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Answer given by Mr Hoekstra
on behalf of the European Commission
(29.4.2026)

Member States are encouraged to spend their Emission Trading System (ETS) revenues swiftly and effectively to maximise their impact to address the climate and energy transition.

The Honourable Members note correctly that since the entry into force of Directive (EU) 2023/959[1] in June 2024, Member States are obliged to spend all their auction revenues[2] on the climate and energy purposes listed in Article 10(3) of ETS Directive[3], except for any revenue that they spend in aid for indirect carbon costs compensation.

The Commission analyses the spending by all Member States. It publishes the analysis of the Member States' reports in the yearly Carbon Market Report[4] and the Climate Action Progress Report[5]. In 2025, Member States reported for the first time for a full year that is subject to the new spending requirement[6]. These reports are available on the website of the European Environment Agency[7].

The Commission is closely monitoring compliance with the new spending obligation to ensure all ETS revenue is truly spent in line with the provisions of the ETS Directive. The Commission is aware that not all Member States have spent the full amount of their latest auction revenues on climate and energy purposes as of now. For Italy, on the basis of its reports not all revenues have been allocated to climate purposes. The Commission will follow up with Member States, as appropriate.

On the recent Italian 'Energy Decree', the Commission is working very closely with the Italian government, to assess whether the decree complies with State aid rules and EU legislation.

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[1] Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (OJ L 130, 16.5.2023).
[2] Or an equivalent financial value.
[3] Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community (OJ L 275, 25.10.2003).
[4] Latest report available here: https://climate.ec.europa.eu/document/download/ddc1b1de-652b-49ed-8f15-d9fa8badd39f_en?filename=com_2025_735_en.pdf
[5] See section 8 of the Staff Working Document available here: https://climate.ec.europa.eu/eu-action/climate-strategies-targets/progress-climate-action/eu-climate-action-progress-report-2025_en
[6] For the year 2024.
[7] https://reportnet.europa.eu/public/dataflows (search "auctioning" in the dataflow name).