



Plenary sitting

A10-0276/2026

19.10.2026

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REPORT

on the proposal for a regulation of the European Parliament and of the Council amending Directive 2003/87/EC as regards revised benchmark values for the heat and fuel benchmarks for the period from 2026 to 2030 (COM(2026)0619 – C10-0189/2026 – 2026/0211(COD))

Committee on the Environment, Climate and Food Safety

Rapporteur: Adam Jarubas

(Simplified procedure – Rule 52(2) of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ***■*** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council amending Directive 2003/87/EC as regards revised benchmark values for the heat and fuel benchmarks for the period from 2026 to 2030 (COM(2026)0619 – C10-0189/2026 – 2026/0211(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2026)0619),
 - having regard to Article 294(2) and Article 192(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C10-0189/2026),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 23 September 2026¹,
 - after consulting the Committee of the Regions,
 - having regard to Rules 60 and 170 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Climate and Food Safety (A10-0276/2026),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ [OJ C, C/2026/..., ..., ELI: <http://data.europa.eu/eli/C/2026/.../oj> / Not yet published in the Official Journal].

Amendment 1

Proposal for a regulation Recital 2

Text proposed by the Commission

(2) To address concerns expressed by certain industrial sectors in the context of updating the benchmark values until 2030 and provide additional protection against the risk of carbon leakage, the quantity of allowances to be allocated for free for the period from 2026 to 2030, determined by the heat and fuel benchmarks ('fallback benchmarks'), should be increased. In order to do so, it is appropriate to adjust the maximum annual update rate applied for the fallback benchmarks by using the totality of the allowances available for free allocation in the period from 2026 to 2030 as laid down in Commission Decision XXX⁴ [CSCF Decision], amounting to around **80** million allowances. In line with the targeted nature of this adjustment and the rules set out in Commission Delegated Regulation (EU) 2019/331 on the determination of the annual amount of allowances allocated for free to installations, the additional free allocation resulting from the adjustment should only concern the amounts determined by the fallback benchmarks.

Amendment

(2) To address concerns expressed by certain industrial sectors in the context of updating the benchmark values until 2030 and provide additional protection against the risk of carbon leakage, the quantity of allowances to be allocated for free for the period from 2026 to 2030, determined by the heat and fuel benchmarks ('fallback benchmarks'), should be increased. In order to do so, it is appropriate to adjust the maximum annual update rate applied for the fallback benchmarks by using the totality of the allowances available for free allocation in the period from 2026 to 2030 as laid down in Commission Decision XXX [CSCF Decision], amounting to around **88** million allowances, ***as well as a third of the allowances that are not allocated in that period as a result of the reduction of free allocation under the third and fifth subparagraphs of Article 10a(1) of Directive 2003/87/EC, amounting to around 11 million allowances. Another third of those allowances, amounting to around 11 million allowances, should be transferred to the Modernisation Fund established under Article 10d of Directive 2003/87/EC and should be used to support investments, inter alia, in the modernisation of district heating systems. The last third should remain allocated to the Innovation Fund, established under Article 10a(8) of that Directive. The use of the additional allowances for free allocation corresponds to an indicative 12,5 % reduction to the fallback benchmarks compared to the values for the period from 2021 to 2025, namely an indicative average value heat and fuel benchmarks for the period from 2026 to 2030 of 41,4 and 37,3 allowances/TJ,***

respectively. In line with the targeted nature of this adjustment and the rules set out in in Commission Delegated Regulation (EU) 2019/331 on the determination of the annual amount of allowances allocated for free to installations, the additional free allocation resulting from the adjustment should only concern the amounts determined by the fallback benchmarks. ***In specific cases, it is possible that the Union-wide ex-ante fuel benchmark do not adequately reflect the characteristics and emission performance of manufacturing processes within certain industrial sectors. Where significant discrepancies are clearly documented, sector-specific sub-benchmarks should be established to ensure that free allocation reflects the performance of the most efficient sub-installations within a sufficiently homogeneous peer group. To that end, with a view to already applying such sub-benchmarks during the period from 2026 to 2030, the Commission should establish as soon as possible, by means of implementing acts, the updated sub-benchmark values for the relevant subsector, giving priority to installations whose economic activities fall within NACE codes 23.20 and 23.31 set out in Annex I to Regulation (EC) No 1893/2006. Those sub-benchmark values should be determined on the basis of the average greenhouse gas emission intensity of the 10 % most efficient installations in the respective sector, using the same reference period, dataset and methodology as the ex-ante fuel benchmark.***

