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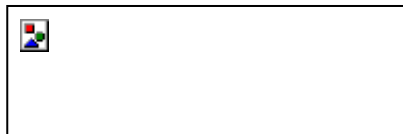
AMENDMENTS: 146

Peter Liese

Amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union, Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and Regulation (EU) 2015/757

Proposal for a directive COM(2021)0551 - C9-0318/2021 – 2021/0211(COD)

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AM 1 - Jytte Guteland
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AM 131 - Jytte Guteland
AM 133 - Jytte Guteland
AM 135 - Jytte Guteland

Amendments on Basic Acts:

AM 59 - Jytte Guteland - Directive 2003/87/EC / Article 10 – paragraph 3 – subparagraph 2
AM 67 - Jytte Guteland - Directive 2003/87/EC / Article 10a – paragraph 6 – subparagraphs 2–4
AM 77 - Jytte Guteland - Directive 2003/87/EC / Article 10d – paragraph 12
AM 132 - Jytte Guteland - Regulation (EU) 2015/757 / Article 2 – paragraph 1
AM 133 - Jytte Guteland - Regulation (EU) 2015/757 / Article 3 – paragraph 1 – point c
AM 136 - Jytte Guteland - Directive 2003/87/EC / Annex I – point 5
AM 137 - Jytte Guteland - Directive 2003/87/EC / Annex I – table – row 1 – column 1

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EN: 146

Amendments justification with more than 500 chars : 7

Amendments justification number with more than 500 chars :

Amendments justification number with more than 500 characters:
AM 51, 54, 65, 70, 131, 136, 137

Amendment 1
Jytte Guteland

Proposal for a directive
Recital 3

Text proposed by the Commission

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects **women and men differently** and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

Amendment

(3) The European Green Deal combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050, and sets out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where economic growth is decoupled from resource use. It also aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition affects **all genders** and has a particular impact on some disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background. It must therefore be ensured that the transition is just and inclusive, leaving no one behind.

Or. en

Amendment 2
Jytte Guteland

Proposal for a directive
Recital 3 a (new)

Text proposed by the Commission

Amendment

(3 a) The EU ETS is a cornerstone of the Union's climate policy and constitutes its key tool for reducing greenhouse gas emissions in a cost-effective way. In line

with the commitments made in COP26 in Glasgow to review the nationally determined contributions (NDCs) on an annual basis, the Commission should revise its NDC to account for all the sectors included in this revision.

Or. en

Amendment 3
Jytte Guteland

Proposal for a directive
Recital 4 a (new)

Text proposed by the Commission

Amendment

(4 a) Delivering on the Green Deal should ensure quality job creation and social progress for all. To be socially acceptable, the climate ambition proposed in this regulation should be matched by an equivalent social ambition, in line with the European Pillar of Social Rights. The European Green Deal agenda is an opportunity to maintain and create quality jobs, promote decent work, raise labour standards, strengthen social dialogue and collective bargaining, tackle discriminations at work, promote gender equality, and workplace democracy. In order to achieve these objectives Just Transition mechanisms must complement all proposed actions in the framework of the Green Deal and the “Fit for 55” package.

Or. en

Amendment 4
Jytte Guteland

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of hydrogen outside the refineries sector.

Amendment

(8) The EU ETS should incentivise production from installations that partly or fully reduce greenhouse gas emissions. Therefore, the description of some categories of activities in Annex I to Directive 2003/87/EC should be amended to ensure an equal treatment of installations in the sectors concerned. In addition, free allocation for the production of a product should be independent of the nature of the production process. It is therefore necessary to modify the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for new and existing technologies ***and products and circular economy measures***. It is also necessary to decouple the update of the benchmark values for refineries and for hydrogen to reflect the increasing importance of production of, ***in particular, green*** hydrogen outside the refineries sector.

Or. en

Amendment 5
Jytte Guteland

Proposal for a directive
Recital 13

Text proposed by the Commission

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council⁴⁶, or they are permanently chemically bound in a product so that they do not enter the

Amendment

(13) Greenhouse gases that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions unless they are stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council⁴⁶, or they are permanently chemically bound in a product so that they do not enter the

atmosphere under normal use. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

⁴⁶ Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006 (OJ L 140, 5.6.2009, p. 114).

atmosphere under normal use **and disposal**. The Commission should be empowered to adopt implementing acts specifying the conditions where greenhouse gases are to be considered as permanently chemically bound in a product so that they do not enter the atmosphere under normal use **and disposal**, including obtaining a carbon removal certificate, where appropriate, in view of regulatory developments with regard to the certification of carbon removals.

⁴⁶ Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006 (OJ L 140, 5.6.2009, p. 114).

Or. en

Amendment 6 **Jytte Guteland**

Proposal for a directive **Recital 13 a (new)**

Text proposed by the Commission

Amendment

(13 a) The inclusion of municipal waste incineration installations in the EU ETS would contribute to the circular economy by encouraging recycling, reuse and repair of products, while also contributing to economy-wide decarbonisation. Accordingly, municipal waste incineration installations should be included within the scope of Directive 2003/87/EC from 1 January 2024.

Or. en

Justification

Covering incinerators under the EU ETS would put a price on these emissions and internalise most of the externalities linked to the emissions from plastic products. This would incentivise substitutions with products of lower carbon content. The inclusion of municipal waste incineration installations should be covered by the EU-ETS as soon as possible. Simultaneously, the Commission should put in place the necessary legislation to avoid and address the risk of diverted waste streams towards landfills and waste exports to third countries.

Amendment 7 **Jytte Guteland**

Proposal for a directive **Recital 16**

Text proposed by the Commission

(16) Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the IMO towards an ambitious emission reduction objective, and on accompanying measures to ensure that the maritime transport sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement. Efforts to limit global maritime emissions through the IMO are under way and should be encouraged. However, *while* the recent *progress achieved through* the IMO *is welcome, these measures will not be* sufficient to achieve the objectives of the Paris Agreement.

Amendment

(16) Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the IMO towards an ambitious emission reduction objective, and on accompanying measures to ensure that the maritime transport sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement. Efforts to limit global maritime emissions through the IMO are under way and should be encouraged. However, the recent *developments in* the IMO *framework are far from* sufficient to achieve the objectives of the Paris Agreement.

