allowances should be made conditional on the adoption of a detailed Decarbonisation and Zero Pollution Plan at the level of each installation.

Amendment 284
Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov

Proposal for a directive
Recital 29

Text proposed by the Commission

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from

Amendment

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from
2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

2026 onwards should be **100 %** conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

**Amendment 285**
Nicola Procaccini

Proposal for a directive
Recital 29 a (new)

*Text proposed by the Commission*

Amendment

(29a) *The free allocation of emission allowances to stationary installations should not be conditional on investments in techniques to increase energy efficiency and reduce emissions, since this measure is a response to the need to reduce the phenomenon of carbon leakage.*

**Amendment 286**
Teuvo Hakkarainen

Proposal for a directive
Recital 30

*Text proposed by the Commission*

Amendment

(30) *The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council[1], is an*
alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

Or. fi
Amendment 287
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Nicola Procaccini,
Pietro Fiocchi

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/…] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation
and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

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51 [please insert full OJ reference]

Or. en

Amendment 288
Anna Zalewska
Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/…] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/…] of the European Parliament and of the Council, complements free allocation and is intended to protect against the increased risk of carbon leakage stemming from the enhanced climate mitigation ambitions of the Union. By the end of 2027, the Commission will review the functioning of the CBAM and if it is sufficiently proven that the system is fit for the protection against carbon leakage, it may present a proposal to gradually phase out free allowances for sectors covered by the CBAM, but not earlier than in 2030.
revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

[please insert full OJ reference]  [please insert full OJ reference]

Or. en

Justification

At the present stage the decision to withdraw the free allocation is premature. A decision to withdraw free emission allowances should be made only after the assessment of the functioning of CBAM, in an appropriate period after the completion of the pilot phase, allowing for the recognition of its consequences for the European industry. On the WTO compatibility of this proposition see justification to art. 10a(1) subparagraph 2 after the second subparagraph.

Amendment 289
Silvia Modig

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free
allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

51 [please insert full OJ reference]

Or. en

Amendment 290
Michael Bloss

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […./..] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in zero-emission technologies, renewable energy and energy storage, prioritising solutions that address the root causes of high greenhouse gas emissions, and including through the use of Carbon Contracts for Differences for zero-emission technologies that have significantly higher ongoing operating costs than the reference conventional technology for producing the same product. Special attention should be given to projects in CBAM sectors.

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […./..] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not stop receiving free allocation from the moment CBAM enters into force. The free allocation no longer provided to the CBAM sectors must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in zero-emission technologies, renewable energy and energy storage, prioritising solutions that address the root causes of high greenhouse gas emissions, and including through the use of Carbon Contracts for Differences for zero-emission technologies that have significantly higher ongoing operating costs than the reference conventional technology for producing the same product. Special attention should be given to projects in CBAM sectors.
Amendment 291
Dolors Montserrat

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/…] of the European Parliament and of the Council\(^51\), is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable...

Or. en

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/…] of the European Parliament and of the Council\(^51\), intends to complement and progressively replace the existing mechanisms by addressing the risk of carbon leakage in a different way. To the extent that sectors and subsectors are covered by that measure, and once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, the free allocation received by these sectors should be gradually phased out. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The free allocation should be phased out only after a comprehensive transitional period between 2026 and 2030. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.
energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

Amendment 292
Rovana Plumb

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the CBAM. Once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, the free allocation received by these sectors should be gradually phased out. Once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, and not earlier than 2030, a gradual phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime.
tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

The procedure to define the date at which the gradual phase-out should start is defined in Article XXX of [CBAM Regulation]. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and [XXX – date at which the CBAM fully equalises CO2 costs], 90 % the following year and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

Or. en

Justification

CBAM is by definition an untested mechanism. It is indispensable to ensure that CBAM effectively equalises CO2 costs between EU and non-EU suppliers before any phase-out of
free allocation is initiated.

Amendment 293
Adam Jarubas, Jerzy Buzek, Pernille Weiss

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100% during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90% in 2026 and should be reduced by 10 percentage points each year to reach 0% and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council, intends to complement and progressively offer an alternative to free allocation to address the risk of carbon leakage without undermining the Union’s competitiveness. To the extent that sectors and subsectors are covered by that measure, and the measure has proven to be effective in preventing carbon leakage, including on leakage on export markets resulting from any drop in EU exports and investment leakage they should not receive free allocation. However, a transitional phasing-out of free allowances, combined with a reserve and review mechanism, is needed to allow producers, importers and traders to adjust to the new regime and to assess the effective implementation of the CBAM. Once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, the free allocation received by these sectors should be gradually phased out. Once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. Nonetheless, safeguards should be provided for the products intended for exports. This
proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2030, 80 % in 2031 and should be reduced by 20 percentage points each year to reach 0 % and thereby eliminate free allocation by the fifth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. This phase-out of free allocation should be kept under review in light of the entry into force and effective implementation of the Carbon Border Adjustment Mechanism. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

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51 [please insert full OJ reference]

Or. en

Justification

CBAM is by definition an untested mechanism. It is indispensable to ensure that CBAM effectively equalises CO2 costs between EU and non-EU suppliers before any phase-out of free allocation is initiated. Priority should be for the European Commission to enter into negotiations with trading partners to implement climate obligation and carbon pricing mechanisms comparable to EUs before making it more expensive for EUs industry first.

Amendment 294
Tudor Ciuhodaru, Dan Nica

Proposal for a directive
Recital 30

Text proposed by the Commission Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European (30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European
Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers, and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100% during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90% in 2026 and should be reduced by 10 percentage points each year to reach 0% and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

Parliament and of the Council complements free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, and once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, the free allocation received by these sectors should be gradually phased out. Once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, and not earlier than 2030, a gradual phasing-out of free allowances is needed to allow producers, importers, and traders to adjust to the new regime. The procedure to define the date at which the gradual phase-out should start is defined in Article XXX of [CBAM Regulation]. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100% during the transitional period between the entry into force of [CBAM Regulation] and [XXX– date at which the CBAM fully equalises CO2 costs], 90% the following year and should be reduced by 10 percentage points each year to reach 0% and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in
CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

Amendment 295
Dan-Ştefan Motreanu

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […./..] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […./..] of the European Parliament and of the Council complements free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, and once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, the free allocation received by these sectors should be gradually phased out. Once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, and not earlier than 2030, a gradual phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The procedure to define the date at which the gradual phase-out should start is defined in Article XXX of [CBAM
covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation. The reduction of free allocation should be implemented by applying factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and [XXX – date at which the CBAM fully equalises CO2 costs], 90 % the following year and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

\[\text{[please insert full OJ reference]}\]

\text{Or. en}

\text{Justification}

\text{CBAM is by definition an untested mechanism. It is indispensable to ensure that CBAM effectively equalises CO2 costs between EU and non-EU suppliers before any phase-out of free allocation is initiated.}
(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100% during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90% in 2026 and should be reduced by 10 percentage points each year to reach 0% and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.
proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

[51 please insert full OJ reference]

Amendment 297
Andreas Glück

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […./..] of the European Parliament and of the Council[51], is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to

[51 please insert full OJ reference]
support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM, taking into account the need to maintain free allowances for the products that are exported. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]


Justification

Prematurely replacing the current, effective carbon leakage prevention toolbox with a novel, untested approach risks undermining EU value-creation and employment. Therefore, a "handbrake"-mechanism is suggested to safeguard the gradual phase-in of CBAM. Furthermore, maintaining free allowances for exports is suggested to maintain a level playing field on 3rd markets in a WTO-compliant way.

Amendment 298
Agnès Evren

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to  

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council51, aims to complement and progressively offer an alternative to free allocation to address the risk of carbon leakage, while supporting the European Union’s competitiveness. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime and allow the CBAM to be fully effective. Free allowances must therefore be phased out once the CBAM has fully demonstrated its effectiveness. The reduction of free allocation should be implemented, once the CBAM has fully demonstrated its effectiveness, by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special
represents in respect of the free allocation needs of all sectors receiving free allocation. 

Attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

51 [please insert full OJ reference]

Or. fr

Amendment 299
Susana Solís Pérez, María Soraya Rodríguez Ramos

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. This phase out should be gradual, starting from a low level and accelerating thereafter once the CBAM has proven its effectiveness. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies,
accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

Amendment 300
Edina Tóth
Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) [.../...], is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]
Of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100% during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90% in 2026 and should be reduced by 10 percentage points each year to reach 0% and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]
Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/..] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation.

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/..] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, once the CBAM has proven its effectiveness in equalising CO2 costs between imported and domestic products and protecting the competitiveness of European exports, the free allocation of allowances received by these sectors should be phased out. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-
needs of all sectors receiving free allocation.

CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

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[please insert full OJ reference]

 Amendment 302
Alexander Bernhuber, Angelika Winzig

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council\(^\text{51} \), is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors

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[please insert full OJ reference]

 Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council\(^\text{51} \), complements free allocation to address the risk of carbon leakage. If the CBAM fully demonstrates, for the period until the end of 2028, its effectiveness in equalising CO2 costs between imported and domestic products and in protecting the competitiveness of European exports, the free allocation received by those sectors should be gradually phased out. If CBAM fails to demonstrate such effectiveness, a five year period in correspondence with EU ETS trading periods for this demonstration should be added and, if necessary, a further five-year period should be added following that first five-year period. The CBAM factor should be equal to 100 % during the transitional period between the entry into force of [CBAM regulation] and the end of an EU ETS trading period throughout which the effectiveness of the CBAM has been fully demonstrated and should be reduced by 20 percentage points each year to reach 0 %

Or. pt
based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

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51 [please insert full OJ reference]

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51 [please insert full OJ reference]

Or. en

Amendment 303
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/..] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/..] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free
allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

Free allowances in sectors covered by the CBAM are phased out as of 2030 only provided that the CBAM has proved to be effective to prevent the risk of carbon leakage.

