CA 19: ETS 2

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<RepeatBlock-By><Members>*supported by* **EPP, S&D, RE, Greens, ID, ECR, The Left**</Members>

<Amend>**Compromise Amendment** <NumAm>**19**</NumAm>

</RepeatBlock-By><Compromise>Compromise amendment replacing Amendments 20, 22-28, 31, 32, 83-107, 112-114, 159, 360, 415-532, 534-597, 600-605, 621, 624-628, 631, 658-659, 665-668, 672-677, 1220, 1406-1530, 1672-1685, 1695-1706, 1574-1585,

ITRE 21, BUDG 6, BUDG 7, BUDG 9, BUDG 10, TRAN 24-42, TRAN 45, TRAN 51, TRAN 53-55, TRAN 109, TRAN 111, TRAN 114, TRAN 125-127

</Compromise>

CA 19 Part 1: Core provisions

**1. Commercial 2025, with private 2029 after Commission assessment**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 a</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| The provisions of this Chapter shall apply to emissions, greenhouse gas emission permits, issue and surrender of allowances, monitoring, reporting and verification in respect of the activity referred to in Annex III. This Chapter shall not apply to any emissions covered by Chapters II, IIa and III. | The provisions of this Chapter shall apply to emissions, greenhouse gas emission permits, issue and surrender of allowances, monitoring, reporting and verification in respect of the activity referred to in Annex III. This Chapter shall not apply to any emissions covered by Chapters II, IIa and III. |
|  | ***The provisions of this Chapter shall apply in respect of the release for consumption of fuels which are used for combustion in private road transport and private heating or cooling of residential buildings only from 1 January 2029 subject to the assessment in Article 30a(1a) (new).*** |

Or. <Original>{EN}en</Original>

</Amend>

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 a – paragraph 1a (new)</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***If the conditions are right, the Commission shall aim to extend this Chapter to emissions from private road transport and private heating and cooling for residential buildings as of 1 January 2029.*** |
|  | ***By 1 January 2026, the Commission shall present a report to the European Parliament and the Council assessing the extension of this Chapter to emissions from private road transport and private heating and cooling for residential buildings as of 1 January 2029 in a manner that leaves no one behind. In particular, that report shall include:*** |
|  | ***(a) a detailed assessment of the evolution of energy and mobility poverty in the Union and in each Member State as reported according to Article 23(1) of Regulation (EU) .../... [Social Climate Fund Regulation];*** |
|  | ***(b) a detailed assessment of the results of the measures and investments included in the Member States Social Climate Plans, in particular as regards the number of people that were lifted out of energy and mobility poverty as a result of those measures and investments, and of other investments from other Union funds;*** |
|  | ***(c) a detailed analysis and quantification of the additional greenhouse gas emissions reduction that could be achieved through this extension, as well as the progress of Member States toward the achievement the (ESR Regulation) targets;*** |
|  | ***(d) an assessment of the feasibility and modalities of the cost pass-on reporting and limit mechanism in article 30f(2a);*** |
|  | ***Based on the results of that report, the Commission shall, where appropriate, present a targeted review of this Directive and of the [Social Climate Fund Regulation] to extend this Chapter to emissions from private road transport and private heating and cooling for residential buildings as of 1 January 2029.*** |

Or. <Original>{EN}en</Original>

</Amend>

**Emergency break**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 a a (new)</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***Article 30a a (new)*** |
|  | ***1. Where, in the six consecutive months preceding the year of start of auctioning for fuels which are used for combustion in private road transport and private heating or cooling of residential buildings in accordance with article 30, second paragraph, the average price of the fuels for consumption in the sectors covered by this Chapter is more than the average price of March 2022  the deadline for surrendering allowances in respect of fuels which are used for combustion in private road transport and private heating or cooling of residential buildings, referred to in Article 30d(1), shall be extended until the price goes below this threshold.*** |
|  | ***By derogation from paragraph 1, in the event that the Fund established by the [Social Climate Fund Regulation] has not commenced operating, or has operated for less than three years, the auctioning of allowances covered by this Chapter shall be delayed until that Fund has been operational for at least 3 years.*** |
|  | ***2. If applicable, the Commission shall publish that the condition in paragraph 1 is met before the start of the auctions under this Chapter.***  |

