

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

2025/0380(COD) - 29/04/2026 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 568 votes to 24, with 42 abstentions, **amendments** to 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 buildings, road transport and additional sectors.

The matter was referred back for interinstitutional negotiations to the committee responsible.

The proposal provides for targeted modifications to the parameters of the market stability reserve for the building, road transport and other sectors, while respecting the overall design of the reserve, in order to improve its functioning until ETS 2 is fully operational.

The proposed amendments concern the following acts:

## *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 shall no longer be valid. From 1 January 2036, the remaining allowances held in reserve shall 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 shall, 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. The Commission could examine a **list of possible options** such as:

- strengthening and prolonging beyond 31 December 2029 the excessive price increase mechanism of EUR 45 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,
- assessing the feasibility of allowing Member States to temporarily not apply the system to residential buildings by way of derogation;
- ensuring the possibility to use revenues from emissions trading for direct support, such as climate dividends, without having to prove a positive environmental impact or introducing other measures to minimise the cost passed through on 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.