Or. en

Amendment 8 **Jytte Guteland**

Proposal for a directive **Recital 17**

(17) In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets.⁴⁹ Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers **a share** of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country, **with the third country being able to decide on appropriate action in respect of the other share of emissions**. The extension of the EU ETS to the maritime transport sector should thus include **half** of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, **half** of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at

(17) **Greenhouse gas emissions from the maritime sector account for around 2,5 % of Union emissions. The lack of decisive action within the IMO framework has delayed innovation and introduction of necessary measures to reduce emissions in the sector.** In the European Green Deal, the Commission stated its intention to take additional measures to address greenhouse gas emissions from the maritime transport sector through a basket of measures to enable the Union to reach its emissions reduction targets. In this context, Directive 2003/87/EC should be amended to include the maritime transport sector in the EU ETS in order to ensure this sector contributes **its fair share** to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement, which requires developed countries to take the lead by undertaking economy-wide emission reduction targets, while developing countries are encouraged to move over time towards economy-wide emission reduction or limitation targets.⁴⁹ Considering that emissions from international aviation outside Europe should be capped from January 2021 by global market-based action while there is no action in place that caps or prices maritime transport emissions, it is appropriate that the EU ETS covers **100 %** of the emissions from voyages between a port under the jurisdiction of a Member State and port under the jurisdiction of a third country. The extension of the EU ETS to the maritime transport sector should thus include **all** of the emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port outside the jurisdiction of a Member State, **all** of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member

a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. ***This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transshipment activities outside the Union. To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to verified emissions reported for the period 2023 to 2025. To protect the environmental integrity of the system, to the extent that fewer allowances are surrendered in respect of verified emissions for maritime transport during those years, once the difference between verified emissions and allowances surrendered has been established each year, a corresponding number of allowances should be cancelled. As from 2026, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.***

⁴⁹ Paris Agreement, Article 4(4).

State and arriving at a port outside the jurisdiction of a Member State, emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. ***As the maritime transport sector has been exempted from carbon pricing measures, and this despite industrial installations having been a part of the EU ETS for a long time, the surrendering of allowances by shipping companies should be implemented fully in 2023 and shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year.***

⁴⁹ Paris Agreement, Article 4(4).

Or. en

Amendment 9
Jytte Guteland

Proposal for a directive
Recital 18

Text proposed by the Commission

(18) The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the Commission should report any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 - to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the Commission should analyse the International Maritime Organization instruments and, assess, as relevant, how to implement those instruments in Union law through a revision of Directive 2003/87/EC. In its report, the Commission should include proposals as appropriate.

Amendment

(18) The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the Commission should report any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 - to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the Commission should analyse the International Maritime Organization instruments and, assess, as relevant, how to implement those instruments in Union law through a revision of Directive 2003/87/EC. ***That report should also take into account the level of participation in those global measures, their enforceability, transparency, penalties for non-compliance, the processes for public input, the use of offset credits, monitoring, reporting and verification of emissions, registries and accountability.*** In its report, the Commission should include proposals as appropriate.

Or. en

Amendment 10
Jytte Guteland

Proposal for a directive
Recital 20

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Text proposed by the Commission

(20) The person or organisation responsible for the compliance with the EU ETS should be the shipping company, defined as the shipowner or any other organisation or person, such as the manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention. This definition is based on the definition of ‘company’ in Article 3, point (d) of Regulation (EU) 2015/757, and in line with the global data collection system established in 2016 by the IMO. In line with the polluter pays principle, the shipping company *could*, by means of a contractual arrangement, hold the entity that is directly responsible for the decisions affecting the **CO₂** emissions of the ship accountable for the compliance costs under this Directive. This entity would normally be the entity that is responsible for the choice of fuel, route and speed of the ship.

Amendment

(20) The person or organisation responsible for the compliance with the EU ETS should be the shipping company, defined as the shipowner or any other organisation or person, such as the manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention. This definition is based on the definition of ‘company’ in Article 3, point (d) of Regulation (EU) 2015/757, and in line with the global data collection system established in 2016 by the IMO. In line with the polluter pays principle, the shipping company *should*, by means of a contractual arrangement, hold the entity that is directly responsible for the decisions affecting the **greenhouse gas** emissions of the ship accountable for the compliance costs under this Directive. This entity would normally be the entity that is responsible for the choice of fuel, route and speed of the ship.

Or. en

Amendment 11
Jytte Guteland

Proposal for a directive
Recital 26

Text proposed by the Commission

(26) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of **61** % compared to 2005. The Union-wide quantity of

Amendment

(26) Achieving the Union’s emissions reduction target for 2030 will require a reduction in the emissions of the sectors covered by the EU ETS of **at least 66** % compared to 2005. The Union-wide

allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

quantity of allowances of the EU ETS needs to be reduced to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the linear reduction factor should be increased, also taking into account the inclusion of emissions from maritime transport. The latter should be derived from the emissions from maritime transport activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor.

Or. en

Amendment 12

Jytte Guteland

Proposal for a directive

Recital 27

Text proposed by the Commission

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of **61** % by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with ***this level of annual reduction having been made from 2021 onwards.***

Amendment

(27) Bearing in mind that this Directive amends Directive 2003/87/EC in respect of a period of implementation that has already started on 1 January 2021, for reasons of predictability, environmental effectiveness and simplicity, the steeper linear reduction pathway of the EU ETS should be a straight line from 2021 to 2030, such as to achieve emission reductions in the EU ETS of ***at least 66*** % by 2030, as the appropriate intermediate step towards Union economy-wide climate neutrality in 2050. As the increased linear reduction factor can only apply from the year following the entry into force of this Directive, a one-off reduction of the quantity of allowances should reduce the total quantity of allowances so that it is in line with ***the average emissions of the previous three years, adjusted, from the mid-point of that period, by the linear reduction factor.***

Or. en

Amendment 13

Jytte Guteland

Proposal for a directive

Recital 28

Text proposed by the Commission

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 2,5 % of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65 % of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC.