51 [please insert full OJ reference]
(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […/..] of the European Parliament and of the Council\(^\text{14}\), is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the
The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors.
covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

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Amendment 306
Emma Wiesner, Claudia Gamon, Pascal Canfin, Nicolae Ştefănuţă, Catherine Chabaud

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council51, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional
phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100% during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90% in 2026 and should be reduced by 10 percentage points each year to reach 0% and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

Or. en

Amendment 307
Sirpa Pietikäinen
Proposal for a directive
Recital 30
The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.
Proposed for a directive

Text proposed by the Commission

Recital 30

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) […] of the European Parliament and of the Council⁵¹, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation (‘CCU’), carbon capture and geological storage (‘CCS’), renewable energy and energy storage, in a way that contributes to...
energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

51 [please insert full OJ reference]

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Amendment 309
Deirdre Clune

Proposal for a directive
Recital 30 a (new)

Text proposed by the Commission

(30a) A temporary Carbon Leakage Protection Reserve should be established, linked to an annual review mechanism to assess the entry into force and effective implementation of the Carbon Border Adjustment Mechanism. Each year, the free allocation no longer provided to the CBAM sectors, based on the free allocation phase-out calculation, should be moved into a temporary reserve. By 28 February of the following year, the Commission should assess and report on the entry into force of the CBAM and its effectiveness during the preceding year, namely whether it ensured an equivalent level of carbon leakage protection. Where the assessment is positive, the allowances in the reserve from the preceding year should automatically be auctioned and the revenues should accrue to the Innovation Fund. Where the assessment is negative, the allowances in the reserve

51 [please insert full OJ reference]
from the preceding year should automatically be released back to industry to fill the carbon leakage protection gap. This should limit any possible gaps in carbon leakage protection should they arise, while avoiding double protection. The temporary reserve should be allocated to Member States to finance the transition to zero carbon, taking into account their geographic realities for renewable energy development and the presence on their territory of energy intensive industries critical to strategic autonomy.

Amendment 310
Adam Jarubas, Jerzy Buzek, Pernille Weiss

Proposal for a directive
Recital 30 a (new)

Text proposed by the Commission

(30a) A temporary Carbon Leakage Protection Reserve should be established between 2031 to 2040, linked to the reduction of free allocation. Each year, the free allocation no longer provided to the CBAM sectors, based on the free allocation phase-out calculation, should be placed into the temporary Carbon Leakage Reserve. To this purpose the Commission shall every year, from 2031 to 2035, present to the European Parliament and Council a report on the effectiveness of this Regulation in lowering carbon leakage. By 28 February, the following year the Commission shall report to the European Parliament and the Council on the entry into force of CBAM and its effectiveness during the preceding year. If the assessment is positive, the allowances placed in the reserve should automatically be made available according to provisions of Article 10a(1b) of Directive 2003/87/EC. If the assessment proves negative impact...
on lowering carbon leakage, the allowances placed in the reserve should automatically be returned to industry, to mitigate the risk of carbon leakage.

Amendment 311
Peter Liese, Emma Wiesner

Proposal for a directive
Recital 30 a (new)

Text proposed by the Commission

(30a) CBAM is a mechanism that addresses the risk of carbon leakage through the application of a uniform price on emissions embedded in products placed on the domestic EU market. Therefore, it is important to also monitor, prevent and address the risk of EU production intended for export to third countries being replaced on the global market by more carbon intensive goods. Hence, the Commission should continuously monitor and assess the effectiveness of the Carbon Border Adjustment Mechanism (CBAM) in light of the carbon leakage risk on export markets, including the development of EU exports in CBAM sectors and the developments in trade flows and embedded emissions of related products on the global market. Where a risk of carbon leakage is detected, the Commission should present a WTO-compatible legislative proposal to address the carbon leakage risk on export markets.

Amendment 312
Lídia Pereira
(30a) While the return of CBAM certificates for EU imports addresses the risk of carbon leakage in the EU market, it is also essential to avoid the risk of EU exports to global markets being substituted by more carbon-intensive products or by goods that are not subject to carbon-equivalent costs. To achieve this, a CBAM factor equal to 100% should be applied to exports outside the EU of products covered by the CBAM Regulation, namely exports to third countries not subject to carbon-equivalent rules, provided that a WTO-compatible export measure to equalise CO2 costs has not been applied on a proposal from the Commission. Existing carbon pricing mechanisms in third countries should lead to an adjustment of the CBAM factor.

Or. pt
compatible export solution measure to equalise CO2 costs has been implemented on proposal of the Commission. Existing carbon pricing mechanisms in third countries should lead to an adjustment of the CBAM factor.

Amendment 314
Dolors Montserrat

Proposal for a directive
Recital 30 a (new)

Text proposed by the Commission
Amendment

(30a) While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. For this purpose, a CBAM factor equal to 100 % should apply to exports outside the EU of the products covered by the CBAM Regulation, as long as no WTO-compatible export solution measure to equalise CO2 costs has been implemented. Existing carbon pricing mechanisms in third countries should lead to an adjustment of the CBAM factor.

Amendment 315
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 30 a (new)

Text proposed by the Commission
Amendment
Because third-country governments have still not limited or priced greenhouse gas emissions at the same levels as the EU, there is a difference in regulatory ambition that creates a risk of carbon leakage through the substitution of EU exports to third-country markets by products not subject to equivalent carbon limitation and pricing policies. In this situation, emissions limited in the EU would then be simply emitted in another third country, jeopardizing the EU’s overall objective to reduce global greenhouse gas emissions.
The Innovation Fund may, where appropriate, also support innovation in low carbon technologies, carbon capture and utilisation ('CCU'), carbon capture and geological storage ('CCS'), renewable energy and energy storage, carbon dioxide removal ('CDR') practices, including technological carbon removals such as direct air capture ('DAC'), in a way that contributes to mitigating climate change.

Or. en

Amendment 318
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 30 b (new)

Therefore, allowance adjustments for the emissions embedded in the goods exported is justified as long as significant numbers of EU’s international partners have policy approaches that do not result in the same level of climate ambition as the Union, with a view to calibrate the regulatory obligation and the net regulatory burden imposed under the EU ETS. Allowances adjustments for exports should be introduced as of the start of the progressive phasing out of free allowances and should remain in force until other countries take equivalent and effective steps to impose carbon costs on competing foreign production, independently from any reduction commitments of free allowances under the EU ETS until other countries take equivalent and effective steps to impose carbon costs on competing production.

Or. en
Amendment 319
Adam Jarubas, Jerzy Buzek, Pernille Weiss

Proposal for a directive
Recital 30 b (new)

Text proposed by the Commission

(30b) If any aspect of the CBAM Regulation or related EU ETS provisions is challenged in the WTO and as a result CBAM is cancelled, withdrawn, terminated or not implemented, the free allowances should no longer be phased out, and those already placed in the Carbon Border Adjustment Reserve should automatically be returned to the industry, to mitigate the risk of carbon leakage.

Or. en

Amendment 320
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 31

Text proposed by the Commission

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1.6 % to 2.5 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 50 % compared to the value applicable in the period from 2013 to 2020.

deleted

Or. en
Amendment 321
Silvia Modig

Proposal for a directive
Recital 31

Text proposed by the Commission

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1,6% to 2,5% per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4% to 50% compared to the value applicable in the period from 2013 to 2020.

Amendment

deleted

Amendment 322
Michael Bloss

Proposal for a directive
Recital 31

Text proposed by the Commission

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1,6% to 2,5% per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4% to 50% compared to the value applicable in the period from 2013 to 2020.

Amendment

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the ex-ante benchmarks should be revised within 6 months of the entry into force of this Directive. The maximum adjustment of the benchmark values should be increased from 1,6% to 2,5% per year and the minimum adjustment of the benchmark values should be increased from 0,2% to 1,0% per year. For the period from 2026 to
2030, the benchmark values should thus be adjusted within a range of **20 %** to **50 %** compared to the value applicable in the period from 2013 to 2020.

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**Amendment 323**

Jytte Guteland, Mohammed Chahim, Milan Brglez, Petar Vitanov, Tiemo Wölken

Proposal for a directive

Recital 31

*Text proposed by the Commission*

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1,6 % to 2,5 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of **4 %** to **50 %** compared to the value applicable in the period from 2013 to 2020.

*Amendment*

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1,6 % to 2,5 % per year and the minimum adjustment of the benchmark values should be increased from **0,2 %** to **1,0 % per year**. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of **20 %** to **50 %** compared to the value applicable in the period from 2013 to 2020.

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**Amendment 324**

Salvatore De Meo, Fulvio Martusciello, Aldo Patriciello

Proposal for a directive

Recital 31

*Text proposed by the Commission*

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring
emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1.6 % to 2.5 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 50 % compared to the value applicable in the period from 2013 to 2020.

For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 32 % compared to the value applicable in the period from 2013 to 2020.

Justification

To promote and reward investments in low-carbon technologies, while providing predictability and legal certainty, the maximum adjustment of the benchmark values should be maintained at the level agreed in Phase IV. An increase of the rate would lead to a reduction of fall-back benchmark up to 50%, thus reducing prematurely carbon leakage protection.

Amendment 325
Laura Huhtasaari
Proposal for a directive
Recital 31

Text proposed by the Commission

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1.6 % to 2.5 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 50 % compared to the value applicable in the period from 2013 to 2020.

Amendment

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be maintained at the level of 1.6 % per year as agreed for the Phase IV. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 32 % compared to the value applicable in the period from 2013 to 2020.

Or. en

Amendment 326
Ann Zalewska

Proposal for a directive
Recital 31

Text proposed by the Commission

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1.6 % to 2.5 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 50 % compared to the value applicable in the period from 2013 to 2020.

Amendment

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1.6 % to 1.9 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 38 % compared to the value applicable in the period from 2013 to 2020.

Or. en

Amendment 327
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 31

Text proposed by the Commission

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1.6 % to 2.5 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 50 % compared to the value applicable in the period from 2013 to 2020.

Amendment

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1.6 % to 1.9 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 38 % compared to the value applicable in the period from 2013 to 2020.

Or. en
Amendment 328  
Tudor Ciuhodaru, Dan Nica  

Proposal for a directive  
Recital 31 a (new)  

**Text proposed by the Commission**  

(31a) While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. For this purpose, a CBAM factor equal to 100 % should apply to exports outside the EU of the products covered by the CBAM Regulation, as long as no WTO-compatible export solution measure to equalise CO2 costs has been implemented based on proposal of the Commission. Existing carbon pricing mechanisms in third countries should lead to an adjustment of the CBAM factor.