⁴ [please insert the full reference once available – CSCF Decision]

⁴ [please insert the full reference once available – CSCF Decision]

Amendment 2

Proposal for a regulation
Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) As a matter of principle, free allocation needs to be based on product benchmarks rather than inputs in order to maximise greenhouse gas emission reductions and energy-efficiency savings throughout the production process. It is therefore necessary to revise the rules for determining Union-wide ex-ante benchmarks, as the group of the 10 % most efficient installations might not be sufficiently representative of the sector or subsector concerned in all cases, having regard to the technologies used, the nature and scale of the activity, the share of production covered and the number of installations and sub-installations forming the basis of the benchmark. The amendments to Directive 2003/87/EC seek to ensure the same requirement of representativeness apply to fallback approaches, including the heat and fuel benchmarks. It is therefore important that the determination of those benchmark values be conducted in a transparent manner, including as regards the selection rules, the methodology applied, the assumptions made and the aggregated source data used, while ensuring the protection of commercially sensitive information.

Amendment 3

Proposal for a regulation
Article 1 – paragraph 1 – point -1 (new)
Directive 2003/87/EC
Article 10a – paragraph 1 – subparagraph 6

Present text

Amendment

(-1) in Article 10a, paragraph 1, subparagraph 6 is replaced by the

Allowances that are not allocated due to a reduction of free allocation in accordance with the third and fifth subparagraphs of this paragraph shall be used *to exempt installations from the adjustment in accordance with paragraph 5 of this Article. Where any such allowances remain, 50 % of those allowances shall be made available to support innovation in accordance with paragraph 8 of this Article. The other 50 % of those allowances shall be auctioned in accordance with Article 10(1) of this Directive and Member States should use the respective revenues to address any residual risk of carbon leakage in the sectors covered by Annex I to Regulation (EU) 2023/956, supporting the transition and promoting their decarbonisation in accordance with State aid rules.*

following:

‘Allowances that are not allocated due to a reduction of free allocation in accordance with the third and fifth subparagraphs of this paragraph shall be used *as follows:*

(a) one third for the purposes of paragraph 2a of this Article;

(b) one third to be auctioned in accordance with Article 10 and the revenues generated from the auctioning to be transferred to the Modernisation Fund referred to in Article 10d;

(c) one third to be transferred to the Innovation Fund referred to in paragraph 8 of this Article.’;

(02003L0087)

Amendment 4

Proposal for a regulation

Article 1 – paragraph 1 – point 1

Directive 2003/87/EC

Article 10a – paragraph 2a – subparagraph 1

Text proposed by the Commission

By way of derogation from paragraph 2, third subparagraph, point (d), *of this Article*, the maximum annual reduction

Amendment

By way of derogation from paragraph 2, third subparagraph, point (d), the maximum annual reduction rate to be

rate to be applied for the update of the benchmark values for heat and fuel benchmarks for the period from 2027 to 2030 shall be reduced to a percentage rate value that makes full use of the additional amount referred to in *Article 10a(5a)* and ensures that no reduction pursuant to *Article 10a(5)* applies.

applied for the update of the benchmark values for heat and fuel benchmarks for the period from 2027 to 2030 shall be reduced, *after considering the sector-specific benchmarks referred to in paragraph 2ba*, to a percentage rate value that makes full use of the additional amount referred to in *paragraph 5a*, and of the allowances referred to in the sixth subparagraph of *paragraph 1*, and ensures that no reduction pursuant to *paragraph 5* applies.

Amendment 5

Proposal for a regulation

Article 1 – paragraph 1 – point 1

Directive 2003/87/EC

Article 10a – paragraph 2b a (new)

Text proposed by the Commission

Amendment

2ba. Where the Commission identifies significant and clearly documented discrepancies between the Union-wide ex-ante fuel benchmark and the emission performance of sub-installations within a clearly identifiable industrial sector, it shall establish sector-specific sub-benchmarks under the ex-ante fuel benchmark in accordance with this paragraph.

For that purpose, no later than ... [three months from the publication of this amending Regulation], the Commission shall supplement this Directive by providing, in the delegated acts adopted pursuant to paragraph 1, first subparagraph, the criteria for the identification of significant and clearly documented discrepancies, the sector-specific definitions of sector-specific fuel benchmarks, together with the corresponding system boundaries, and the starting point values for determining the annual reduction rate.

