

Basic information

2025/0380(COD)

Awaiting Parliament's position in 1st reading

COD - Ordinary legislative procedure (ex-codecision procedure)
Decision

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

Amending Decision 2015/1814 [2014/0011\(COD\)](#)



Subject

- 3.60.08 Energy efficiency
- 3.70.02 Atmospheric pollution, motor vehicle pollution
- 3.70.03 Climate policy, climate change, ozone layer
- 3.70.18 International and regional environment protection measures and agreements

Key players

European Parliament	Committee responsible		Rapporteur	Appointed
	ENVI Environment, Climate and Food Safety		NERUDOVA Danuše (EPP)	18/12/2025
			Shadow rapporteur	
			TEMIDO Marta (S&D) NAGYOVÁ Jana (Pfe) ZALEWSKA Anna (ECR) WIESNER Emma (Renew) TOUSSAINT Marie (Greens /EFA) ANDERSSON Li (The Left) ARNDT Anja (ESN)	
Committee for opinion		Rapporteur for opinion	Appointed	
ITRE Industry, Research and Energy		The committee decided not to give an opinion.		
Council of the European Union				
European Commission	Commission DG		Commissioner	
	Climate Action		HOEKSTRA Wopke	

Key events

Date	Event	Reference	Summary
27/11/2025	Legislative proposal published	COM(2025)0738 	Summary
15/12/2025	Committee referral announced in Parliament, 1st reading		
15/04/2026	Vote in committee, 1st reading		
17/04/2026	Committee report tabled for plenary, 1st reading	A10-0098/2026	Summary
29/04/2026	Decision by Parliament, 1st reading	T10-0139/2026	Summary
29/04/2026	Results of vote in Parliament		
29/04/2026	Matter referred back to the committee responsible for interinstitutional negotiations		

Technical information

Procedure reference	2025/0380(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Amending Decision 2015/1814 2014/0011(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 192-p1
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	ENVI/10/04630

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE781.492	10/02/2026	
Amendments tabled in committee		PE785.330	17/03/2026	
Committee report tabled for plenary, 1st reading/single reading		A10-0098/2026	17/04/2026	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T10-0139/2026	29/04/2026	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2025)0738 	27/11/2025	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	IT_CHAMBER	COM(2025)0738	05/02/2026	
Contribution	CZ_SENATE	COM(2025)0738	13/02/2026	
Contribution	RO_SENATE	COM(2025)0738	16/02/2026	
Contribution	MT_PARLIAMENT	COM(2025)0738	24/02/2026	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0103/2026	21/01/2026	

Additional information

Source	Document	Date
EP Research Service	Briefing	13/01/2026
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
TOUSSAINT Marie	Shadow rapporteur	ENVI	06/03/2026	CLER reseau pour la transition énergétique
NERUDOVA Danuše	Rapporteur	ENVI	26/02/2026	Carbon Market Watch
NERUDOVA Danuše	Rapporteur	ENVI	25/02/2026	VEYT
TOUSSAINT Marie	Shadow rapporteur	ENVI	25/02/2026	Solar Heat Europe/ESTIF
NERUDOVA Danuše	Rapporteur	ENVI	17/02/2026	European Heat Pump Association
NERUDOVA Danuše	Rapporteur	ENVI	17/02/2026	Solar Heat Europe/ESTIF

NERUDOVÁ Danuše	Rapporteur	ENVI	13/02/2026	Acea S.p.A.
TOUSSAINT Marie	Shadow rapporteur	ENVI	03/02/2026	Notre Europe - Institut Jacques Delors / Notre Europe - Jacques Delors Institute
NERUDOVÁ Danuše	Rapporteur	ENVI	16/01/2026	Asociace pro mezinárodní otázky, z.s. CEZ, a.s. Centrum pro dopravu a energetiku, z.s. EUROPEUM Institute for European Policy Hnutí DUHA - Friends of the Earth Czech Republic Hospodářská komora České republiky Svaz energetiky ČR Svaz průmyslu a dopravy ČR PAQ Research Komora obnovitelných zdrojů energie, z.s. Šance pro budovy Fakta o klimatu Institut 2050 IDEA při CERGE-EI Svaz dopravy ČR Svaz měst a obcí Teplárenské sdružení ČR Česká asociace organizátorů veřejné dopravy
TOUSSAINT Marie	Shadow rapporteur	ENVI	17/10/2025	Carbon Market Watch European Environmental Bureau

Other Members

Transparency		
Name	Date	Interest representatives
HOLMGREN Pär	06/03/2026	Carbon Market Watch
WÖLKEN Tiedo	05/03/2026	Carbon Market Watch
ANDERSSON Li	27/02/2026	Carbon Market Watch

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 NERUDOVÁ (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.

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.

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

2025/0380(COD) - 27/11/2025 - Legislative proposal

PURPOSE: to enhance the effectiveness of the market stability reserve for the buildings, road transport and additional sectors in relation to the balance of supply and demand.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Decision (EU) 2015/1814 of the European Parliament and of the Council established a market stability reserve in order to mitigate the risk of supply and demand imbalances associated with the start of emissions trading for the buildings, road transport and additional sectors, as well as to make it more resistant to market shocks.

The analysis carried out of the expected functioning of the reserve, taking into account recent information, indicates that targeted amendments to some parameters would contribute to improving market predictability and to the stability of price movements in the early years of the new system.

CONTENT: 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 proposal contains three measures to **improve market liquidity** in order to strengthen market predictability, reduce volatility and further address excessive price increases:

1) **Removal of the invalidity of allowances in reserve after 2030** : the 600 million allowances held in the market stability reserve will remain valid beyond 2030, which will improve the liquidity and long-term predictability of the market.

2) **Modification of the injection rate mechanism** to provide a more gradual and responsive release of allowances from the reserve into the market. The proposal provides for a market stability reserve injection when the total number of allowances in circulation (TNAC) is between 210 million and 260 million. In such a case, the injection will be 100 million allowances minus twice the difference between the TNAC and the 210 million threshold.

3) **A supplementary mechanism** that adds a top-up mechanism of 20 million allowances to the number of allowances to be injected under the excessive price control mechanism provided for in Directive 2003/87/EC. The objective is to further improve the reactivity of this mechanism to unwarranted price fluctuations and enhance market predictability. This amendment carefully strengthens this mechanism by making it possible to release a higher number of allowances in the market to further improve market confidence, which is important for planning decarbonisation investments.