Or. <Original>{EN}en</Original>

</Amend>

**Commercial 2025**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 d – paragraph 1</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| 1. From 2026, allowances covered by this Chapter shall be auctioned, unless they are placed in the Market Stability Reserve established by Decision (EU) 2015/1814. The allowances covered by this Chapter shall be auctioned separately from the allowances covered by Chapters II, IIa and III.  | 1. From ***2025***, allowances covered by this Chapter shall be auctioned,unless they are placed in the Market Stability Reserve established by Decision (EU) 2015/1814. The allowances covered by this Chapter shall be auctioned separately from the allowances covered by Chapters II, IIa and III.  |

Or. <Original>{EN}en</Original>

</Amend>

**Extension to other fuels**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Chapter IVa – title</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| EMISSIONS TRADING SYSTEM FOR BUILDINGS ***AND*** ROAD TRANSPORT | EMISSIONS TRADING SYSTEM FOR BUILDINGS***,*** ROAD TRANSPORT ***AND OTHER FUELS*** |

Or. <Original>{EN}en</Original>

</Amend>

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Chapter IV</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***(-1a) Throughout this Chapter, the term ‘fuel released for consumption and which is used for combustion in the buildings and road transport sectors as defined in Annex III’ is replaced by ‘fuel released for consumption in the sectors as defined in Annex III’ and any necessary grammatical changes are made.*** |
|  | *This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)* |

Or. <Original>{EN}en</Original>

</Amend>

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Annex – paragraph 1 – point 2**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Annex III – table</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| Activity: | Greenhouse gases |
| ***1.*** Release for consumption of fuels which are used for combustion ***in the sectors of buildings and road transport***.  | Carbon dioxide (CO2) |
| This activity shall not include: |  |
| (a) the release for consumption of fuels used in the activities set out in Annex I to this Directive, except if used for combustion in the activities of transport of greenhouse gases for geological storage (activity row twenty seven);  |  |
| (b) the release for consumption of fuels for which the emission factor is zero. |  |
| ***2. The sectors of buildings and road transport shall correspond to the following sources of emissions, defined in 2006 IPCC Guidelines for National Greenhouse Gas Inventories, with the necessary modifications to those definitions as follows:*** |  |
| ***(a) Combined Heat and Power Generation (CHP) (source category code 1A1a ii) and Heat Plants (source category code 1A1a iii), insofar as they produce heat for categories under (c) and (d) of this point, either directly or through district heating networks;*** |  |
| ***(b) Road Transportation (source category code 1A3b), excluding the use of agricultural vehicles on paved roads;*** |  |
| ***(c) Commercial / Institutional (source category code 1A4a);*** |  |
| ***(d) Residential (source category code 1A4b).*** |  |
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| *Amendment* |
| Activity: | Greenhouse gases |
| Release for consumption of fuels which are used for combustion. | Carbon dioxide (CO2) |
| This activity shall not include***:*** |  |
| (a) the release for consumption of fuels used in the activities set out in Annex I to this Directive, except if used for combustion in the activities of transport of greenhouse gases for geological storage (activity row twenty seven); |  |
| (b) the release for consumption of fuels for which the emission factor is zero. |  |
| ***(c) the release for consumption of fuels used in agriculture.*** |  |
| ***(d) the release for consumption of fuels used in ships or activities under Article 2(2) in Regulation (EU) 2015/757.*** |  |
| ***(e) the release for consumption of fuels used in the activity “Aviation” of Annex I of this Directive*** |  |
| ***(f) the release for consumption of fuels used for private road transport and for residential buildings until 1 January 2029, subject to the assessment in Article 30(1a);*** |  |

Or. <Original>{EN}en</Original>

</Amend>

**Price cap**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 h – paragraph 2 a (new)</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***2a. Where, prior to 1 January 2030, every time the average price of allowances referred to in paragraph 1 exceeds a price cap of 50 EUR, the Commission shall, as a matter of urgency, adopt a decision to release 10 million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU 2015/1814.*** |
|  | ***Where, prior to 1 January 2030, the average price of allowance referred to in paragraph 1 exceeds 45 EUR, the Commission and Member States shall, as a matter of urgency, take further measures to reduce carbon dioxide emissions in order to avoid reaching the price cap referred to in the first subparagraph.*** |
|  | ***In the event of application of paragraph 1 or 2, the application of this paragraph shall be suspended during that period.*** |