By ... [six months from the publication of this amending Regulation], the

Commission shall determine the corresponding sub-benchmark values by means of implementing acts adopted in accordance with paragraph 2, third subparagraph, of this Article. Those implementing acts shall be in accordance with the criteria established by the Commission in accordance with the second subparagraph of this paragraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22a(2). The sub-benchmarks referred to in the first subparagraph of this paragraph shall correspond to the average greenhouse gas emission intensity of the 10 % most efficient installations in the respective sector and shall be calculated using the same reference period, dataset and methodology as those used to determine the ex-ante fuel benchmark pursuant to paragraph 2 of this Article. As a matter of priority, and as soon as possible, the Commission shall establish such sub-benchmarks for installations whose economic activities fall within NACE codes 23.20 and 23.31 set out in Annex I to Regulation (EC) No 1893/2006. The Commission shall carry out open, timely and transparent consultations in sufficient time to allow evidence submitted by stakeholders to be effectively taken into account.

ANNEX: DECLARATION OF INPUT

The rapporteur declares under his exclusive responsibility that he did not include in his report input from interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register¹, or from representatives of public authorities of third countries, including their diplomatic missions and embassies, to be listed in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

¹ Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register (OJ L 207, 11.6.2021, p. 1, ELI: http://data.europa.eu/eli/agree_interinst/2021/611/oj).

PROCEDURE – COMMITTEE RESPONSIBLE

Title	EU Emissions Trading System: heat and fuel benchmark values for 2026–2030
References	COM(2026)0619 – C10-0189/2026 – 2026/0211(COD)
Date submitted to Parliament	17.7.2026
Committee(s) responsible Date announced in plenary	ENVI 14.9.2026
Committees asked for opinions Date announced in plenary	ITRE 14.9.2026
Not delivering opinions Date of decision	ITRE 14.7.2026
Rapporteurs Date appointed	Adam Jarubas 2.9.2026
Simplified procedure - date of decision	1.9.2026
Date adopted	19.10.2026
Result of final vote	+: 64 –: 11 0: 2
Date tabled	19.10.2026

FINAL VOTE BY ROLL CALL BY THE COMMITTEE RESPONSIBLE

64	+
ECR	Sergio Berlato, Paolo Inselvini, Jacek Ozdoba, Michele Picaro, Antonella Sberna, Sander Smit, Beatrice Timgren, Aurelijus Veryga, Alexandr Vondra
ESN	Anja Arndt, Ivan David, Volker Schnurrbusch
NI	Fernand Kartheiser
PPE	Magdalena Adamowicz, Bartosz Arłukowicz, Alexander Bernhuber, Zala Černilec Tomašič, Dóra Dávid, Salvatore De Meo, Borja Giménez Larraz, Hanna Gronkiewicz-Waltz, Niels Flemming Hansen, Adam Jarubas, Seán Kelly, Sophia Kircher, Stefan Köhler, Willemien Koning, Jessica Polfjärd, Dennis Radtke, Massimiliano Salini, Oliver Schenk, Susana Solís Pérez, Liesbet Sommen, Dimitris Tsiodras, Andrea Wechsler
PfE	Mathilde Androuët, Marie-Luce Brasier-Clain, Viktória Ferenc, Anne-Sophie Frigout, Jana Nagyová
Renew	Jeannette Baljeu, Pascal Canfin, Sigrid Friis, Gerben-Jan Gerbrandy, Martin Hojsík, Karin Karlsbro, Jan-Christoph Oetjen, Brigitte van den Berg, Emma Ytterell
S&D	Vytėnas Povilas Andriukaitis, Thomas Bajada, Mohammed Chahim, Annalisa Corrado, Hélène Fritzon, Romana Jerković, Pierfrancesco Maran, Ana Catarina Mendes, Alessandra Moretti, Leire Pajín, Nikos Papandreou, Thomas Pellerin-Carlin, Sandro Ruotolo, Günther Sidl, Kristian Vigenin

11	-
The Left	Li Andersson, Per Clausen, Emma Fourreau, Martin Günther, Catarina Martins, Jonas Sjöstedt
Verts/ALE	Pär Holmgren, Sara Matthieu, Tilly Metz, Rasmus Nordqvist, Majdouline Sbai

2	0
PfE	Roman Haider, Margarita de la Pisa Carrión

Key to symbols:

+ : in favour

- : against

0 : abstention