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Amendment 329  
Rovana Plumb  

Proposal for a directive  
Recital 31 a (new)  

**Text proposed by the Commission**  

(31a) While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. For this purpose, a CBAM factor equal to 100 % should apply to exports outside the EU of the products covered by the CBAM Regulation, as long as no WTO-compatible export solution measure to equalise CO2 costs has been implemented based on proposal of the Commission. Existing carbon pricing mechanisms in third countries should lead to an adjustment of the CBAM factor.
apply to exports outside the EU of the products covered by the CBAM Regulation, as long as no WTO-compatible export solution measure to equalise CO2 costs has been implemented on proposal of the Commission. Existing carbon pricing mechanisms in third countries should lead to an adjustment of the CBAM factor.

Justification

Already today, European exporting sectors are faced with an increasing competitive disadvantage in relation to producers in third countries, when the latter are not subject to similar emission reduction efforts as those applied to EU operators under the EU ETS. While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. For this purpose, the European Commission should develop as soon as possible a WTO-compatible solution to avoid carbon leakage on European exports. Until such solution is developed, it is essential that free allocation for European exports is maintained.

Amendment 330
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 31 a (new)

Text proposed by the Commission

(31a) In order to reflect the actual technological progress within installations included in product benchmarks with consideration of fuel and electricity exchangeability in Commission Implementing Regulation (EU) 2021/447 and where the share of indirect emissions is higher than 50% of the relevant product benchmarks, the update of such benchmarks for the periods as of 2026 should not be affected by the evolution of the carbon intensity of the electricity mix.

Amendment

Or. en
Proposal for a directive
Recital 31 a (new)

Text proposed by the Commission

(31a) In order to reflect the actual technological progress within installations included in product benchmarks with consideration of fuel and electricity exchangeability in Commission Implementing Regulation (EU) 2021/447 and where the share of indirect emissions is higher than 50 % of the relevant product benchmarks, the update of such benchmarks for the periods as of 2026 should not be affected by the evolution of the carbon intensity of the electricity mix.

Or. en

Proposal for a directive
Recital 31 a (new)

Text proposed by the Commission

(31a) In order to reflect the actual technological progress within installations included in product benchmarks with consideration of fuel and electricity exchangeability in Commission Implementing Regulation (EU) 2021/447 and where the share of indirect emissions is higher than 50 % of the relevant product benchmarks, the update of such benchmarks for the periods as of 2026 should not be affected by the evolution of the carbon intensity of the electricity mix.

Or. en
Justification

Product benchmarks with consideration of fuel and electricity exchangeability include both direct and indirect emissions, although free allocation is granted only for direct emissions. Some of those product benchmarks such as electric arc furnace carbon and high alloy steel cover a very significant share (above 50%) of indirect emissions. If the update of the benchmark value considers the evolution of the carbon intensity of the electricity grid, the benchmark value will be primarily influenced by the decarbonisation of the electricity sector rather than by the actual technological improvement within the steel installations. Therefore, the methodology for the update of such benchmarks shall avoid this effect.

Amendment 333
Dan-Ştefan Motreanu

Proposal for a directive
Recital 31 a (new)

Text proposed by the Commission

(31a) In order to reflect the actual technological progress within installations included in product benchmarks with consideration of fuel and electricity exchangeability in Commission Implementing Regulation (EU) 2021/447 and where the share of indirect emissions is higher than 50% of the relevant product benchmarks, the update of such benchmarks for the periods as of 2026 should not be affected by the evolution of the carbon intensity of the electricity mix.

Or. en

Justification

Product benchmarks with consideration of fuel and electricity exchangeability include both direct and indirect emissions, although free allocation is granted only for direct emissions. Some of those product benchmarks such as electric arc furnace carbon and high alloy steel cover a very significant share (above 50%) of indirect emissions. If the update of the benchmark value considers the evolution of the carbon intensity of the electricity grid, the benchmark value will be primarily influenced by the decarbonisation of the electricity sector rather than by the actual technological improvement within the steel installations. Therefore, the methodology for the update of such benchmarks shall avoid this effect.

Amendment 334
Pietro Fiocchi
Proposal for a directive
Recital 31 a (new)

Text proposed by the Commission

(31a) In order to reflect the actual technological progress within installations included in product benchmarks with consideration of fuel and electricity exchangeability in Commission Implementing Regulation (EU) 2021/447 and where the share of indirect emissions is higher than 50% of the relevant product benchmarks, the update of such benchmarks for the periods as of 2026 should not be affected by the evolution of the carbon intensity of the electricity mix.

Amendment

Tom Comín i Oliveres

Proposal for a directive
Recital 31 a (new)

Text proposed by the Commission

(31a) While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk of EU exports on global markets being replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs.

Amendment

Dan-Ştefan Motreanu

Proposal for a directive
Recital 31 b (new)
Text proposed by the Commission

(31b) While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. For this purpose, a CBAM factor equal to 100 % should apply to exports outside the EU of the products covered by the CBAM Regulation, as long as no WTO-compatible export solution measure to equalise CO2 costs has been implemented on proposal of the Commission. Existing carbon pricing mechanisms in third countries should lead to an adjustment of the CBAM factor.

Amendment

(31b) Where ex-ante benchmarks cannot be derived for an individual sector or subsector and allowances are allocated on the basis of generic fall back approaches,

Or. en

Justification

Already today, European exporting sectors are faced with an increasing competitive disadvantage in relation to producers in third countries, when the latter are not subject to similar emission reduction efforts as those applied to EU operators under the EU ETS. While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. For this purpose, the European Commission should develop as soon as possible a WTO-compatible solution to avoid carbon leakage on European exports. Until such solution is developed, it is essential that free allocation for European exports is maintained.

Amendment 337
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 31 b (new)
it is necessary to ensure that sectorial and geographical differences amongst the sectors and subsectors covered are nevertheless appropriately reflected. In developing implementing acts pursuant to Article 10a(2), the Commission should therefore ensure that sector specific fall back approaches are devised where needed to avoid discrimination between sectors.

Amendment 338
Radan Kanev

Proposal for a directive
Recital 32

Text proposed by the Commission

(32) A comprehensive approach to innovation is essential for achieving the European Green Deal objectives. At EU level, the necessary research and innovation efforts are supported, among others, through Horizon Europe which include significant funding and new instruments for the sectors coming under the ETS. Member States should ensure that the national transposition provisions do not hamper innovations and are technologically neutral.

Amendment

(32) A comprehensive approach to innovation is essential for achieving the European Green Deal objectives and to ensure accessible and affordable technologies, needed for the effective extension of the EU ETS and gradual phase-out of free allowances. At EU level, the necessary research and innovation efforts are supported, among others, through Horizon Europe which include significant funding and new instruments for the sectors coming under the ETS. Member States should ensure that the national transposition provisions do not hamper innovations and are technologically neutral.

Amendment 339
Stanislav Polčák

Proposal for a directive
Recital 32
Text proposed by the Commission

(32) A comprehensive approach to innovation is essential for achieving the European Green Deal objectives. At EU level, the necessary research and innovation efforts are supported, among others, through Horizon Europe which include significant funding and new instruments for the sectors coming under the ETS. Member States should ensure that national transposition provisions do not hamper innovations and are technology neutral.

Amendment

(32) A comprehensive approach to innovation is essential for achieving the European Green Deal objectives. At EU level, the necessary research and innovation efforts are supported, among others, through Horizon Europe which include significant funding and new instruments for the sectors coming under the ETS. Member States should ensure that national transposition provisions do not hamper innovations, facilitate the implementation of innovative scientific results into practice, and are technology neutral.

Or. cs

Amendment 340
Pascal Canfin, Jan Huitema, Véronique Trillet-Lenoir, Frédérique Ries, Martin Hojsík, Michal Wiezik

Proposal for a directive
Recital 32 a (new)

Text proposed by the Commission

(32a) In order to achieve climate neutrality by 2050 at the latest as laid down in Regulation (EU) 2021/1119, the EU needs to close a significant investment gap as provided in the Communication 'Strategy for Financing the Transition to a Sustainable Economy'\(^1a\). To reach our decarbonisation objective, breakthrough innovation, upscaling of already existing relevant technologies and certified natural carbon removals are needed. To support the in-depth and economy-wide decarbonation in the EU all these three pillars should be addressed by the Innovation Fund, which should be renamed as the Net-Zero fund.

\(^1a\) COM(2021)390 final, Communication 'Strategy for Financing the Transition to
a Sustainable Economy'

Or. en

Amendment 341
Silvia Modig

Proposal for a directive
Recital 33

Text proposed by the Commission          Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free,
in accordance with the current proportion of funding provided from each source to the Innovation Fund.

52 [add ref to the FuelEU Maritime Regulation].

Amendment 342
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support installation of non-break through technologies in industrial processes that have an enormous greenhouse gas-saving potential but are not market-ready as well as innovation in low-carbon technologies and processes that concern the consumption of fuels in the sector of buildings. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector through research into breakthrough solutions, support for the deployment of innovative technologies, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, first industrial application, refuelling and recharging infrastructure in ports, including connection to electricity grid and other energy infrastructures, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in
accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

To foster innovation in breakthrough technologies as soon as possible, the Commission should ensure that the financing made available through the Innovation Fund is ‘frontloaded’ during the first years of implementation of this Directive.

52 [add ref to the FuelEU Maritime Regulation].

Justification

The maritime sector will reduce its emissions not only through energy efficiency measures but in particular also through further innovation. Therefore, investments in sustainable fuels and zero-emission propulsion technologies as well as clean refuelling and recharging solutions in ports should be explicitly supported by the Innovation Fund.

Amendment 343
Pernille Weiss, Sara Skyttedal

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund

Amendment

(33) The scope of the Innovation Fund
referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]52 are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

To foster innovation in breakthrough technologies as soon as possible, the Commission should ensure that the financing made available through the Innovation Fund is ‘frontloaded’ during the first years of implementation.
of this Directive.

Amendment 344
Jessica Polfjärd

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime].