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by *for example* reducing distortive taxes *on condition that such reduction is carried out in a progressive manner*. Further, to address distributional and social effects of the transition in low-income Member States, an additional amount of 1,25 % of the Union-wide quantity of allowances from [year of entry into force of the Directive] to 2030 should be used to fund the energy transition of the Member States with a gross domestic product (GDP) per capita below 65 % of the Union average in 2016-2018, through the Modernisation Fund referred to in Article 10d of Directive 2003/87/EC. *A further amount of 1,25 % should be used to top up the Innovation Fund.*

Or. en

Amendment 14

Jytte Guteland

Proposal for a directive

Recital 29

Text proposed by the Commission

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Amendment

(29) Further incentives to reduce greenhouse gas emissions by using cost-efficient techniques should be provided. To that end, the free allocation of emission allowances to stationary installations from 2026 onwards should be **100 %** conditional on investments in techniques to increase energy efficiency and reduce emissions. Ensuring that this is focused on larger energy users would result in a substantial reduction in burden for businesses with lower energy use, which may be owned by small and medium sized enterprises or micro-enterprises. [Reference to be confirmed with the revised EED]. The relevant delegated acts should be adjusted accordingly.

Or. en

Amendment 15
Jytte Guteland

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) [.../..] of the European Parliament and of the Council⁵¹, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) [.../..] of the European Parliament and of the Council⁵¹, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a **short** transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should

be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should **be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation** by the **tenth year**. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation ('CCU'), carbon capture and geological storage ('CCS'), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, **the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.**

⁵¹ [please insert full OJ reference]

be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and **31 December 2024**, 90 % in 2025, **70 % in 2026, 40 % in 2027**, and should reach 0 % by the **end of 2028**. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. **50% of the free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in low carbon technologies, carbon capture and utilisation ('CCU'), carbon capture and geological storage ('CCS'), renewable energy and energy storage, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors, in particular those with higher export intensity.** To respect the proportion of the free allocation available for the non-CBAM sectors. **The other 50 % of the free allocation no longer provided to the CBAM sectors based on this calculation should be auctioned and the revenues should be transferred to the Union budget.**

⁵¹ [please insert full OJ reference]

Or. en

Amendment 16 Jytte Guteland

Proposal for a directive Recital 31

Text proposed by the Commission

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the

Amendment

(31) In order to better reflect technological progress and adjust the corresponding benchmark values to the

relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1,6 % to 2,5 % per year. For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of 4 % to 50 % compared to the value applicable in the period from 2013 to 2020.

relevant period of allocation while ensuring emission reduction incentives and properly rewarding innovation, the maximum adjustment of the benchmark values should be increased from 1,6 % to 2,5 % per year **and the minimum adjustment of the benchmark values should be increased from 0,2 % to 1,0 % per year** . For the period from 2026 to 2030, the benchmark values should thus be adjusted within a range of **20 %** to 50 % compared to the value applicable in the period from 2013 to 2020.

Or. en

Amendment 17 **Jytte Guteland**

Proposal for a directive **Recital 33**

Text proposed by the Commission

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]⁵² are allocated to **the Innovation Fund** as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]⁵² are allocated to **a new 'Ocean Fund'** as external assigned revenue in accordance with Article 21(5) of the Financial Regulation, the Commission should ensure that due consideration is given to support for innovative projects

aimed at accelerating the development and deployment of renewable and **low** carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming ***partly from the allowances that could otherwise be auctioned, and partly*** from the allowances that could otherwise be allocated for free, ***in accordance with the current proportion of funding provided from each source to the Innovation Fund.***

⁵² [add ref to the FuelEU Maritime Regulation].

aimed at accelerating the development and deployment of renewable and **zero** carbon fuels in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime] ***while also supporting a just transition and safeguarding biodiversity.*** To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming from the allowances that could otherwise be allocated for free.

⁵² [add ref to the FuelEU Maritime Regulation].

Or. en

Amendment 18 **Jytte Guteland**

Proposal for a directive **Recital 33 a (new)**

Text proposed by the Commission

Amendment

(33 a) At least 25 % of allowances from the quantity which could otherwise be auctioned should go to finance the Social Climate Fund.

Or. en

Amendment 19 **Jytte Guteland**

Proposal for a directive **Recital 35**

Text proposed by the Commission

Amendment

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger

emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

emission reductions in industry, offering the opportunity to guarantee investors in innovative climate-friendly technologies a price that rewards CO₂ emission reductions above those induced by the current price levels in the EU ETS. The range of measures that the Innovation Fund can support should be extended to provide support to projects through price-competitive tendering, such as CCDs. ***CCDs would offer certainty to investors in technologies, such as carbon capture technologies, and optimise the use of available resources.*** The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

Or. en

Amendment 20

Jytte Guteland

Proposal for a directive

Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to **80** %; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and eliminating the support to any investments related to fossil fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to **100** %; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Or. en

Amendment 22
Jytte Guteland

Proposal for a directive
Recital 43

Text proposed by the Commission

Amendment

(43) The Communication of the Commission on Stepping up Europe's 2030 climate ambition⁵⁷, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of emissions trading could include emissions from road transport and buildings. Emissions trading for these two new sectors would be established through separate but adjacent emissions trading. This would avoid any disturbance of the well-functioning emissions trading in the sectors of stationary installations and aviation. The new system is accompanied by complementary policies and measures safeguarding against undue price impacts, shaping expectations of market participants and aiming for a carbon price signal for the whole economy. Previous experience has shown that the development of the new market requires setting up an efficient monitoring, reporting and verification system. In view of ensuring synergies and coherence with the existing Union infrastructure for the EU ETS covering the emissions from stationary installations and aviation, it is appropriate to set up emissions trading for the road transport and buildings sectors via an amendment to Directive 2003/87/EC.

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Amendment 23

Jytte Guteland

Proposal for a directive

Recital 44

Text proposed by the Commission

Amendment

(44) *In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.*

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Or. en

Amendment 24

Jytte Guteland

Proposal for a directive

Recital 45

Text proposed by the Commission

Amendment

(45) *Due to the very large number of small emitters in the sectors of buildings and road transport, it is not possible to*

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establish the point of regulation at the level of entities directly emitting greenhouse gases, as is the case for stationary installations and aviation. Therefore, for reasons of technical feasibility and administrative efficiency, it is more appropriate to establish the point of regulation further upstream in the supply chain. The act that triggers the compliance obligation under the new emissions trading should be the release for consumption of fuels which are used for combustion in the sectors of buildings and road transport, including for combustion in road transport of greenhouse gases for geological storage. To avoid double coverage, the release for consumption of fuels which are used in other activities under Annex I to Directive 2003/87/EC should not be covered.

