EU Emissions Trading System: heat and fuel benchmark values for 2026–2030

2026/0211(COD) - 22/10/2026 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 474 votes to 82, with 28 abstentions, **amendments** to the proposal for a regulation of the European Parliament and of the Council amending Directive 2003/87/EC as regards revised benchmark values for the heat and fuel benchmarks for the period from 2026 to 2030.

The proposal aims to amend Directive 2003/87/EC (EU Emissions Trading System - ETS) by revising the reference values for heat and fuels used for the free allocation of emission allowances for the period 2026-2030.

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

To address concerns expressed by certain industrial sectors in the context of updating the benchmark values until 2030 and provide additional protection against the risk of carbon leakage, the quantity of allowances to be allocated for free for the period from 2026 to 2030, determined by the heat and fuel benchmarks (‘fallback benchmarks’), should be increased.

In order to do so, Member propose adjusting the maximum annual update rate applied for the fallback benchmarks by using the totality of the allowances available for free allocation in the period from 2026 to 2030, amounting to around **88 million allowances**, as well as **a third of the allowances** that are not allocated in that period as a result of the reduction of free allocation, amounting to around 11 million allowances.

Another third of those allowances, amounting to around 11 million allowances, should be transferred to the Modernisation Fund and should be used to support investments, inter alia, in the modernisation of district heating systems. The last third should remain allocated to the Innovation Fund.

The use of the additional allowances for free allocation corresponds to an indicative 12.5 % reduction to the fallback benchmarks compared to the values for the period from 2021 to 2025, namely an indicative average value heat and fuel benchmarks for the period from 2026 to 2030 of 41.4 and 37.3 allowances/TJ, respectively.

Where the Commission finds significant and clearly documented discrepancies between the Union-wide ex-ante fuel benchmark and the emissions performance of sub-installations in a clearly identifiable industrial sector, it should establish **sectoral sub-benchmarks** to ensure that the allocation of free allowances reflects the performance of the most efficient sub-installations within a sufficiently homogeneous peer group.

To that end, with a view to already applying such sub-benchmarks during the period from 2026 to 2030, the Commission should establish as soon as possible, by means of implementing acts, the updated sub-benchmark values for the relevant subsector. Those sub-benchmark values should be determined on the basis of the average greenhouse gas emission intensity of the 10 % most efficient installations in the respective sector, using the same reference period, dataset and methodology as the ex-ante fuel benchmark.