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support installation of non-breakthrough technologies in industrial processes that have an large greenhouse gas-saving potential but are not market-ready as well as innovation in low-carbon technologies in particular breakthrough technologies identified in the industrial ecosystem transition pathways, and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. The Innovation Fund should support nuclear energy-related activities. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime].
allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund. To foster innovation in breakthrough technologies as soon as possible, the Commission should ensure that the financing made available through the Innovation Fund is ‘frontloaded’ during the first years of implementation of this Directive.

\[^{52}[\text{add ref to the FuelEU Maritime Regulation}].\]

Or. en

Justification

The development of breakthrough technologies is crucial to reduce carbon emissions by the end of the decade and put industrial sectors on the track to carbon neutrality by 2050. The first call for proposals has shown that there is a considerable project pipeline in the EU and that the defined annual budgets of the Innovation fund are insufficient to cover the demand. Given that these breakthrough projects often have a lead time of several years, investing early in the development of the projects will support the EU climate agenda. The financing available through the EU ETS innovation fund should therefore be ‘frontloaded’ so that it supports breakthrough technologies as soon as possible. A particular focus should be put on projects that help to remove unavoidable emissions from the production of energy-intensive products.

Amendment 345
Radan Kanev

Proposal for a directive
Recital 33

Text proposed by the Commission

Amendment
The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

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\[add ref to the FuelEU Maritime Regulation\].
Amendment 346
Michael Bloss

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to Projects and investments supported by the Innovation Fund should comply with the "do no significant harm" principle and the "minimum safeguards" requirements set out respectively in Articles 17 and 18 of Regulation (EU) 2020/852. No support should be given to any investments related to fossil fuels and nuclear energy, or to any other projects that would directly or indirectly lead to a lock-in of assets incompatible with the objective of accelerating the green transition to a climate-neutral, sustainable, non-toxic, resource-efficient, renewable energy-based, resilient and competitive circular economy in a just, equitable and inclusive...
the Innovation Fund.

way while protecting, restoring and improving the state of the environment including by, inter alia, halting and reversing biodiversity loss. Companies receiving support from the Innovation Fund should also adopt a Decarbonisation and Zero-Pollution Plan.

52 [add ref to the FuelEU Maritime Regulation].

Amendment 347
Lídia Pereira
Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]52 are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]52 are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in
Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

52 [add ref to the FuelEU Maritime Regulation].

To foster innovation in innovative technologies as soon as possible, the Commission should ensure that the financing made available through the Innovation Fund is delivered swiftly during the first years of implementation of this Directive.

52 [add ref to the FuelEU Maritime Regulation].

Amendment 348
Emma Wiesner, Claudia Gamon, Frédérique Ries, Pascal Canfin, Jan Huitema, Nicolae Ţîţeşcu, Linea Søgaard-Lidell, Andreas Glück, Catherine Chabaud

Proposal for a directive
Recital 33

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support both innovation projects and measures that implement and scale up innovative technologies that contribute significantly to decarbonisation in line with the Union’s climate targets. To reflect this, the Fund should be renamed "Net-Zero Fund". The Fund should support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund
technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the **Innovation** Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the **Innovation** Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the **Innovation** Fund.

should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the **Net-Zero** Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the **Net-Zero** Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the **Net-Zero** Fund.

52 [add ref to the FuelEU Maritime Regulation].

52 [add ref to the FuelEU Maritime Regulation].

Amendment 349
Dan-Ştefan Motreanu

Proposal for a directive
Recital 33

*Text proposed by the Commission*

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive

*Amendment*

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive
2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]\(^{52}\) are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

\(^{52}\) [add ref to the FuelEU Maritime Regulation].

To foster innovation in breakthrough technologies as soon as possible, the Commission should ensure that the financing made available through the Innovation Fund is ‘frontloaded’ during the first years of implementation of this Directive.

\(^{52}\) [add ref to the FuelEU Maritime Regulation].
Justification

The development of breakthrough technologies is crucial to reduce carbon emissions by the end of the decade and put industrial sectors on the track to carbon neutrality by 2050. The first call for proposals has shown that there is a considerable project pipeline in the EU and that the defined annual budgets of the Innovation fund are insufficient to cover the demand. Given that these breakthrough projects often have a lead time of several years, investing early in the development of the projects will support the EU climate agenda. The financing available through the EU ETS innovation fund should therefore be ‘frontloaded’ so that it supports breakthrough technologies as soon as possible. A particular focus should be put on projects that help to remove unavoidable emissions from the production of energy-intensive products.

Amendment 350
Agnès Evren

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]^{52} are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx.

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewable and low-carbon sources as well as zero-emission propulsion technologies like wind technologies. The Innovation Fund should be used to support nuclear energy-related activities. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]^{52} are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon...
[FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

52 [add ref to the FuelEU Maritime Regulation].

Or. fr

Amendment 351
Edina Tóth

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]52 are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the
Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

52 [add ref to the FuelEU Maritime Regulation].

Projects supported from the Innovation Fund should respect the principle of geographical balance.

52 [add ref to the FuelEU Maritime Regulation].

Amendment 352
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia, as well as zero-emission
renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

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52 [add ref to the FuelEU Maritime Regulation].

Or. en

Amendment 353
Anna-Michelle Asimakopoulou, Iuliu Winkler, Maria Spyraki, Hildegard Bentele

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund
should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

52 [add ref to the FuelEU Maritime Regulation].

52 [add ref to the FuelEU Maritime Regulation].

Or. en

Amendment 354
Jytte Guteland, Mohammed Chahim, Milan Brglez, Petar Vitanov, Tiemo Wölken, István Ujhelyi, Robert Hajšel

Proposal for a directive
Recital 33
The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

52 [add ref to the FuelEU Maritime Regulation].
Andreas Glück

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia and synthetic fuels that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

52 [add ref to the FuelEU Maritime Regulation].


Justification

The Innovation Fund should support the scaling of low-carbon technologies, including clean fuels produced from renewables.

Amendment 356
Stanislav Polčák

Proposal for a directive
Recital 33

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as ‘green’ hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] are allocated to the Innovation Fund as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects aimed at accelerating the development and deployment of renewable and low carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be
auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

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52 [add ref to the FuelEU Maritime Regulation].

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52 [add ref to the FuelEU Maritime Regulation].

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Or. cs

Amendment 357
Peter Liese, Ljudmila Novak, Liudas Mažylis, Maria Spyraki, Alexander Bernhuber, Lídia Pereira, Deírdre Clune, Hildegard Bentele

Proposal for a directive
Recital 33 a (new)

Text proposed by the Commission

(33a) So far only around 8 % (about EUR 52 billion) of support under the national Recovery and Resilience Plans is allocated to industry and to support industry in the climate transition. In order to ensure that the introduction of the new own resource based on 25 % of the revenue of the strengthened EU ETS for the stationary, aviation and maritime sectors contributes not only to the repayment of NextGenerationEU debts, but also to the Union’s climate mainstreaming objectives as required by the Interinstitutional Agreement of 16 December 2020, Member States should significantly increase their share of the Recovery and Resilience Plans dedicated to support industry in the climate transition.

Or. en

Justification

Amendment 358
Michael Bloss

Proposal for a directive
Recital 33 a (new)

_text Proposed by the Commission_

(33a) Revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] should be allocated to the Ocean Fund to accelerate the decarbonisation of the maritime transport sector and to contribute to the protection and restoration of marine ecosystems.

Or. en

Amendment 359
Pernille Weiss

Proposal for a directive
Recital 33 a (new)

_text Proposed by the Commission_

(33a) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended. Notably, investments in Carbon Capture Use and Storage (CCUS) technologies should also be applicable to funding from the Innovation Fund.

Or. en

Amendment 360
Jytte Guteland, Mohammed Chahim, Milan Braglez, Petar Vitanov, Tiemo Wölken, Nikos Androulakis, Robert Hajšel

Proposal for a directive
Recital 33 a (new)

_text Proposed by the Commission_

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At least 25% of allowances from the quantity which could otherwise be auctioned should go to finance the Social Climate Fund.

Amendment 361
Michael Bloss

Proposal for a directive
Recital 35

**Text proposed by the Commission**

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative *climate-friendly* technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

**Amendment**

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative *zero-emission* technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. **CCDs should only be granted to projects implementing technologies that are fully compatible with the objective of limiting global warming to 1,5°C above pre-industrial levels and exclude the direct or indirect use of fossil fuels and nuclear energy, and that have significantly higher operating costs compared to the reference conventional technology for producing the same product. Financial support through CCDs should be proportionate and not lead to undue distortions of the EU’s internal market nor to unfair discrimination with regard competing imported products, as required under WTO law. As such, CCDs should present an alternative to free allowances and not an additional subsidy.** The Commission should be empowered to adopt delegated acts on the precise rules for this type of
Amendment 362
Emma Wiesner, Nils Torvalds, Linea Søgaard-Lidell, Jan Huitema

Proposal for a directive
Recital 35

Text proposed by the Commission

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

Amendment

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Net-Zero Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. The Commission should be empowered to adopt delegated acts on the precise rules for this type of support. When implementing the CCDs, it should be ensured that they are compliant with state aid and world trade rules, and compatible with the Carbon Border Adjustment Mechanism, and that they are designed in a way that does not distort the EU ETS market. It is crucial that they are based on market principles and transparency.

Amendment 363
Peter Liese, Ljudmila Novak, Liudas Mažylis, Alexander Bernhuber, Maria Spyraki, Pernille Weiss, Lídia Pereira, Deirdre Clune

Proposal for a directive
Recital 35
(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

Amendment

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. **CCDs will be an important mechanism to support the development of decarbonisation technologies such as CCS and CCU and optimises the use of available resources.** The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

**Or. en**

**Amendment 364**

Jytte Guteland, Mohammed Chahim, Milan Brglez, Cyrus Engerer, Petar Vitanov, Tiemo Wölken, Robert Hajšel

Proposal for a directive
Recital 35

Text proposed by the Commission

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

Amendment

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. **CCDs would offer certainty to investors in technologies, such as carbon capture**
for this type of support. *technologies, and optimise the use of available resources.* The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

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**Amendment 365**  
**Edina Tóth**

**Proposal for a directive**  
**Recital 35**

*Text proposed by the Commission*

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

*Amendment*

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs *and respect the principle of geographical balance.* The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

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**Amendment 366**  
**Silvia Modig**

**Proposal for a directive**  
**Recital 36**

*Text proposed by the Commission*

(36) Where an installation’s activity is temporarily suspended, free allocation is adjusted to the activity levels which are

*deleted*
mandatorily reported annually. In addition, competent authorities can suspend the issuance of emission allowances to installations that have suspended operations as long as there is no evidence that they will resume operations. Therefore, operators should no longer be required to demonstrate to the competent authority that their installation will resume production within a specified and reasonable time in case of a temporary suspension of the activities.

