

EN
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Answer given by Mr Hoekstra
on behalf of the European Commission
(29.7.2026)

The Emission Trading System (ETS) legislation provides for transitional free allocation to evolve and decline in time. The reduction rates are in line with the objective of economy-wide climate neutrality by 2050 and the interim reduction targets.

The benchmark update exercise, including the applied methodology, is a legal obligation enshrined in the ETS Directive. All flexibilities available have been taken on board and the Commission had no discretion to deviate from the existing legal framework without creating uncertainty and imposing a significant delay to the process of determining and transferring the 2026 free allocation to industry¹.

Against this background, the Climate Change Committee gave a favourable opinion on the Benchmark Regulation², including a commitment where the Commission will propose a separate amendment targeting the 2026-2030 allocation period and aiming at increasing the free allocation determined on the basis of the fall-back benchmarks, largely relevant for the ceramics sector, while at the same time avoiding the application of the cross-sectional-correction factor.

¹ Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council establishing a system for greenhouse gas emission allowance trading within the Union 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>.

² Commission Implementing Regulation (EU) 2026/1412 of 26 June 2026 determining revised benchmark values for free allocation of emission allowances for the period from 2026 to 2030 pursuant to Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council.
ELI: http://data.europa.eu/eli/reg_impl/2026/1412/oj.