Or. <Original>{EN}en</Original>

</Amend><DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 i – paragraph 1</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| By 1 January 2028, the Commission shall report to the European Parliament and to the Council on the implementation of the provisions of this Chapter with regard to their effectiveness, administration and practical application, including on the application of the rules under Decision (EU) 2015/1814 and use of allowances of this Chapter to meet compliance obligations of the compliance entities covered by Chapters II, IIa and III. Where appropriate, the Commission shall accompany this report with a proposal to the European Parliament and to the Council to amend this Chapter. By 31 October 2031 the Commission should assess the feasibility of integrating the sectors covered by Annex III in the Emissions Trading System covering the sectors listed in annex 1 of Directive 2003/87/EC.’’;  | By 1 January 2028, the Commission shall report to the European Parliament and to the Council on the implementation of the provisions of this Chapter with regard to their effectiveness, administration and practical application, including on the application of the rules under Decision (EU) 2015/1814 and use of allowances of this Chapter to meet compliance obligations of the compliance entities covered by Chapters II, IIa and III. Where appropriate, the Commission shall accompany this report with a proposal to the European Parliament and to the Council to amend this Chapter.  |
|  | ***By 1 January 2029, the Commission shall present a report to the European Parliament and to the Council in which it assesses whether the price cap referred to in Article 30h(2a), first subparagraph, has been effective and whether it should be continued. The Commission shall, where appropriate, accompany that report with a legislative proposal to the European Parliament and to the Council to amend this Directive to adjust that price cap, in due time for it to apply from 1 January 2030.*** |
|  | By 31 October 2031 the Commission should assess the feasibility of integrating the sectors covered by Annex III in the Emissions Trading System covering the sectors listed in annex 1 of Directive 2003/87/EC. |

Or. <Original>{EN}en</Original>

</Amend>

**Excessive Price Mechanism**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 h – paragraph 1</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| 1. Where, for more than three consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than twice the average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this Chapter, the Commission shall, as a matter of urgency, adopt a decision to release 50 million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.  | 1. Where, for more than three consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than twicethe average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this Chapter, the Commission shall, as a matter of urgency, adopt a decision to release 50 million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.  |
| 2. Where, for more than three consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than three times the average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this Chapter, the Commission shall, as a matter of urgency, adopt a decision to release 150 million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.  | 2. Where, for more than three consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than three times the average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this Chapter, the Commission shall, as a matter of urgency, adopt a decision to release 150 million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.  |

Or. <Original>{EN}en</Original>

**</Amend>Avoiding Double Counting**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30f – paragraph 4</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| 4. Member States shall ensure that the regulated entities are able to identify and document reliably and accurately per type of fuel, the precise volumes of fuel released for consumption which are used for combustion in the buildings and road transport sectors as identified in Annex III, and the final use of the fuels released for consumption by the regulated entities. The Member States shall take appropriate measures to avoid any risk of double counting of emissions covered under this Chapter and the emissions under Chapters II, IIa and III. Detailed rules for avoiding double counting shall be adopted in accordance with Article 14(1)***.*** | 4. Member States shall ensure that the regulated entities are able to identify and document reliably and accurately per type of fuel, the precise volumes of fuel released for consumption pursuant to Annex III, and the final use of the fuels released for consumption by the regulated entities. The Member States shall take appropriate measures to avoid any risk of double counting of emissions covered under this Chapter and the emissions under Chapters II, IIa and III. Detailed ***and harmonised*** rules for avoiding double counting shall be adopted in accordance with Article 14(1). |