Or. en

Amendment 25
Jytte Guteland

Proposal for a directive
Recital 46

Text proposed by the Commission

Amendment

(46) The regulated entities in the two new sectors and the point of regulation should be defined in line with the system of excise duty established by Council Directive (EU) 2020/262⁵⁸, with the necessary adaptations, as that Directive already sets a robust control system for all quantities of fuels released for consumption for the purposes of paying excise duties. End-users of fuels in those sectors should not be subject to obligations under Directive 2003/87/EC.

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⁵⁸ Council Directive (EU) 2020/262 of 19 December 2019 laying down the general

*arrangements for excise duty (OJ L 58
27.2.2020, p. 4).*

Or. en

Amendment 26
Jytte Guteland

Proposal for a directive
Recital 47

Text proposed by the Commission

Amendment

(47) *The regulated entities falling within the scope of the emissions trading in the sectors of buildings and road transport should be subject to similar greenhouse gas emissions permit requirements as the operators of stationary installations. It is necessary to establish rules on permit applications, conditions for permit issuance, content, and review, and any changes related to the regulated entity. In order for the new system to start in an orderly manner, Member States should ensure that regulated entities falling within the scope of the new emissions trading have a valid permit as of the start of the system in 2025.*

deleted

Or. en

Amendment 27
Jytte Guteland

Proposal for a directive
Recital 48

Text proposed by the Commission

Amendment

(48) *The total quantity of allowances for the new emissions trading should follow a linear trajectory to reach the 2030 emissions reduction target, taking into account the cost-efficient contribution of buildings and road*

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transport of 43 % emission reductions by 2030 compared to 2005. The total quantity of allowances should be established for the first time in 2026, to follow a trajectory starting in 2024 from the value of the 2024 emissions limits (1 109 304 000 CO₂t), calculated in accordance with Article 4(2) of Regulation (EU) 2018/842 of the European Parliament and of the Council⁵⁹ on the basis of the reference emissions for these sectors for the period from 2016 to 2018. Accordingly, the linear reduction factor should be set at 5,15 %. From 2028, the total quantity of allowances should be set on the basis of the average reported emissions for the years 2024, 2025 and 2026, and should decrease by the same absolute annual reduction as set from 2024, which corresponds to a 5,43 % linear reduction factor compared to the comparable 2025 value of the above defined trajectory. If those emissions are significantly higher than this trajectory value and if this divergence is not due to small-scale differences in emission measurement methodologies, the linear reduction factor should be adjusted to reach the required emissions reduction in 2030.

⁵⁹ *Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).*

Or. en

Amendment 28
Jytte Guteland

Proposal for a directive
Recital 49

Text proposed by the Commission

Amendment

(49) *The auctioning of allowances is the simplest and the most economically efficient method for allocating emission allowances, which also avoids windfall profits. Both the buildings and road transport sectors are under relatively small or non-existent competitive pressure from outside the Union and are not exposed to a risk of carbon leakage. Therefore, allowances for buildings and road transport should only be allocated via auctioning without there being any free allocation.*

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Or. en

Amendment 29
Jytte Guteland

Proposal for a directive
Recital 50

Text proposed by the Commission

Amendment

(50) *In order to ensure a smooth start to emissions trading in the buildings and road transport sectors and taking into account the need of the regulated entities to hedge or buy ahead allowances to mitigate their price and liquidity risk, a higher amount of allowances should be auctioned early on. In 2026, the auction volumes should therefore be 30 % higher than the total quantity of allowances for 2026. This amount would be sufficient to provide liquidity, both if emissions decrease in line with reduction needs, and in the event emission reductions only materialise progressively. The detailed rules for this front-loading of auction volume are to be established in a delegated act related to auctioning,*

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*adopted pursuant to Article 10(4) of
Directive 2003/87/EC.*

Or. en

Amendment 30
Jytte Guteland

Proposal for a directive
Recital 51

Text proposed by the Commission

Amendment

(51) The distribution rules on auction shares are highly relevant for any auction revenues that would accrue to the Member States, especially in view of the need to strengthen the ability of the Member States to address the social impacts of a carbon price signal in the buildings and road transport sectors. Notwithstanding the fact that the two sectors have very different characteristics, it is appropriate to set a common distribution rule similar to the one applicable to stationary installations. The main part of allowances should be distributed among all Member States on the basis of the average distribution of the emissions in the sectors covered during the period from 2016 to 2018.

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Or. en

Amendment 31
Jytte Guteland

Proposal for a directive
Recital 52

Text proposed by the Commission

Amendment

(52) The introduction of the carbon price in road transport and buildings should be accompanied by effective social compensation, especially in view of the already existing levels of energy poverty.

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About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6,9 % of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey⁶⁰. To achieve an effective social and distributional compensation, Member States should be required to spend the auction revenues on the climate and energy-related purposes already specified for the existing emissions trading, but also for measures added specifically to address related concerns for the new sectors of road transport and buildings, including related policy measures under Directive 2012/27/EU of the European Parliament and of the Council⁶¹. Auction revenues should be used to address social aspects of the emission trading for the new sectors with a specific emphasis in vulnerable households, micro-enterprises and transport users. In this spirit, a new Social Climate Fund will provide dedicated funding to Member States to support the European citizens most affected or at risk of energy or mobility poverty. This Fund will promote fairness and solidarity between and within Member States while mitigating the risk of energy and mobility poverty during the transition. It will build on and complement existing solidarity mechanisms. The resources of the new Fund will in principle correspond to 25 % of the expected revenues from new emission trading in the period 2026-2032, and will be implemented on the basis of the Social Climate Plans that Member States should put forward under Regulation (EU) 20.../nn of the European Parliament and the Council⁶². In addition, each Member State should use their auction revenues inter alia to finance a part of the costs of their Social Climate Plans.

⁶⁰ *Data from 2018. Eurostat, SILC [ilc_mdcs01].*

⁶¹ *Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1–56).*

⁶² *[Add ref to the Regulation establishing the Social Climate Fund].*

Or. en

Amendment 32
Jytte Guteland

Proposal for a directive
Recital 53

Text proposed by the Commission

Amendment

(53) Reporting on the use of auctioning revenues should be aligned with the current reporting established by Regulation (EU) 2018/1999 of the European Parliament and of the Council⁶³. *deleted*

⁶³ *Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1–77).*

Amendment 33
Jytte Guteland

Proposal for a directive
Recital 54

Text proposed by the Commission

Amendment

(54) Innovation and development of new low-carbon technologies in the sectors of buildings and road transport are crucial for ensuring the cost-efficient contribution of these sectors to the expected emission reductions. Therefore, 150 million allowances from emissions trading in the buildings and road transport sectors should also be made available to the Innovation Fund to stimulate the cost-efficient emission reductions.