Amendment 367
Silvia Modig

Proposal for a directive
Recital 37

Text proposed by the Commission

(37) Corrections of free allocation granted to stationary installations pursuant to Article 11(2) of Directive 2003/87/EC can require granting additional free allowances or transferring back surplus allowances. The allowances set aside for new entrants under Article 10a(7) of Directive 2003/87/EC should be used for those purposes.

Amendment 368
Emma Wiesner, Claudia Gamon, Frédérique Ries, Pascal Canfin, Nils Torvalds, Catherine Chabaud

Proposal for a directive
Recital 37 a (new)

Text proposed by the Commission

(37a) It is the nature of the EU ETS that auctioning of allowances is the default
allocation method, with transitional free allocation in place as a protection against the risk of carbon leakage. Free allocation of emission allowances to prevent carbon leakage should be targeted on those sectors genuinely exposed to such risks while maintaining appropriate protection against carbon leakage also in sectors outside the CBAM. The carbon leakage list should therefore be revised to reflect the different levels of exposure to carbon leakage risks. Furthermore, to provide incentives for decarbonisation and recognise emissions reductions, installations whose emissions are below the relevant benchmark values should be exempted from the cross-sectoral correction factor, in case such factor is applied.

Or. en

Amendment 369
Hermann Tertsch

Proposal for a directive
Recital 38

Text proposed by the Commission
Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80 %; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

deleted
Proposal for a directive

Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal, the 8th Environmental Action Programme and Regulation (EU) 2021/1119, comply with the "do no significant harm" principle and eliminating support to any investments related to fossil fuels or nuclear energy. In order to guarantee the efficient use of EU money, access to the Modernisation Fund should be conditional to the adoption by Member States of legally binding targets and measures for the phase out of all fossil fuels in a timeframe consistent with the objective of limiting global warming to 1.5°C, as well as to the respect of the Rule of Law. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 100%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.
Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 100% and aligned with the Member State’s approved Territorial Just Transition Plan laid down in Article 11 of Regulation (EU) 2021/1056. Reduction of overall energy use through demand side management and energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment 372

Kateřina Konečná

Proposal for a directive

Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to solid fossil fuels. Investments in natural gas projects, in particular in combined heat and power, can be eligible if they can be carried out as part of a
efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

credible decarbonisation plan for 2030 and 2050. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment 373
Stanislav Polčák

Proposal for a directive
Recital 38

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side, in which substantial savings can be achieved in a cost-effective way; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment 374
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio
Proposed for a directive
Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment 375
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and continuing the support to any investments related to transitional fuels and technologies. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.
area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment 376
Edina Tóth
Proposal for a directive
Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to solid fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Justification

To ensure a stable transition support for natural gas projects should be made available.

Amendment 377
Emma Wiesner, Pascal Canfin, Nils Torvalds, Jan Huitema, Linea Søgaard-Lidell, Catherine Chabaud
Proposal for a directive
Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 100%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Or. en

Amendment 378
Jytte Guteland, Mohammed Chahim, Milan Brglez, Petar Vitanov, Tiemo Wölken

Proposal for a directive
Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 100%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.
Amendment 379
Anna Zalewska

Proposal for a directive
Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 70%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment 380
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska

Proposal for a directive
Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and

Amendment

(38) The scope of the Modernisation Fund should be kept in line with climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119,
eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80%; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Or. en

Amendment 381
Peter Liese

Proposal for a directive
Recital 38 a (new)

Text proposed by the Commission

Amendment

(38a) With the increase of EU ETS prices, revenues from the EU ETS for Member States and the EU have increased substantially. To acknowledge the contribution of EU ETS revenues to the transition of the European industry as well as the support to vulnerable people in the EU to enable them to switch to environmentally friendly alternatives, an EU ETS label should be introduced. Member States and the Commission should ensure the visibility of funding from EU ETS revenues by displaying an appropriate label for all supported projects and activities on national level or through EU funds.

Or. en

Amendment 382
Michael Bloss

Proposal for a directive
Recital 39
(39) Commission Implementing Regulation (EU) 2018/2066\(^4\) lays down rules on the monitoring of emissions from biomass which are consistent with the rules on the use of biomass laid down in the Union legislation on renewable energy. As the legislation becomes more elaborate on the sustainability criteria for biomass with the latest rules established in Directive (EU) 2018/2001 of the European Parliament and of the Council\(^5\), the conferral of implementing powers in Article 14(1) of Directive 2003/87/EC should be explicitly extended to the adoption of the necessary adjustments for the application in the EU ETS of sustainability criteria for biomass, including biofuels, bioliquids and biomass fuels. In addition, the Commission should be empowered to adopt implementing acts to specify how to account for the storage of emissions from mixes of zero-rated biomass and biomass that is not from zero-rated sources.


(39) Commission Implementing Regulation (EU) 2018/2066\(^4\) lays down rules on the monitoring of emissions from biomass. Considering the latest scientific evidence from the Joint Research Centre that most of the forest biomass currently being burnt for energy in the EU not only increases emissions compared to fossil fuels, but does so for decades which in turn undermines the Union's effort to limit global warming under 1.5°C, the conferral of implementing powers in Article 14(1) of Directive 2003/87/EC should be explicitly extended to apply internationally recognized emission factors for solid biomass and biofuels for stationary combustion in the energy industry.


\(^5\) Amendment 383
Pernille Weiss, Peter Liese
Proposal for a directive
Recital 39

Text proposed by the Commission

(39) Commission Implementing Regulation (EU) 2018/2066\(^{54}\) lays down rules on the monitoring of emissions from biomass which are consistent with the rules on the use of biomass laid down in the Union legislation on renewable energy. As the legislation becomes more elaborate on the sustainability criteria for biomass with the latest rules established in Directive (EU) 2018/2001 of the European Parliament and of the Council\(^{55}\), the conferral of implementing powers in Article 14(1) of Directive 2003/87/EC should be explicitly extended to the adoption of the necessary adjustments for the application in the EU ETS of sustainability criteria for biomass, including biofuels, bioliquids and biomass fuels. In addition, the Commission should be empowered to adopt implementing acts to specify how to account for the storage of emissions from mixes of zero-rated biomass and biomass that is not from zero-rated sources.

Amendment

(39) Commission Implementing Regulation (EU) 2018/2066\(^{54}\) lays down rules on the monitoring of emissions from biomass which are consistent with the rules on the use of biomass laid down in the Union legislation on renewable energy. As the legislation becomes more elaborate on the sustainability criteria for biomass with the latest rules established in Directive (EU) 2018/2001 of the European Parliament and of the Council\(^{55}\), the conferral of implementing powers in Article 14(1) of Directive 2003/87/EC should be explicitly extended to the adoption of the necessary adjustments for the application in the EU ETS of sustainability criteria for biomass, including biofuels, bioliquids and biomass fuels. In addition, the Commission should be empowered to adopt implementing acts to specify how to account for the storage of emissions from mixes of zero-rated biomass and biomass that is not from zero-rated sources. *For maritime transport, the implementing acts shall ensure consistency with Regulation (EU) .../... [FuelEU Maritime] by taking into account well-to-wake performance of renewable and low-carbon fuels.*

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Amendment 384
Silvia Modig

Proposal for a directive
Recital 39

**Text proposed by the Commission**

(39) Commission Implementing Regulation (EU) 2018/2066\(^54\) lays down rules on the monitoring of emissions from biomass which are consistent with the rules on the use of biomass laid down in the Union legislation on renewable energy. As the legislation becomes more elaborate on the sustainability criteria for biomass with the latest rules established in Directive (EU) 2018/2001 of the European Parliament and of the Council\(^55\), the conferral of implementing powers in Article 14(1) of Directive 2003/87/EC should be explicitly extended to the adoption of the necessary adjustments for the application in the EU ETS of sustainability criteria for biomass, including biofuels, bioliquids and biomass fuels. In addition, the Commission should be empowered to adopt implementing acts to specify how to account for the storage of emissions from mixes of zero-rated biomass and biomass that is not from zero-rated sources.

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Amendment 385
Silvia Modig

Proposal for a directive
Recital 40

Text proposed by the Commission

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment

(40) Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to extend the empowerment in Article 14(1) to the adoption by the Commission of delegated acts laying down the adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment 386
Alexander Bernhuber, Angelika Winzig

Proposal for a directive
Recital 40

AM\1245924EN.docx 229/293 PE703.069v01-00
Text proposed by the Commission

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity where the CO₂ is emitted into the atmosphere. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how and where to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place for capturing the CO₂, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Or. en

Amendment 387
Ivan David

Proposal for a directive
Recital 40

Text proposed by the Commission

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are

Amendment

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are
produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how and where to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place for capturing the CO2, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

**Justification**

The proposal exempts from the surrendering obligation only GHG emissions that are captured and utilised to be permanently chemically bound in a product. Other CCU applications would remain subject to the surrendering obligation. The overall environmental benefits of capturing and re-using carbon should be acknowledged and thus the compliance obligation should be on the activity finally releasing emissions rather than on the industrial installation capturing them.

**Amendment 388**

Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

**Proposal for a directive**

**Recital 40**

*Text proposed by the Commission*

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are

*Amendment*

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are
produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment 389
Salvatore De Meo, Fulvio Martusciello, Aldo Patriciello

Proposal for a directive
Recital 40

*Text proposed by the Commission*

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the eventual release of carbon dioxide and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the
adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Justification

The obligation to surrender allowances should be on the activity releasing emissions in the atmosphere rather than on the industrial installation capturing them.