Or. <Original>{EN}en</Original>

</Amend><DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30f – paragraph 4 a (new)</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***4a. The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive by setting out the Union-wide and fully harmonised rules regarding compensation of costs arising from double accounting for operators of installations pursuant to Article 3e that are incurred from costs passed on in fuel prices concerning emissions from the combustion of fuels and provided that those emissions are reported by the operator pursuant to Article 14 as well as the regulated entity pursuant to this Article and that the double counting is not avoided pursuant to paragraph 4 of this Article; the calculation of the compensation amount shall be based on the average price of allowances auctioned pursuant to Article 30d(4) in the reporting year concerned pursuant to this Article; the revenues generated from the auctioning of allowances covered by this Chapter shall, to the extent necessary and up to a level corresponding to the double counting in the reporting year pursuant to this Article, be used for the compensation amount;*** |

Or. <Original>{EN}en</Original>

</Amend><DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30c – paragraph 2 a (new)</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***2a.*** ***The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive by setting out an additional amount of allowances to be issued for each year from 2025 onwards to compensate for allowances surrendered in cases where there was double counting of emissions notwithstanding rules to avoid such double counting as referred to in Article 30f(4). The additional amount of allowances set by the Commission shall correspond to the total amount of greenhouse gas emissions compensated for in the relevant reporting year pursuant to the delegated acts referred to in Article 30f(4a), point (a).***  |

Or. <Original>{EN}en</Original>

**</Amend>Cost pass-on limitation**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30f – paragraph 2 a (new)</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***2a. Subject to the assessment in Article 30a(1a)(d), from [one year before the date of application of this Chapterin respect of fuels which are used for combustion in private road transport and private heating or cooling of residential buildings] and every month thereafter, regulated entities shall report to the Commission a breakdown of the costs going into the retail price of the fuels released for consumption pursuant to Annex III, including in particular the share of national taxes and fees and costs related to the surrender of allowances in the retail price, as well as the percentage of the costs related to the surrender of allowances which is passed on to the end consumer. Where this percentage changes by more than 5 % points compared to the last reporting period, an explanation shall be provided.*** |
|  | ***By ... [the date of entry into force of this Chapter], the Commission shall adopt an implementing act  setting out the reporting categories and format to be used for reporting in accordance with the first subparagraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22a(2).*** |
|  | ***2b. From [the date of application of this Chapterin respect of fuels which are used for combustion in private road transport and private heating or cooling of residential buildings] or, if a Member State in accordance with Article 30a, third paragraph, has decided that the derogation referred to in the second paragraph of that Article does not apply, from xx, Regulated entities shall not pass on more than 50% of the costs related to the surrender of allowances for fuels released for consumption pursuant to Annex III to the final consumer.*** |
|  | ***2c. Where the Commission finds that a regulated entity has passed on a share of costs higher than 50 %, that entity shall pay a penalty into the Social Climate Fund established by Regulation (EU) 20…/nn [Social Climate Fund Regulation] in accordance with Article 16. The penalty amount shall be calculated on the basis of the quantity of allowances equivalent to the excess passthrough in accordance with this paragraph, multiplied by the highest recorded primary or secondary market settlement price for allowances under this Chapter in the preceding year. Each year by 28 February, the Commission shall communicate the excess passthrough penalty price. The revenues generated from penalties referred to in paragraph 2b shall be allocated to the Social Climate Fund referred to in Regulation (EU) 20…/nn [Social Climate Fund Regulation].*** |

Or. <Original>{EN}en</Original>

**</Amend>Private opt-in**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30d– paragraph 1 b (new)</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***A Member State may decide that the derogation in respect of fuels which are used for combustion in private road transport and private heating or cooling of residential buildings referred to in the first paragraph shall not apply within its territory, provided that it has sufficient programmes in place to support low income households and to address energy and mobility poverty and subject to approval by the Commission. The Member State concerned shall inform the Commission if it intends to take such a decision. The Commission shall assess whether the Member State has sufficient programmes in place for those purposes and inform the Member State of its decision.*** |

Or. <Original>{EN}en</Original>

**</Amend>**

**150 million (3.4% of total ETS 2) ETS 2 Allowances auctioned for Social Climate Fund (instead of IF)**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30d– paragraph 3</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| *3. 150 million allowances issued under this Chapter shall be auctioned and all revenues from these auctions made available for the Innovation Fund established under Article 10a(8). Article 10a(8) shall apply to the allowances referred to in this paragraph.* | 3. 150 million allowances issued under this Chapter shall be auctioned and all revenues from these auctions made available for the Social Climate Fund established under ***Regulation (EU) 20../nn [Social Climate Fund Regulation as external assigned revenue in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council, and shall be used in accordance with the rules applicable to the Social Climate Fund*** |