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Or. en

Amendment 34
Jytte Guteland

Proposal for a directive
Recital 55

Text proposed by the Commission

Amendment

(55) Regulated entities covered by the buildings and road transport emissions trading should surrender allowances for their verified emissions corresponding to the quantities of fuels they have released for consumption. They should surrender allowances for the first time for their verified emissions in 2026. In order to minimise the administrative burden, a number of rules applicable to the existing emissions trading system for stationary installations and aviation should be made applicable to emissions trading for

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buildings and road transport, with the necessary adaptations. This includes, in particular, rules on transfer, surrender and cancellation of allowances, as well as the rules on the validity of allowances, penalties, competent authorities and reporting obligations of Member States.

Or. en

Amendment 35
Jytte Guteland

Proposal for a directive
Recital 56

Text proposed by the Commission

Amendment

(56) For emissions trading in the buildings and road transport sectors to be effective, it should be possible to monitor emissions with high certainty and at reasonable cost. Emissions should be attributed to regulated entities on the basis of fuel quantities released for consumption and combined with an emission factor. Regulated entities should be able to reliably and accurately identify and differentiate the sectors in which the fuels are released for consumption, as well as the final users of the fuels, in order to avoid undesirable effects, such as double burden. To have sufficient data to establish the total number of allowances for the period from 2028 to 2030, the regulated entities holding a permit at the start of the system in 2025 should report their associated historical emissions for 2024.

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Or. en

Amendment 36
Jytte Guteland

Proposal for a directive
Recital 57

Text proposed by the Commission

Amendment

(57) It is appropriate to introduce measures to address the potential risk of excessive price increases, which, if particularly high at the start of the buildings and road transport emissions trading, may undermine the readiness of households and individuals to invest in reducing their greenhouse gas emissions. These measures should complement the safeguards provided by the Market Stability Reserve established by Decision (EU) 2015/1814 of the European Parliament and of the Council⁶⁴ and that became operational in 2019. While the market will continue to determine the carbon price, safeguard measures will be triggered by rules-based automatism, whereby allowances will be released from the Market Stability Reserve only if concrete triggering conditions based on the increase in the average allowance price are met. This additional mechanism should also be highly reactive, in order to address excessive volatility due to factors other than changed market fundamentals. The measures should be adapted to different levels of excessive price increase, which will result in different degrees of the intervention. The triggering conditions should be closely monitored by the Commission and the measures should be adopted by the Commission as a matter of urgency when the conditions are met. This is without prejudice to any accompanying measures that Member States may adopt to address adverse social impacts.

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⁶⁴ Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 concerning the

establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC (OJ L 264, 9.10.2015, p. 1).

Or. en

Amendment 37
Jytte Guteland

Proposal for a directive
Recital 58

Text proposed by the Commission

Amendment

(58) The application of emissions trading in the buildings and road transport sectors should be monitored by the Commission, including the degree of price convergence with the existing ETS, and, if necessary, a review should be proposed to the European Parliament and the Council to improve the effectiveness, administration and practical application of emissions trading for those sectors on the basis of acquired knowledge as well as increased price convergence. The Commission should be required to submit the first report on those matters by 1 January 2028.

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Or. en

Amendment 38
Jytte Guteland

Proposal for a directive
Recital 59

Text proposed by the Commission

Amendment

(59) In order to ensure uniform conditions for the implementation of Articles 3gd(3), 12(3b) and 14(1) of Directive 2003/87/EC, implementing powers should be conferred on the

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Commission. To ensure synergies with the existing regulatory framework, the conferral of implementing powers in Articles 14 and 15 of that Directive should be extended to cover the sectors of road transport and buildings. Those implementing powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁶⁵.

⁶⁵ *Regulation (EU) No 182/2011 of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.02.2011, p. 13).*

Or. en

Amendment 39
Jytte Guteland

Proposal for a directive
Recital 60

Text proposed by the Commission

Amendment

(60) In order to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of a legislative act, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of Articles 10(4) and 10a(8) of that Directive. Moreover, to ensure synergies with the existing regulatory framework, the delegation in Articles 10(4) and 10a(8) of Directive 2003/87/EC should be extended to cover the sectors of road transport and buildings. It is of particular importance that the Commission carry out appropriate consultations during its

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preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts. In accordance with the Joint Political Declaration of 28 September 2011 of Member States and the Commission on explanatory documents⁶⁶, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified

⁶⁶ OJ C 369, 17.12.2011, p. 14.

Or. en

Amendment 40
Jytte Guteland

Proposal for a directive
Recital 62

Text proposed by the Commission

(62) Considering the need to deliver a stronger investment signal to reduce emissions in a cost-efficient manner and with a view to strengthening the EU ETS, Decision (EU) 2015/1814 should be

Amendment

(62) Considering the need to deliver a stronger investment signal to reduce emissions in a cost-efficient manner and with a view to strengthening the EU ETS, Decision (EU) 2015/1814 should be

amended so as to increase the percentage rate for determining the number of allowances to be placed each year in the Market Stability Reserve. In addition, for lower levels of the TNAC, the intake should be equal to the difference between the TNAC and the threshold that determines the intake of allowances. This would prevent the considerable uncertainty in the auction volumes that results when the TNAC is close to the threshold, and at the same time ensure that the surplus reaches the volume bandwidth within which the carbon market is deemed to operate in a balanced manner.

amended so as to increase the percentage rate for determining the number of allowances to be placed each year in the Market Stability Reserve. In addition, for lower levels of the TNAC, the intake should be equal to the difference between the TNAC and the threshold that determines the intake of allowances. This would prevent the considerable uncertainty in the auction volumes that results when the TNAC is close to the threshold, and at the same time ensure that the surplus reaches the volume bandwidth within which the carbon market is deemed to operate in a balanced manner. ***Such adjustment should be made without resulting in any reduced ambition compared to the current Market Stability Reserve.***