Amendment 390
Jens Gieseke, Dennis Radtke, Markus Pieper, Maria Spyra

Proposal for a directive
Recital 40

**Text proposed by the Commission**

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to

**Amendment**

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity where the CO2 is emitted into the atmosphere. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how and where to account for the eventual release of
ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place for capturing the CO2, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment 391
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 40

Text proposed by the Commission

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity where the CO2 is emitted into the atmosphere. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how and where to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place for capturing the CO2, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.
(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how and where to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.
of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment 394
Dolors Montserrat
Proposal for a directive
Recital 40

Text proposed by the Commission

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under the activity where the CO2 is emitted into the atmosphere. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how and where to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place for capturing the CO2, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted for at the point of release into the atmosphere.
fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how and when to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place for capturing the CO2, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment 395
Radan Kanev
Proposal for a directive
Recital 40

**Text proposed by the Commission**

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide.

**Amendment**

(40) Renewable liquid and gaseous fuels of non-biological origin, recycled carbon fuels and other alternative fuels and technological innovations might prove, based on market competition, to be the solution to reducing greenhouse gas emissions in sectors that are hard to decarbonise. Where alternative fuels are produced, at least partially, from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that alternative fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide.
and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Or. en

Amendment 396
Anna Zalewska

Proposal for a directive
Recital 40

Text proposed by the Commission

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity where the CO2 is emitted into the atmosphere. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Or. en
Amendment 397  
Pernille Weiss, Sara Skyttedal  
Proposal for a directive  
Recital 40  

Text proposed by the Commission  

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted **under that activity**. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment  

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted **for at the point of release**. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how and where to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives for capturing emissions are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

**Justification**

_In line with the principle that there is an emission only when the CO2 is released into the atmosphere, the emissions should be accounted for at the point of release. This text amendment is consistent with the further text which allows the Commission to adopt implementing acts determining how to account for the eventual release of carbon dioxide._
(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted **under that activity**. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

**Or. en**

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**Amendment 399**

**Tudor Ciuhodaru, Dan Nica**

Proposal for a directive
Recital 40

**Text proposed by the Commission**

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and
gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment 400
Rovana Plumb

Proposal for a directive
Recital 40

Text proposed by the Commission

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the...
adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Justification

In line with the principle that there is an emission only when the CO2 is released into the atmosphere, the emissions should be accounted for at the point of release. This text amendment is consistent with the further text which allows the Commission to adopt implementing acts determining how to account for the eventual release of carbon dioxide.

Amendment 401
Silvia Modig

Proposal for a directive
Recital 40 a (new)

Text proposed by the Commission

(40a) The large scale use of biomass for energy production, including biofuels, bioliquids and biomass fuels, cannot be a long-term solution for the Union nor its Member States and should be minimised.

A letter sent on the 18th of February 2021 to President Biden, President von der Leyen, President Michel, Prime Minister Suga and President Moon, signed by more than 500 scientists, stressed that if the world supplied just an additional 2 % of its energy from wood, it would need to double its commercial wood harvests and that increased demand for vegetable oil based fuels adds to the global pressure to clear more forests already created by rising food demand. The signatories stressed that sustainability standards cannot alter these results.

Furthermore, recent science has shown that up to 97 % of reviewed scenarios that...
meet the goals of the Paris Agreement utilizing bioenergy with carbon capture and storage (BECCS) exceed sustainability and precautionary thresholds in land use and biodiversity\textsuperscript{40b}.

\textsuperscript{40a} Scientist Letter to President Biden, President Von der Leyen, President Michel, Prime Minister Suga & President Moon Regarding Forest Bioenergy (February 11, 2021)


Or. en

Amendment 402
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 41

\textit{Text proposed by the Commission}

(41) As carbon dioxide is also expected to be transported by means other than pipelines, such as by ship and by truck, the current coverage in Annex I to Directive 2003/87/EC for transport of greenhouse gases for the purpose of storage should be extended to all means of transport for reasons of equal treatment and irrespective of whether the means of transport are covered by the EU ETS. Where the emissions from the transport are also covered by another activity under Directive 2003/87/EC, the emissions should be accounted for under that other activity to prevent double counting.

\textit{Amendment}

(41) As carbon dioxide is also expected to be transported by means other than pipelines, such as by ship and by truck, the current coverage in Annex I to Directive 2003/87/EC for transport of greenhouse gases for the purpose of storage should be extended to all means of transport for reasons of equal treatment and irrespective of whether the means of transport are covered by the EU ETS. Where the emissions from the transport are also covered by another activity under Directive 2003/87/EC, the emissions should be accounted for under that other activity to prevent double counting. \textit{Commission Implementing Regulation (EU) 2018/2066 should be reviewed accordingly in order}
to reflect all modalities of CO2 transport.

Or. en

Amendment 403
Nicola Procaccini

Proposal for a directive
Recital 42

Text proposed by the Commission

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95% is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/33156.


Or. it

Amendment 404
Teuvo Hakkarainen

Proposal for a directive
Recital 42
Text proposed by the Commission

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95 % is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/331^56.


Justification

The emissions trading system should encourage low-emission solutions, and not penalise them.

Amendment 405
Michael Bloss
Proposal for a directive
Recital 42

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly
exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95% is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/331\textsuperscript{56}.


Proposition for a directive
Recital 42

\textit{Text proposed by the Commission} \hspace{2cm} \textit{Amendment}

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95% is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/331\textsuperscript{56}.

\textsuperscript{56} Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules...

Or. en

Justification

Linked to the deletion of Commission proposal in Annex I, point 1.

Amendment 407
Laura Huhtasaari

Proposal for a directive
Recital 42

Text proposed by the Commission

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95 % is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/331.  

Amendment

(42) The further exclusion of installations using exclusively biomass from the EU ETS will lead to a lack of certainty over updating the benchmarks values for free allocation. A 100 % threshold value for zero-rated biomass combustion should be maintained for installations to be excluded from the EU ETS.

Amendment 408  
Jytte Guteland  

Proposal for a directive  
Recital 42  

Text proposed by the Commission  

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95% is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/33156.


Or. en

Amendment 409  
Jessica Polfjärd  

Proposal for a directive  
Recital 42  

Text proposed by the Commission  

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be maintained for the purpose of deciding whether to exclude installations from the EU ETS.

Amendment  

(42) The further exclusion of installations using exclusively biomass from the EU ETS will lead to a lack of certainty over updating the benchmark values for free allocation and

Or. en
allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95 % is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/331.

The further exclusion of installations using exclusively biomass from the EU ETS will lead to a lack of certainty over updating the benchmark values for free allocation and disincentive a full transition to a zero-carbon energy source. A 100 % threshold value for zero-rated biomass combustion should be maintained for installations to be excluded from the EU ETS.

Amendment 411
Michal Wiezik

Proposal for a directive
Recital 42

Text proposed by the Commission

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95 % is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/33156.

Amendment

(42) The exclusion of installations using exclusively biomass from the EU ETS has led to situations where co-firing installations combusting a high share of biomass with fossil fuels have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95 % is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/33156.

Justification

CHPs burning mostly biomass but also a bit of coal, get free allocations for all the biomass they burn because of the fact that they're co-firing biomass and coal places them under the ETS. the proposed change reducing the threshold to 95% means they'll be removed from the ETS, hence no longer getting all these free allocations that they can sell on the ETS, allowing windfall profits. it is a call in the right direction, but too little.

Amendment 412
Peter Liese, Ljudmila Novak, Liudas Mažylis, Alexander Bernhuber, Radan Kanev, Maria Spyraki, Lídia Pereira, Deirdre Clune, Adam Jarubas

Proposal for a directive
Recital 42 a (new)

Text proposed by the Commission

(42a) The increasing energy prices are a big concern for citizens, especially low-income families, and industry, especially SMEs. The main cause of rising energy prices is our dependency on fossil fuel imports. That is why the Fit for 55 Package will, in the future, avoid such constraints. In addition to that, the EU ETS should also be better designed to mitigate the minor part of the problem that is linked to the volatility of EU ETS market prices.

Amendment

Or. en

Amendment 413
Peter Liese, Ljudmila Novak, Liudas Mažylis, Alexander Bernhuber, Radan Kanev, Maria Spyraki, Lídia Pereira, Adam Jarubas

Proposal for a directive
Recital 42 b (new)

Text proposed by the Commission

(42b) Unexpected or sudden market volatility or excessive price shocks on the EU carbon market, for example, as a result of sudden changes in market behaviour or excessive speculation, negatively affect market predictability and
the stable investment climate which is essential for the planning of decarbonization and innovation investments. Therefore, the measures in the event of excessive price fluctuations will be strengthened in a targeted manner to improve the assessment of and reaction to unwarranted price evolutions. These targeted improvements should continue to ensure the proper functioning of the carbon markets, including the role of intermediaries and financial actors in providing liquidity to the market and market access for compliance actors, notably SMEs, while avoiding unexpected or sudden volatility or price shocks.

Or. en

Amendment 414
Peter Liese, Ljudmila Novak, Liudas Mažylis, Radan Kanev, Maria Spyraki, Lidia Pereira, Adam Jarubas

Proposal for a directive
Recital 42 c (new)

Text proposed by the Commission

Amendment

(42c) The European Securities and Markets Authority (ESMA) is preparing an assessment of carbon market integrity and transparency, expected to be published by the end of March 2022. This report should be followed, as soon as possible, by a legislative proposal by the Commission to introduce a transparency mechanism for the European carbon markets. However, to continuously monitor market integrity and transparency and guide any rapid potential action, the European Securities and Markets Authority (ESMA) should annually assess and report on the market integrity and transparency of the market and, where relevant, issue further recommendations for targeted improvements. This annual assessment should in particular examine market
volatility and price evolution, the operation of the auctions and trading operations on the market, liquidity and the volumes traded, and the categories and trading behaviour of market participants. Targeted improvements could, for example, include a modification of the reporting of positions held by different categories of participants and penalty mechanisms for market abuse as set out in Regulation (EU) No 596/2014 [Market Abuse Regulation], for example through a fluctuating penalty based on the previous year’s average auction price, the non-delivery of allowances, the adjustment of the quantity of subsequent auctions, or a combination thereof. The recommendations should be assessed in the Commission report which may be accompanied, where appropriate, by a legislative proposal by the Commission to improve integrity and transparency of the European carbon markets.
sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.