Or. <Original>{EN}en</Original>

</Amend><DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 d – paragraph 3 a (new)</Article2>

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| *Text proposed by the Commission* | *Amendment* |
|  | ***3 a. In order to ensure that the available appropriations for the Social Climate Fund in the EU budget can evolve in close alignment with the carbon price and thus the burden for vulnerable households and traffic users, a Carbon Price Fluctuation Adjustment Mechanism will enable annual reinforcements. The detailed provisions are to be provided for in the Multiannual Financial Framework Regulation, which, in accordance with Article 312 TFEU, will ensure that the relevant expenditure ceilings are adjusted automatically each year in function of the rate of change of the carbon price under the ETS for Buildings and Road Transport. The budgetary impact of the annual adjustment will be budgeted.*** |

Or. <Original>{EN}en</Original>

</Amend><DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 d – paragraph 4</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| 4. The total quantity of allowances covered by this Chapter after deducting the quantities set out in paragraph 3, shall be auctioned by the Member States and distributed amongst them in shares that are identical to the share of reference emissions under Article 4(2) of Regulation (EU) 2018/842 for the sectors covered by this Chapter for the average of the period from 2016 to 2018, of the Member State concerned. | 4. The total quantity of allowances covered by this Chapter after deducting the quantities set out in paragraphs 3, shall be auctioned by the Member States and distributed amongst them in shares that are identical to the share of reference emissions under Article 4(2) of Regulation (EU) 2018/842 for the sectors covered by this Chapter for the average of the period from 2016 to 2018, of the Member State concerned. |

Or. <Original>{EN}en</Original>

**</Amend>Entire amount of ETS 2 national resources allocated to Social Climate Fund and ring-fenced for social climate measures**

<DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 d – paragraph 5 –subparagraph 1 – introductory part</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| 5. Member States shall determine the use of revenues generated from the auctioning of allowances referred to in paragraph 4, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered in the Union budget. Member States shall use their revenues for ***one or more of the activities referred to in Article 10(3) or*** for one or more of the following: | 5. Member States shall determine the use of revenues generated from the auctioning of allowances referred to in paragraph 4, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered in the Union budget ***as general income***. Member States shall use their revenues ***first*** for ***the national co-financing of their Social Climate Plans and, for any remaining revenue,*** for ***social climate measures and investments in accordance with Article 6 of Regulation (EU) 20../nn [Social Climate Fund Regulation]***: |

Or. <Original>{EN}en</Original>

</Amend><DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 d – paragraph 5 –subparagraph 1 – point a</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| (a) measures intended to contribute to the ***decarbonisation*** of heating and cooling of buildings or to the reduction of the energy needs of buildings***, including the integration of renewable energies and related measures according to Articles 7(11), 12 and 20 of Directive 2012/27/EU [references to be updated with the revised Directive], as well as measures to provide financial support for low-income households in worst-performing buildings***; | (a) measures intended to contribute to the ***climate neutrality*** of heating and cooling of buildings or to the reduction of the energy needs of buildings ***in accordance with Article 6 of Regulation (EU) 20../nn [Social Climate Fund Regulation]***; |

Or. <Original>{EN}en</Original>

</Amend><DocAmend>**Proposal for a directive**</DocAmend>

<Article>**Article 1 – paragraph 1 – point 21**</Article>

<DocAmend2>Directive 2003/87/EC</DocAmend2>

<Article2>Article 30 d – paragraph 5 –subparagraph 1 – point b</Article2>

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| *Text proposed by the Commission* | *Amendment* |
| (b) measures intended to accelerate the uptake of zero-emission vehicles or to provide financial support for the deployment of fully interoperable refuelling and recharging infrastructure for zero-emission vehicles or measures to encourage a shift to public forms of transport and improve multimodality, or to provide financial support in order to address social aspects concerning low and middle-income transport users. | (b) measures intended to accelerate the uptake of zero-emission vehicles or to provide financial support for the deployment of fully interoperable refuelling and recharging infrastructure for zero-emission vehicles or measures to encourage a shift to public forms of transport and improve multimodality ***in accordance with Article 6 of Regulation (EU) 20../nn [Social Climate Fund Regulation]***. |