Or. en

Amendment 41 **Jytte Guteland**

Proposal for a directive **Recital 67**

Text proposed by the Commission

(67) It is necessary to amend Regulation (EU) 2015/757 to take into account the inclusion of the maritime transport sector in the EU ETS. Regulation (EU) 2015/757 should be amended to oblige companies to report aggregated emissions data at company level and to submit for approval their verified monitoring plans and aggregated emissions data at company level to the responsible administering authority. In addition, the Commission should be empowered to adopt delegated acts to amend the methods for monitoring **CO₂** emissions and the rules on monitoring, as well as any other relevant information set out in Regulation (EU) 2015/757, to ensure the effective functioning of the EU

Amendment

(67) It is necessary to amend Regulation (EU) 2015/757 to take into account the inclusion of the maritime transport sector in the EU ETS. Regulation (EU) 2015/757 should be amended to oblige companies to report aggregated emissions data at company level and to submit for approval their verified monitoring plans and aggregated emissions data at company level to the responsible administering authority. In addition, the Commission should be empowered to adopt delegated acts to amend the methods for monitoring **greenhouse gas** emissions and the rules on monitoring, as well as any other relevant information set out in Regulation (EU) 2015/757, to ensure the effective

ETS at administrative level and to supplement Regulation (EU) 2015/757 with the rules for the approval of monitoring plans and changes thereof by administering authorities, with the rules for the monitoring, reporting and submission of the aggregated emissions data at company level and with the rules for the verification of the aggregated emissions data at company level and for the issuance of a verification report in respect of the aggregated emissions data at company level. The data monitored, reported and verified under Regulation (EU) 2015/757 might also be used for the purpose of compliance with other Union law requiring the monitoring, reporting and verification of the same ship information.

functioning of the EU ETS at administrative level and to supplement Regulation (EU) 2015/757 with the rules for the approval of monitoring plans and changes thereof by administering authorities, with the rules for the monitoring, reporting and submission of the aggregated emissions data at company level and with the rules for the verification of the aggregated emissions data at company level and for the issuance of a verification report in respect of the aggregated emissions data at company level. The data monitored, reported and verified under Regulation (EU) 2015/757 might also be used for the purpose of compliance with other Union law requiring the monitoring, reporting and verification of the same ship information.

Or. en

Amendment 42 **Jytte Guteland**

Proposal for a directive **Article 1 – paragraph 1 – point 1** Directive 2003/87/EC Article 2 – paragraph 1

Text proposed by the Commission

1. This Directive shall apply to the activities listed in Annexes I and III, and to the of greenhouse gases listed in Annex II. Where an installation that is included in the scope of the EU ETS due to the operation of combustion units with a total rated thermal input exceeding **20** MW changes its production processes to reduce its greenhouse gas emissions and no longer meets that threshold, it shall remain in the scope of the EU ETS until the end of the relevant five year period referred to in Article 11(1), second subparagraph, following the change to its production

Amendment

1. This Directive shall apply to the activities listed in Annexes I and III, and to the of greenhouse gases listed in Annex II. Where an installation that is included in the scope of the EU ETS due to the operation of combustion units with a total rated thermal input exceeding **10** MW changes its production processes to reduce its greenhouse gas emissions and no longer meets that threshold, it shall remain in the scope of the EU ETS until the end of the relevant five year period referred to in Article 11(1), second subparagraph, following the change to its production

process.

process.

Or. en

Amendment 43

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 5

Directive 2003/87/EC

Article 3g – paragraph 1

Text proposed by the Commission

1. The allocation of allowances and the application of surrender requirements in respect of maritime transport activities shall apply in respect of **fifty** percent (**50** %) of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, **fifty** percent (**50** %) of the emissions from ships performing voyage departing from a port outside the jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State, one hundred percent (100 %) of emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State and one hundred percent (100 %) of emissions from ships at berth in a port under the jurisdiction of a Member State.

Amendment

1. The allocation of allowances and the application of surrender requirements in respect of maritime transport activities shall apply in respect of **one hundred** percent (**100** %) of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, **one hundred** percent (**100** %) of the emissions from ships performing voyage departing from a port outside the jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State, one hundred percent (100 %) of emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State and one hundred percent (100 %) of emissions from ships at berth in a port under the jurisdiction of a Member State.

Or. en

Amendment 44

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 1 – introductory part

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Text proposed by the Commission

Amendment

Shipping companies shall be liable to surrender allowances **according to the following schedule:**

Shipping companies shall be liable to surrender allowances **for 100 % of verified emissions reported for 2023 and each year thereafter.**

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 45

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) **20 % of verified emissions reported for 2023;** **deleted**

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 46

Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 6
Directive 2003/87/EC
Article 3ga – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) 45 % of verified emissions reported for 2024; **deleted**

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 47
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 6
Directive 2003/87/EC
Article 3ga – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) 70 % of verified emissions reported for 2025; **deleted**

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 48
Jytte Guteland

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Proposal for a directive
Article 1 – paragraph 1 – point 6
Directive 2003/87/EC
Article 3ga – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) 100 % of verified emissions reported for 2026 and each year thereafter.

deleted

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 49
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 6
Directive 2003/87/EC
Article 3ga – paragraph 2

Text proposed by the Commission

Amendment

To the extent that fewer allowances are surrendered compared to the verified emissions from maritime transport for the years 2023, 2024 and 2025, once the difference between verified emissions and allowances surrendered has been established in respect of each year, a corresponding quantity of allowances shall be cancelled rather than auctioned pursuant to Article 10.

deleted

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 50 **Jytte Guteland**

Proposal for a directive
Article 1 – paragraph 1 – point 6
Directive 2003/87/EC
Article 3gd a (new)

Text proposed by the Commission

Amendment

Article 3gda

1. An Ocean Fund shall be established for the period from 2023 to 2030 to improve the energy efficiency of ships and support investment in innovative technologies and infrastructure to decarbonise the maritime transport sector, including in short sea shipping and ports, and the deployment of sustainable alternative fuels, such as hydrogen and ammonia, that are produced from renewables, and of zero-emission propulsion technologies, including wind technologies. 20% of the revenues under the Fund shall be used to contribute to the protection, restoration and better management of marine ecosystems impacted by global warming, such as marine protected areas; and to promote a crosscutting sustainable blue economy such as renewable marine energy. The Ocean Fund shall also contribute to a just transition in the maritime sector through training, upskilling and reskilling of existing workforce and preparation of next generation maritime workforce. All investments supported by the Fund shall

be made public and shall be consistent with the aims of this Directive.

