

(English version)

**Question for written answer E-002253/26
to the Commission
Grégory Allione (Renew)
(3 June 2026)**

Subject: Review of the Emissions Trading System — integration of municipal waste-to-energy units

The Commission will present its review of the Emissions Trading System (ETS) this summer. The possible integration of municipal waste-to-energy (WtE) units raises questions about the coherence of environmental and energy policies, and the risks of economic distortions.

WtE units supply heating networks with locally recovered energy. Around 80% of their fossil emissions come from non-recyclable plastics, the reduction of which falls under the circular economy. Unlike other ETS sectors, operators have no control over the composition or volume of waste and they lack reduction levers such as fuel substitution.

The Circular Economy Act, expected in September, must address these challenges. Legislation to reduce non-recyclable plastics will only enter into force in 2035.

1. How can coherence be ensured between the ETS and the Circular Economy Act to avoid conflicting price signals and pass the carbon price signal on to producers of non-recyclable plastics, in line with the polluter pays principle?
2. Has the Commission assessed the impact on energy security and the risks of distortion of competition between Member States?
3. How can we prevent a shift towards landfill, given that the EU aims to bury less than 10% of municipal waste by 2035?

Submitted: 3.6.2026

**Answer given by Mr Hoekstra on behalf of the European Commission
(31 August 2026)**

The Competitiveness Compass ⁽¹⁾ and Clean Industrial Deal ⁽²⁾ aim to accelerate decarbonisation and circularity to increase economic security, resilience and competitiveness.

In the EU Emissions Trading System (ETS) review and Circular Economy Act, the Commission assesses the framework to support those objectives.

The ETS review proposes integrating municipal waste incineration into the ETS, as well as measures to promote circular carbon capture and utilisation (CCU) ⁽³⁾, encouraging circular use of carbon in products and incentivising improved sorting of municipal waste.

The Commission is assessing how to incentivise and support circularity and decarbonisation across the waste value chain, ensuring a coherent approach between the ETS and the Circular Economy Act, including by strengthening upstream eco-design requirements and Extended Producer Responsibility.

The assessment considers all appropriate, feasible and effective mechanisms to promote convergence and reinforce the achievement of the Landfill Directive ⁽⁴⁾ targets, while avoiding unintended consequences contradicting the waste hierarchy. This could include stronger regulatory and fiscal policies, economic incentives and improved measuring of landfill emissions.

Waste-to-energy provides around 1.5% of EU electricity generation and 10% of district heating, contributing to energy independence, resilience and reducing fossil fuel use, while emitting about 40 megatonnes of fossil carbon dioxide equivalent greenhouse gas emissions.

The impact assessment considers how to contribute to a level playing field in the energy sector through a harmonised economic incentive, avoiding competitive distortion and accelerating the roll-out of clean and affordable energy.

⁽¹⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025DC0030>.

⁽²⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025DC0085>.

⁽³⁾ https://ec.europa.eu/commission/presscorner/detail/en/ip_26_1596.

⁽⁴⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A01999L0031-20240804>.