Or. <Original>{EN}en</Original>

**</Amend>Entire amount of ETS 2 national resources allocated Frontloading of Social Climate Fund by at least 2 years**

*18, state of play 20/04/2022*

<DocAmend>**Proposal for a regulation**</DocAmend>

<Article>**Article 18 – paragraph 1**</Article>

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| *Text proposed by the Commission* | *Amendment* |
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Or. <Original>{EN}en</Original>

</Amend>DocAmend>**Proposal for a regulation**</DocAmend>

<Article>**Recital 52**</Article>

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| *Text proposed by the Commission* | *Amendment* |
| (52) The introduction of the carbon price in road transport and buildings should be accompanied by effective social compensation, especially in view of the already existing levels of energy poverty. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6,9 % of the Union population have said that they  cannot afford to heat their home sufficiently in a 2019 EU-wide survey. To achieve an effective social and distributional compensation, Member States should be required to spend the auction revenues on the climate and energy-related purposes already specified for the existing emissions trading, but also for measures added specifically to address related concerns for the new sectors of road transport and buildings, including related policy measures under Directive 2012/27/EU of the European Parliament and of the Council. Auction revenues should be used to address social aspects of the emission trading for the new sectors with a specific emphasis in vulnerable households, micro-enterprises and transport users. In this spirit, a new Social Climate Fund will provide dedicated funding to Member States to support the European citizens most affected or at risk of energy or mobility poverty. This Fund will promote fairness and solidarity between and within Member States while mitigating the risk of energy and mobility poverty during the transition. It will build on and complement existing solidarity mechanisms. The resources of the new Fund will in principle correspond to 25 % of the expectedrevenues from new emission trading in the period 2026-2032, and will be implemented on the basis of the Social Climate Plans that Member States should put forward under Regulation (EU) 20…/nn of the European Parliament and the Council. In addition, each Member State should use their auction revenues *inter alia* to finance a part of the costs of their Social Climate Plans.  | (52) The introduction of the carbon price in road transport and buildings should be accompanied by effective social compensation, especially in view of the already existing levels of energy poverty. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6,9 % of the Union population have said that they  cannot afford to heat their home sufficiently in a 2019 EU-wide survey. To achieve an effective social and distributional compensation, Member States should be required to spend the auction revenues on the climate and energy-related purposes already specified for the existing emissions trading, but also for measures added specifically to address related concerns for the new sectors of road transport and buildings, including related policy measures under Directive 2012/27/EU of the European Parliament and of the Council. Auction revenues should be used to address social aspects of the emission trading for the new sectors with a specific emphasis in vulnerable households, micro-enterprises and transport users. In this spirit, a new Social Climate Fund will provide dedicated funding to Member States to support the European citizens most affected or at risk of energy or mobility poverty. ***This Fund should be an integral part of the EU budget in order to preserve the unity of the budget and the coherence with EU policies and to ensure an effective control by the budgetary authority, composed of the Parliament and the Council.***  This Fund will promote fairness and solidarity between and within Member States while mitigating the risk of energy and mobility poverty during the transition. It will build on and complement existing solidarity mechanisms. The resources of the new Fund will in principle correspond to 25 % of the expected revenues from new emission trading in the period 2026-2032, and will be implemented on the basis of the Social Climate Plans that Member States should put forward under Regulation (EU) 20…/nn of the European Parliament and the Council. ***The programmed baseline allocation in the EU budget should be increased annually by a supplementary reinforcement in the event of an increase of carbon price to a level higher than the initial assumption, as it would raise the burden on the vulnerable households and traffic users. To ensure that the impact of carbon price increases on the most vulnerable is adequately and fairly mitigated, such annual reinforcements should be accommodated within the MFF by means of an automatic ‘carbon price fluctuation adjustment’ of the ceiling of Heading 3 and the payment ceiling, the mechanism for which is to be provided for in the MFF regulation according to Article 312 TFEU.*** In addition, each Member State should use their auction revenues *inter alia* to finance a part of the costs of their Social Climate Plans.  |
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Or. <Original>{EN}en</Original>

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