

Market stability reserve for the buildings, road transport and additional sectors

2025/0380(COD) - 17/04/2026 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Climate and Food Safety adopted the report by Danuše NERUDOVIČ (EPP, CZ) on the proposal for a decision of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards the market stability reserve for the building, road transport and other sectors.

The committee responsible recommended that the European Parliament adopt its position at first reading as follows:

Increase the responsiveness of the price control mechanism

Members believe it is preferable for the price control mechanism to intervene quickly when the condition of Article 30h(2) of Directive 2003/87/EC is met in order to start mitigating the surpassing of the price level sooner. That is why the report proposes to shorten the period within which the distribution of the allowances from the reserve has to start in order to strengthen the reactivity of the price control mechanism from **two months to 30 days**.

Strengthen market predictability

In order to increase long-term market predictability, Members believe that the allowances placed in the reserve for the buildings, road transport and additional sectors that have not been released should remain **valid until 31 December 2033 and partially until 31 December 2035**. From 1 January 2034, 50% of the allowances held in the reserve that have not been released from the reserve will no longer be valid. From 1 January 2036, the remaining allowances held in reserve will no longer be valid.

Impact assessment

Within four years of the start of the operation of ETS2, the Commission should conduct an impact assessment, including a **distributional impact assessment**, and an evaluation of the **environmental, social and economic impact** of the remaining allowances in the reserve and determine the appropriateness of partially or entirely invalidating those allowances. That evaluation will, where appropriate, be accompanied by a legislative proposal.

Possible measures to mitigate the potential social impacts of EU ETS 2

Members introduced in a recital a non-exhaustive list of possible measures to mitigate the potential social impacts of EU ETS 2 and, consequently, to increase public acceptance of the system across the Union.

The Commission should take this into account when revising the EU ETS Directive. These possible measures are as follows:

- allowing Member States to temporarily not apply the system to residential buildings by way of derogation, provided the Member States have in place other measures to achieve the effort sharing targets;

- strengthening and prolonging the EUR 45 price cap set in 2026 prices, and adapting the market stability reserve accordingly, including the frequency and volume of releases of allowances and the volume in the reserve if necessary;
- ensuring the possibility to use revenues from emissions trading for direct support, such as climate dividends, without having to prove a positive environmental impact;
- ensuring the possibility for full compensation of the costs passed through to vulnerable households.

By 1 March 2027, those options need to be duly assessed by the Commission with regard to their social and environmental impacts while ensuring they would not be to the detriment of meeting the Union's climate goals.