(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Or. en

Justification

The proposal to establish an Emission Trading System for buildings and transport is unacceptable. Due to the wide variety of income levels among Member States, it is impossible to find a just and proportionate price of emissions. Although the measure would put a disproportionate burden on citizens its impact on climate protection would be limited. The emission reduction efforts of buildings and transport must remain under the scope of the Effort Sharing Regulation and remain in the remit of Member States.

Amendment 416
Silvia Modig

Proposal for a directive
Recital 43

Text proposed by the Commission

Amendment

(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition57, underlined the
particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.


Amendment 417
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Hermann Tertsch, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 43

Text proposed by the Commission Amendment

(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition57, underlined the
particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.


Amendment 418

Proposal for a directive
Recital 43

Text proposed by the Commission

(43) The Communication of the

Amendment

deleted
Commission on Stepping up Europe’s 2030 climate ambition\(^{37}\), underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.


Amendment 419
Tudor Ciuhodaru, Dan Nica

Proposal for a directive
Recital 43

Text proposed by the Commission

Amendment

(43) The Communication of the Commission on Stepping up Europe’s
2030 climate ambition\textsuperscript{57}, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

\textsuperscript{57} COM(2020)562 final.

\textit{Justification}

extension of ETS to buildings and road transport risks to increase the energy poverty and to reduce living standards, especially for vulnerable citizens.

Amendment 420
Anna Zalewska
Proposal for a directive
Recital 43
(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

\[\text{COM(2020)562 final.}\]

Amendment 421
Teuvo Hakkarainen

Proposal for a directive
Recital 43
(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

The Communication of the Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.


Because of the consequences that this new system would have on households, the middle-income bracket and small enterprises, the European Parliament is opposed to this expansion.


Or. fr

Amendment 423
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 43
(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.
The Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy.

Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

The achievement of the 1.5 degree objective is only possible if government policies are designed to be socially just. With the cost of living increasing significantly and wages having stagnated during decades of productivity increases, it is unjustified to extend the EU ETS to transport and buildings. Instead, government policy should be focused on strengthening the regulatory framework, in particular the [CO2 cars and vans], [Energy Performance of Buildings] and establishing government measures and financial instruments to support the role out of affordable public transport, encouraging car companies to roll out affordable electric mobility and deep energy renovations.
Proposal for a directive
Recital 43

Text proposed by the Commission

(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

Amendment

(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established, gradually and proportionally, through separate but adjacent emissions trading. The emissions trading system should not impose greater bureaucratic and economic burdens on businesses, especially SMEs. Otherwise, compensation mechanisms, including fiscal ones, should be guaranteed in favour of the most affected SMEs. This would avoid any disturbance of the well functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.
The Communication of the Commission on Stepping up Europe’s 2030 climate ambition 57, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be gradually established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system should be adapted to the varying starting levels of transition in transport and energy efficiency of buildings, as well as different levels of accessibility and affordability of technologies in the Member States and regions, and accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.


Or. en
emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.


Amendment 427
Christel Schaldemose
Proposal for a directive
Recital 43

Text proposed by the Commission

(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up

Amendment

(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. This is achieved by implementing a temporary price corridor between which the EU ETS 2 price can vary before corrective measures are automatically taken. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and
emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

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Amendment 428
Stanislav Polčák

Proposal for a directive
Recital 43

Text proposed by the Commission

(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

_________________ _________________

Or. en

Amendment

(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation, which would be endangered given the significantly increased volume of allowances in circulation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and prevents sharp market fluctuations aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring,
emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

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Amendment 429
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 43

Text proposed by the Commission
(43) The Communication of the Commission on Stepping up Europe’s 2030 climate ambition\(^\text{57}\), underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

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Or. cs
coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.


Justification

Extending the EU ETS to cover road transport and buildings, without an aggregated impact assessment of the entire Fit for 55 package, indicating the real burden to European citizens directly translated into energy and transport poverty, is premature. Even with the European Social Climate Fund in place, the support to assist Europeans in reducing emissions will be insufficient. The proposed ETS for road transport will negatively affect end-consumers through high fuel costs, in particular lower and middle income households, limiting their mobility and leading to transport poverty.

Amendment 430
Christel Schaldemose

Proposal for a directive
Recital 43 a (new)

Text proposed by the Commission

(43a) To ensure a socially inclusive and just transition, the extended emissions trading system for the road transport and buildings sectors should be phased in. As households include the most vulnerable groups to energy and mobility poverty, end-use of fuels by households in both the buildings and road transport sector should be introduced first in 2028. This would allow the Social Climate Fund to help vulnerable households to make the transition to and prepare for the carbon pricing systems. To safeguard sufficient climate action for decarbonisation of those sectors and revenues to finance the Social Climate Fund, commercial actors should be included already in 2025. The
Commission shall define how to distinguish between commercial and non-commercial end-use of fuels, with the aim of including as many commercial actors as possible without leading to a price impact on vulnerable households and in an administratively feasible way avoiding loopholes. For example, if no administratively sound solution can be found to include all commercial transport actors, heavy duty vehicles which fill their tank in separate stations could be included during the transition phase. Special attention should be given to facilities heated both for commercial and private purposes, where the degree of vulnerability should be taken into account.

Amendment 431
Hermann Tertsch
Proposal for a directive
Recital 43 a (new)

*Text proposed by the Commission*

(43a) The Commission shall produce annual reports on the impact of the expansion of the European emissions trading system to European households and consumers; if necessary, the Commission shall present the actions required to prevent the new obligations on emissions trading ending up being passed on as indirect taxes and additional costs for European citizens.

Amendment 432
Pietro Fiocchi
Proposal for a directive
Recital 43 a (new)
(43a) Prior to the launch of the emissions trading system and in order to efficiently apply it, it is necessary to coordinate the legislative, regulatory and support measures in force in the field of energy transition to provide companies with a coherent framework for their green conversion process, also for avoid harmful overlapping of rules and costs.

Amendment 433
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 43 a (new)

(43a) The possible further expansion of emissions trading for these two new sectors should not lead to the introduction of multiple additional CO2 taxes, charges and duties being levied on these sectors where such charge taxes and duties are already levied through other means.

Amendment 434
Agnès Evren

Proposal for a directive
Recital 44

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two
new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment 435
Silvia Modig

Proposal for a directive
Recital 44

Text proposed by the Commission

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

deleted
households and transport users.

Amendment 436
Michael Bloss

Proposal for a directive
Recital 44

Text proposed by the Commission Amendment

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment 437

Proposal for a directive
Recital 44
In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.
efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment 439
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 44

Text proposed by the Commission Amendment

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment 440
Tudor Ciuhodaru, Dan Nica
Proposal for a directive
Recital 44

Text proposed by the Commission

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment

deleted

Or. en

Justification

extension of ETS to buildings and road transport risks to increase the energy poverty and to reduce living standards, especially for vulnerable citizens.

Amendment 441
Susana Solís Pérez, María Soraya Rodríguez Ramos

Proposal for a directive
Recital 44

Text proposed by the Commission

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should

Amendment

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, while taking into account the significant costs on citizens and companies, the extension of the emissions

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be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users. Trading to the two new sectors should be divided into two different trading periods. The first trading period (phase I) should start in 2025 and include only commercial and governmental buildings. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. In 2028, the Commission should draft an evaluation report regarding the second trading period (phase II) in regards to the extension of the emissions trading system to both, the residential buildings and the road transport sectors, including transport of goods and private transport. This evaluation report should establish the conditions and specific timeframes of the binding calendar upon which phase II will take place. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Or. en

_Justification_

The extension of the emissions trading system in two distinguished trading periods (phase I and phase II) is deemed necessary given the significant impact on citizens, transport users, and European companies. It allows the Commission to propose a gradual extension taking into account updated information on both the feasibility and the real impact of the new emissions trading system.

_Amendment 442_

_Radan Kanev_

_Proposal for a directive_

_Recital 44_

AM\1245924EN.docx 277/293 PE703.069v01-00
In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, while avoiding raising existing national, regional and social inequalities, emissions trading in the two new sectors should start between 2025 and 2028 and free allocations should be provided for Member States and regions with a low starting level of energy efficiency, low market share of new technologies, lack of accessibility and affordability of alternative solutions. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025 or the relevant corresponding years if emission trading started later than 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment 443
Pietro Fiocchi

Proposal for a directive
Recital 44

(44) In order to establish the necessary implementation framework for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, while avoiding raising existing national, regional and social inequalities, emissions trading in the two new sectors should start between 2025 and 2028 and free allocations should be provided for Member States and regions with a low starting level of energy efficiency, low market share of new technologies, lack of accessibility and affordability of alternative solutions. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025 or the relevant corresponding years if emission trading started later than 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.
2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors and a roll-out of infrastructure for alternative fuels, so as to mitigate the impact of the carbon price on vulnerable households and transport users.

widespread roll-out within European territory of infrastructure for alternative fuels, as laid down by Regulation COM(2021) 559 final, emissions trading in the two new sectors should start in 2030. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2029 and 2030. The issuance of allowances and compliance obligations for these entities should be applicable as from 2031. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors and a roll-out of infrastructure for alternative fuels, so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Or. it

Amendment 444
Christel Schaldemose
Proposal for a directive
Recital 44

Text proposed by the Commission

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and

Amendment

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2024. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2023 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2025 for use by commercial actors and 2028 for use by non-commercial households. This sequencing will allow starting emissions
Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

trading in the sectors in an orderly and efficient manner as well as ensuring a just transition. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment 445
Pernille Weiss
Proposal for a directive
Recital 44

Text proposed by the Commission

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households, enterprises and transport users in all Member States.

Amendment 446

Or. en
(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households, transport users and agriculture.

Amendment 447
Stanislav Polčák

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The
issue of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment 448
Danilo Oscar Lancini, Rosanna Conte, Marco Dreosto, Catherine Griset, Gianantonio Da Re

Proposal for a directive
Recital 44 a (new)

Text proposed by the Commission

(44a) Given the slow development of and accessibility to low and zero emission vehicles in the various market segments of road transport and the millions of vehicles that would be affected by additional charges being introduced, for road transport, the system should be gradually introduced over a ten-year period once allowances and compliance obligations start in 2026. Re-evaluations should take place every two to three years. The starting point and the evaluation process should depend on a number of conditions, including the availability of alternative fuel technology, the speed in deploying sufficient numbers of alternative fuel light- and heavy-duty vehicles, as well as an alternative fuel infrastructure for the sector and its various niches.