2. Shipping companies may pay an annual membership contribution to the Fund in accordance with their total emissions reported for the preceding calendar year under Regulation (EU) 2015/757 to limit the administrative burden for shipping companies, including small and medium sized companies and companies that are not frequently active within the scope of this Directive. The Fund shall surrender allowances collectively on behalf of shipping transport companies that are members of the Fund. The membership contribution per tonne of emissions shall be set by the Fund by 28 February each year, but shall be at least equal to the highest recorded primary or secondary market settlement price for allowances in the preceding year.

3. At least 75 % of the revenues generated from the auctioning of allowances referred to in Article 3g shall be used through the Ocean Fund. Furthermore, the external assigned revenues referred to in Article 21(2) of Regulation (EU) [FuelEU Maritime] shall be allocated to the Ocean Fund and used in accordance with paragraph 3.

4. The Fund shall be managed centrally through a Union body with a transparent and inclusive governance structure and decision making process, in particular in the setting of priority areas, criteria and grant allocation procedures. Relevant stakeholders shall have an appropriate consultative role. All information on the investments and all other relevant information on the functioning of the Fund shall be made available to the public.

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity. In 2020, the European Parliament called for a dedicated “Ocean Fund”. This must be based on economic, social and environmental sustainability.

Amendment 51

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3gd b (new)

Text proposed by the Commission

Amendment

Article 3gdb

Contractual arrangements

1. Where the ultimate responsibility for the purchase of the fuel or the operation of the ship is assumed, pursuant to a contractual arrangement, by an entity other than the shipping company, Member States shall ensure that that entity is responsible, under the contractual arrangement, for covering the costs arising from the implementation of this Directive.

2. For the purposes of this Article, ‘operation of the ship’ means determining the cargo carried by, or the route and speed of, the ship.

3. Member States shall take the necessary measures to ensure that the shipping company has appropriate and effective means of recovering the costs referred to in paragraph 1 of this Article in accordance with Article 16.

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity. Parliament has called for the polluter pays principle to be implemented. The shipping operator plays a large role in address carbon dioxide and methane emissions. The contractual agreements between shipping operators and shipowners must therefore be enforced to avoid any split incentives.

Amendment 52 **Jytte Guteland**

Proposal for a directive
Article 1 – paragraph 1 – point 6
Directive 2003/87/EC
Article 3ge – paragraph 1

Text proposed by the Commission

1. The Commission shall consider possible amendments in relation to the adoption by the International Maritime Organization of a global market-based measure to reduce greenhouse gas emissions from maritime transport. In the event of the adoption of such a measure, and in any event before the 2028 global stocktake and no later than 30 September 2028, the Commission shall present a report to the European Parliament and to the Council in which it shall examine any such measure. Where appropriate, the Commission may follow to the report with a legislative proposal to the European Parliament and to the Council to amend this Directive as appropriate.

Amendment

1. The Commission shall consider possible amendments in relation to the adoption by the International Maritime Organization of a global market-based measure to reduce greenhouse gas emissions from maritime transport. In the event of the adoption of such a measure, and in any event before the 2028 global stocktake and no later than 30 September 2028, the Commission shall present a report to the European Parliament and to the Council in which it shall examine any such measure. ***That report shall in particular take into account the level of participation in those global measures, their enforceability, transparency, penalties for non-compliance, the processes for public input, the use of offset credits, monitoring, reporting and verification of emissions, registries and accountability.*** Where appropriate, the Commission may follow to the report with a legislative proposal to the European Parliament and to the Council to amend

this Directive as appropriate.

Or. en

Justification

Including 100% of international emissions shall serve as an incentive for the IMO to move faster, if sufficient results are achieved there, the international coverage could be considered under some conditions.

Amendment 53
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 7 a (new)
Directive 2003/87/EC
Article 3h a (new)

Text proposed by the Commission

Amendment

(7 a) the following article is inserted:

Article 3ha

1. Member States may exclude from the EU ETS vessels that have reported to the competent authority of the Member State concerned under Regulation (EU) 2015/757 emissions of less than 1 000 tonnes of carbon dioxide equivalent in the previous year, provided that the Member State concerned:

(a) notifies the Commission of each such vessel and to the extent that fewer allowances are surrendered compared to the verified emissions from maritime transport, once the difference between verified emissions and allowances surrendered has been established in respect of each year, a corresponding quantity of allowances shall be cancelled rather than auctioned pursuant to Article 10;

(b) notifies the Commission of each such vessel before the list of installations pursuant to Article 11(1) is to be

submitted or at the latest when that list is submitted to the Commission;

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 54
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 10
Directive 2003/87/EC
Article 9 – paragraph 3

Text proposed by the Commission

In [the year following entry into force of this amendment], the Union-wide quantity of allowances shall ***be decreased by [-- million allowances (to be determined depending on year of entry into force)]***. In the same year, the Union-wide quantity of allowances shall be increased by ***79 million*** allowances ***for*** maritime transport. Starting in [the year following entry into force of this amendment], the linear factor shall be ***4,2*** %. The Commission shall publish the Union-wide quantity of allowances within 3 months of [date of entry into force of the amendment to be inserted].;

Amendment

In [the year following entry into force of this amendment], the Union-wide quantity of allowances shall ***equal the average emissions of the previous three years, adjusted, from the mid-point of that period, by the linear reduction factor***. In the same year, the Union-wide quantity of allowances shall be increased by ***a number of*** allowances ***corresponding to the emissions from*** maritime transport ***activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor***. Starting in [the year following entry into force of this amendment], the linear ***reduction*** factor shall be ***4,6*** %. The Commission shall publish the Union-wide quantity of allowances within 3 months of [date of entry into force of the amendment to be inserted].;

Or. en

Justification

The oversupply of free allowances risk creating a surplus that lowers the price of allowances to a level of which sufficient decarbonisation will not be achieved. The technical adjustment through the one-off reduction shall ensure that no more allowances are introduced than the actual emissions in the same scope. To align with the Parliament's position of achieving a 60 % emissions reduction under the European Climate Law, an additional ambition is needed through a slightly higher linear reduction factor. This higher linear reduction factor shall also compensate for the loss of ambition of the deletion of ETS2.

Amendment 55

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 10

Directive 2003/87/EC

Article 9 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

From 1 January 2024, the Union-wide quantity of allowances shall be increased as a result of the inclusion of municipal waste incineration installations in the EU ETS. The Commission shall adopt implementing acts setting out the amount of the increase in the Union-wide quantity of allowances to take account of the inclusion of municipal waste incineration installations in the EU ETS. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22a(2).

