

(English version)

**Question for written answer E-003032/25
to the Commission**

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(22 July 2025)

Subject: Reassessing the timetable and safeguards for ETS2: preventing price shocks and ensuring social readiness

In the light of credible forecasts indicating that transport and heating costs may increase by 30-40% by 2030 due to the implementation of the EU emissions trading system for buildings, road transport and additional sectors (ETS2) — including projected CO₂ emission prices exceeding EUR 140/t — it is essential to address the potential social and political consequences of this reform. Across Europe, where the energy transition is still ongoing and energy poverty remains a significant concern, the absence of preventive compensatory mechanisms could rapidly erode public trust in the EU's climate policy.

1. What steps does the Commission intend to take to extend and strengthen the ETS2 price cap mechanism beyond 2030, ensuring long-term consumer protection and price predictability for citizens and businesses and would the Commission consider postponing ETS2?
2. Will the Commission consider a structural reform of the Market Stability Reserve, given that its current design — characterised by a delayed response and lack of flexibility — fails to provide effective intervention in times of energy crises, such as severe winters or supply disruptions?
3. Considering the limited availability of Social Climate Fund resources at the initial stage of ETS2 implementation, what measures will the Commission take to ensure that financial support is available in advance, allowing vulnerable households to prepare for the expected cost increases?

Submitted: 22.7.2025

Answer given by Mr Hoekstra on behalf of the European Commission
(12 November 2025)

The Emission Trading System for buildings, road transport and additional sectors (ETS2) is key not only to support emission reductions alongside other policies and measures, but it will also raise revenues to finance the Social Climate Fund (SCF) and support lower and middle-income households in the transition.

While the ETS2 framework already foresees strong safeguards to ensure a smooth start and keep prices in check, the Commission takes concerns regarding the future price levels and price volatility very seriously. The Commission welcomes constructive proposals put forward by Member States and other stakeholders, including suggestions related to the Market Stability Reserve.

In the Commission's assessment, forecasts exceeding EUR 140/ton CO₂ are generally based on unrealistic scenarios that do not take into account complementary policies in addition to ETS, in particular at national level. These measures are key to reduce emissions in buildings and road transport, and to provide citizens opportunities to heat and cool their houses and travel in a sustainable way.

Finally, the Social Climate Fund will start in 2026, one year before ETS2, financed with 50 million allowances provided by the ETS1. This creates financial room for national measures being deployed before the start of the ETS2, contributing to keeping ETS2 prices in check.

In addition to the SCF, Member States are encouraged to use the ETS revenues to support vulnerable citizens and middle class to buy or lease heat pumps, to improve isolation in their houses and to have better access to public transport and affordable electrical vehicles.