Or. cs
Amendment 449
Pietro Fiocchi

Proposal for a directive
Recital 44 a (new)

Text proposed by the Commission

(44a) A temporary opt-out clause should be introduced giving Member States the possibility to delay the application of emissions trading for fuels released for private road transport and private residential building heating and cooling until 2027, as well as in microenterprise, on condition that the Member States can demonstrate that they are able to differentiate the monitoring, reporting and verification of fuels released for private road transport and private residential building heating and cooling from other activities covered by this Chapter, and that they can reach their 2030 targets under Regulation (EU) 2018/842 of the European Parliament and of the Council without the immediate and full application of emissions trading in those subsectors.

Amendment

Or. en

Amendment 450
Peter Liese, Esther de Lange, David Casa, José Manuel Fernandes

Proposal for a directive
Recital 44 a (new)

Text proposed by the Commission

(44a) The Social Climate Fund will be endowed with a baseline allocation in the Union budget, which will also benefit from annual reinforcements in alignment with a higher carbon price, by means of an automatic adjustment of the relevant MFF ceilings, in order to further support households and transport users in making the climate transition. It should be an
integral part of the Union budget in order
to preserve the unity and integrity of the
budget, respect the Community method
and ensure that there is effective control
by the budgetary authority, composed of
the European Parliament and the
Council.

Amendment 451
Silvia Modig

Proposal for a directive
Recital 45

Text proposed by the Commission

(45) Due to the very large number of
small emitters in the sectors of buildings
and road transport, it is not possible to
establish the point of regulation at the
level of entities directly emitting
greenhouse gases, as is the case for
stationary installations and aviation.
Therefore, for reasons of technical
feasibility and administrative efficiency, it
is more appropriate to establish the point
of regulation further upstream in the
supply chain. The act that triggers the
compliance obligation under the new
emissions trading should be the release
for consumption of fuels which are used
for combustion in the sectors of buildings
and road transport, including for
combustion in road transport of
greenhouse gases for geological storage.
To avoid double coverage, the release for
consumption of fuels which are used in
other activities under Annex I to Directive
2003/87/EC should not be covered.

Amendment 452
Michael Bloss
Proposal for a directive  
Recital 45

Text proposed by the Commission

(45) Due to the very large number of small emitters in the sectors of buildings and road transport, it is not possible to establish the point of regulation at the level of entities directly emitting greenhouse gases, as is the case for stationary installations and aviation. Therefore, for reasons of technical feasibility and administrative efficiency, it is more appropriate to establish the point of regulation further upstream in the supply chain. The act that triggers the compliance obligation under the new emissions trading should be the release for consumption of fuels which are used for combustion in the sectors of buildings and road transport, including for combustion in road transport of greenhouse gases for geological storage. To avoid double coverage, the release for consumption of fuels which are used in other activities under Annex I to Directive 2003/87/EC should not be covered.

Or. en

Amendment 453
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Hermann Tertsch, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive  
Recital 45

Text proposed by the Commission

(45) Due to the very large number of small emitters in the sectors of buildings and road transport, it is not possible to establish the point of regulation at the level of entities directly emitting greenhouse gases, as is the case for stationary installations and aviation.

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Therefore, for reasons of technical feasibility and administrative efficiency, it is more appropriate to establish the point of regulation further upstream in the supply chain. The act that triggers the compliance obligation under the new emissions trading should be the release for consumption of fuels which are used for combustion in the sectors of buildings and road transport, including for combustion in road transport of greenhouse gases for geological storage. To avoid double coverage, the release for consumption of fuels which are used in other activities under Annex I to Directive 2003/87/EC should not be covered.

Amendment 454
Anna Zalewska

Proposal for a directive
Recital 45

Text proposed by the Commission Amendment

(45) Due to the very large number of small emitters in the sectors of buildings and road transport, it is not possible to establish the point of regulation at the level of entities directly emitting greenhouse gases, as is the case for stationary installations and aviation. Therefore, for reasons of technical feasibility and administrative efficiency, it is more appropriate to establish the point of regulation further upstream in the supply chain. The act that triggers the compliance obligation under the new emissions trading should be the release for consumption of fuels which are used for combustion in the sectors of buildings and road transport, including for combustion in road transport of greenhouse gases for geological storage. To avoid double coverage, the release for consumption of fuels which are used in
other activities under Annex I to Directive 2003/87/EC should not be covered.

Amendment 455
Tudor Ciuhodaru, Dan Nica

Proposal for a directive
Recital 45

Text proposed by the Commission

(45) Due to the very large number of small emitters in the sectors of buildings and road transport, it is not possible to establish the point of regulation at the level of entities directly emitting greenhouse gases, as is the case for stationary installations and aviation. Therefore, for reasons of technical feasibility and administrative efficiency, it is more appropriate to establish the point of regulation further upstream in the supply chain. The act that triggers the compliance obligation under the new emissions trading should be the release for consumption of fuels which are used for combustion in the sectors of buildings and road transport, including for combustion in road transport of greenhouse gases for geological storage. To avoid double coverage, the release for consumption of fuels which are used in other activities under Annex I to Directive 2003/87/EC should not be covered.

Justification

Extension of ETS to buildings and road transport risks to increase the energy poverty and to reduce living standards, especially for vulnerable citizens.

Amendment 456
Jytte Guteland, Mohammed Chahim, Milan Brglez, César Luena, Marcos Ros Sempere,

Proposal for a directive
Recital 45

Text proposed by the Commission

(45) Due to the very large number of small emitters in the sectors of buildings and road transport, it is not possible to establish the point of regulation at the level of entities directly emitting greenhouse gases, as is the case for stationary installations and aviation. Therefore, for reasons of technical feasibility and administrative efficiency, it is more appropriate to establish the point of regulation further upstream in the supply chain. The act that triggers the compliance obligation under the new emissions trading should be the release for consumption of fuels which are used for combustion in the sectors of buildings and road transport, including for combustion in road transport of greenhouse gases for geological storage. To avoid double coverage, the release for consumption of fuels which are used in other activities under Annex I to Directive 2003/87/EC should not be covered.

Amendment 457
Andrey Novakov, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Markus Ferber, Gheorghe Falcă

Proposal for a directive
Recital 45

Text proposed by the Commission

(45) Due to the very large number of small emitters in the sectors of buildings and road transport, it is not possible to establish the point of regulation at the level of entities directly emitting greenhouse gases, as is the case for stationary installations and aviation. Therefore, for reasons of technical feasibility and administrative efficiency, it is more appropriate to establish the point of regulation further upstream in the supply chain. The act that triggers the compliance obligation under the new emissions trading should be the release for consumption of fuels which are used for combustion in the sectors of buildings and road transport, including for combustion in road transport of greenhouse gases for geological storage. To avoid double coverage, the release for consumption of fuels which are used in other activities under Annex I to Directive 2003/87/EC should not be covered.
of entities directly emitting greenhouse gases, as is the case for stationary installations and aviation. Therefore, for reasons of technical feasibility and administrative efficiency, it is more appropriate to establish the point of regulation further upstream in the supply chain. The act that triggers the compliance obligation under the new emissions trading should be the release for consumption of fuels which are used for combustion in the sectors of buildings and road transport, including for combustion in road transport of greenhouse gases for geological storage. To avoid double coverage, the release for consumption of fuels which are used in other activities under Annex I to Directive 2003/87/EC should not be covered.

Amendment 458
Tudor Ciuhodaru, Dan Nica

Proposal for a directive
Recital 46

Text proposed by the Commission

(46) The regulated entities in the two new sectors and the point of regulation should be defined in line with the system of excise duty established by Council Directive (EU) 2020/26258, with the necessary adaptations, as that Directive already sets a robust control system for all quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.

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Justification

Extension of ETS to buildings and road transport risks to increase the energy poverty and to reduce living standards, especially for vulnerable citizens.

Amendment 459
Anna Zalewska

Proposal for a directive
Recital 46

Text proposed by the Commission

(46) The regulated entities in the two new sectors and the point of regulation should be defined in line with the system of excise duty established by Council Directive (EU) 2020/262, with the necessary adaptations, as that Directive already sets a robust control system for all quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.


Amendment 460
Silvia Modig

Proposal for a directive
Recital 46

Text proposed by the Commission

(46) The regulated entities in the two new sectors and the point of regulation should be defined in line with the system
of excise duty established by Council Directive (EU) 2020/262, with the necessary adaptations, as that Directive already sets a robust control system for all quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.

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Amendment 461

Proposal for a directive
Recital 46

Text proposed by the Commission

Amendment

(46) The regulated entities in the two new sectors and the point of regulation should be defined in line with the system of excise duty established by Council Directive (EU) 2020/262, with the necessary adaptations, as that Directive already sets a robust control system for all quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.

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Or. en

Amendment 462
Michael Bloss

Proposal for a directive
Recital 46

Text proposed by the Commission Amendment

(46) The regulated entities in the two new sectors and the point of regulation should be defined in line with the system of excise duty established by Council Directive (EU) 2020/262\(^{58}\), with the necessary adaptations, as that Directive already sets a robust control system for all quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.


Or. en

Amendment 463
Alexandr Vondra, Grzegorz Tobiszowski, Jadwiga Wiśniewska, Hermann Tertsch, Nicola Procaccini, Pietro Fiocchi

Proposal for a directive
Recital 46

Text proposed by the Commission Amendment

(46) The regulated entities in the two new sectors and the point of regulation should be defined in line with the system of excise duty established by Council Directive (EU) 2020/262\(^{58}\), with the necessary adaptations, as that Directive already sets a robust control system for all

Or. en
quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.


Or. en

Amendment 464
Radan Kanev

Proposal for a directive
Recital 46

Text proposed by the Commission

(46) The regulated entities in the two new sectors and the point of regulation should be defined in line with the system of excise duty established by Council Directive (EU) 2020/26258, with the necessary adaptations, as that Directive already sets a robust control system for all quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.


Amendment

(46) The regulated entities in the two new sectors, the quota for free allowances and the point of regulation should be defined in line with the system of excise duty established by Council Directive (EU) 2020/26258, with the necessary adaptations, as that Directive already sets a robust control system for all quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.


Or. en