

(English version)

Question for written answer E-004318/25
to the Commission
Bruno Tobback (S&D)
(4 November 2025)

Subject: Revision of emissions trading system state aid guidelines on indirect cost compensation

The Commission's revision of the emissions trading system (ETS) State aid guidelines on indirect cost compensation (ICC) raises concerns about compliance with EU climate and competition goals.

Current evidence suggests that the update may continue to base CO₂ emission factors on the average carbon intensity of fossil-fuel generation, which no longer reflects the current energy mix and could lead to overcompensation. Also, the proposed expansion of eligible sectors without an impact assessment (IA) raises concerns.

ICC is financed through ETS auction revenues, which should be fully dedicated to climate action under Article 10(3) of the ETS Directive ⁽¹⁾. However, given that Member States may allocate up to 25% (or more) of these revenues to ICC schemes:

1. Does the Directorate-General for Competition (DG-COMP) intend to meet its 2021 commitment (point 67 of the, ICC Guidelines) to revise the CO₂-factor methodology to reflect the growing price-setting-role of climate-neutral technologies?
2. What remedies will the Commission propose to address distortions from Member States with similar wholesale prices but differing emission factors and compensation levels?
3. Why did DG-COMP not carry out an updated IA on expanding ICC in relation to the alternative use of these funds for investments reducing indirect costs, such as investing in flexibility (demand-response, heat-storage, batteries, etc.) or renewable energy contracts for differences (CfDs), industrial electrification and grid upgrades?

Submitted: 4.11.2025

Answer given by Executive Vice-President Ribera on behalf of the European Commission
(2 February 2026)

On 23 December 2025, the Commission amended the state aid guidelines governing the indirect cost compensation ⁽¹⁾, setting out how Member States can compensate a share of electricity-related carbon costs for electro-intensive industries at risk of carbon leakage.

In line with the European chemicals industry action plan ⁽²⁾, the amendment addresses the increased risk of carbon leakage for certain energy-intensive industries compared to the situation in 2020, due to the sustained rise of emission costs under the EU Emissions Trading System (ETS) in the last years.

The Commission has also decided to update the technical parameters in line with point 67 of the guidelines with recent data and to keep the methodology constant. Different CO₂ emission factors reflect the fact that the carbon price is passed on to different degrees in the electricity price in geographic areas in the EU.

The amendment will contribute to the competitiveness of EU industry while incentivising their decarbonisation. Member States are not obliged to use ETS auction revenues for such schemes.

The Commission will apply the guidelines until 31 December 2030; new guidelines would be accompanied by an impact assessment.

¹ Directive 2003/87/EC of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: <http://data.europa.eu/eli/dir/2003/87/oj>).

⁽¹⁾ Communication from the Commission Guidelines on certain state aid measures in the context of the system for greenhouse gas emission allowance trading post-2021 (OJ C 317, 25.9.2020, p. 5), as supplemented by Communication from the Commission supplementing the Guidelines on certain state aid measures in the context of the system for greenhouse gas emission allowance trading post-2021 (OJ C 528, 30.12.2021, p. 1) and amended by Communication from the Commission amending the Guidelines on certain state aid measures in the context of the system for greenhouse gas emission allowance trading post-2021 (OJ C, C/2026/196, 5.1.2026, ELI: <http://data.europa.eu/eli/C/2026/196/oj>).

⁽²⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — A European Chemicals Industry Action Plan (COM/2025/530 final).