Or. en

Justification

Covering incinerators under the EU ETS would put a price on these emissions and internalise most of the externalities linked to the emissions from plastic products. This would incentivise substitutions with products of lower carbon content. The inclusion of municipal waste incineration installations should be covered by the EU-ETS as soon as possible. Simultaneously, the Commission should put in place the necessary legislation to avoid and address the risk of diverted waste streams towards landfills and waste exports to third countries.

Amendment 56

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point a

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 4

Text proposed by the Commission

In addition, **2,5** % of the total quantity of allowances between [year following the entry into force of the Directive] and 2030 shall be auctioned for the Modernisation Fund. The beneficiary Member States for this amount of allowances shall be the Member States with a GDP per capita at market prices below 65 % of the Union average during the period 2016 to 2018. The funds corresponding to this quantity of allowances shall be distributed in accordance with Part B of Annex IIb.

Amendment

In addition, **1,25** % of the total quantity of allowances between [year following the entry into force of the Directive] and 2030 shall be auctioned for the Modernisation Fund. The beneficiary Member States for this amount of allowances shall be the Member States with a GDP per capita at market prices below 65 % of the Union average during the period 2016 to 2018. The funds corresponding to this quantity of allowances shall be distributed in accordance with Part B of Annex IIb.

In addition, 1,25 % of the total quantity of allowances between ... [the year following the entry into force of the Directive] and 2030 shall be auctioned for the Innovation Fund established under Article 10a(8).

Or. en

Justification

The Innovation Fund is oversubscribed and will be crucial in ensuring new innovative technologies and sufficient decarbonisation in the ETS sectors. Together with the a strict use of the Modernisation Fund revenues, they shall contribute to decarbonisation across the Union. The Innovation Fund shall also support measures with high greenhouse gas emissions potential even if not considered particularly innovative anymore and should provide carbon contract for difference schemes to promote innovative technologies with large long-term emissions potential.

Amendment 57

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point b

Directive 2003/87/EC

Article 10 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission

3. Member States shall determine the use of revenues generated from the auctioning of allowances, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered in the Union budget. Member States shall use their revenues generated from the auctioning of allowances referred to in paragraph 2, ***with the exception of the revenues used for the compensation of indirect carbon costs referred to in Article 10a(6)***, for one or more of the following::

Amendment

3. Member States shall determine the use of revenues generated from the auctioning of allowances, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered in the Union budget ***in order to support the Social Climate Fund under Regulation (EU) .../... [Social Climate Fund Regulation]***. Member States shall use their revenues generated from the auctioning of allowances referred to in paragraph 2 for one or more of the following::

Or. en

Justification

Indirect cost compensation disrupts the functioning of the single market by distorting the competition. To stay in with CBAM that should address indirect costs, this must be eliminated. The revenues should instead be used for decarbonisation and a just transition.

Amendment 58

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point c

Directive 2003/87/EC

Article 10 – paragraph 3 – subparagraph 1 – point h

Text proposed by the Commission

(h) measures intended to improve energy efficiency, district heating systems and insulation, or to provide financial support in order to address social aspects in lower- and middle-income households, including by reducing distortive taxes;

Amendment

(h) measures intended to improve energy efficiency, district heating systems and insulation, ***efficient and renewable heating and cooling systems***, or to provide financial support in order to address social aspects in lower- and middle-income households, including by reducing distortive taxes, ***provided such reduction is carried out in a progressive manner***;

Justification

Unless revenues are spent in a progressive manner, carbon pricing and other measures under the ESR risk having regressive impacts if not implemented properly or compensated by socially inclusive spending. Pure tax cuts may instead increase inequalities which should be avoided.

Amendment 59
Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point c a (new)

Directive 2003/87/EC

Article 10 – paragraph 3 – subparagraph 2

Present text

Member States shall be deemed to have fulfilled the provisions of this paragraph if they have in place and implement fiscal or financial support policies, including in particular in developing countries, or domestic regulatory policies, which leverage financial support, established for the purposes set out in the first subparagraph and which have a value equivalent to at least **50%** of the revenues generated from the auctioning of allowances referred to in paragraph 2, including all revenues from the auctioning referred to in paragraph 2, points (b) and (c).

Amendment

(c a) in paragraph 3, the second subparagraph is replaced by the following:

"Member States shall be deemed to have fulfilled the provisions of this paragraph if they have in place and implement fiscal or financial support policies, including in particular in developing countries, or domestic regulatory policies, which leverage financial support, established for the purposes set out in the first subparagraph and which have a value equivalent to at least **100 %** of the revenues generated from the auctioning of allowances referred to in paragraph 2, including all revenues from the auctioning referred to in paragraph 2, points (b) and (c).

"

Or. en

(Directive 2003/87/EC)

Justification

National revenues must be spent to ensure an ambitious and just green transition to support the Social Climate Fund. To ensure these resources are used in a targeted manner and achieve

targets and indicators of decarbonisation and supporting vulnerable households.

Amendment 60

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point c b (new)

Directive 2003/87/EC

Article 10 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

(c b) the following paragraph is inserted:

'3a. In accordance with Article 19(2) of Regulation (EU) 2018/1999, Member States shall report annually to the Commission on the use of revenues and the actions taken pursuant to paragraph 3. Member States shall submit full, quality and consistent information. In particular, they shall define in their reports the meaning of 'committed' and 'disbursed' amounts, and submit rigorous financial information. If necessary to ensure compliance with those reporting obligations, Member States shall earmark revenues in their national budget.

Member States shall ensure that EU ETS revenues are spent in a manner consistent with the obligations laid down in paragraph 3 and maintain their traceability, and ensure that they are additional to national climate spending. The Commission shall take all necessary measures to ensure that Member States respect their reporting obligations under this paragraph.

Or. en

Justification

National revenues must be spent to ensure an ambitious and just green transition to support the Social Climate Fund. To ensure these resources are used in a targeted manner and achieve

targets and indicators of decarbonisation and supporting vulnerable households.

Amendment 61

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point a – point i

Directive 2003/87/EC

Article 10a – paragraph 1 – subparagraph 2a

Text proposed by the Commission

In the case of installations covered by the obligation to conduct an energy audit under Article 8(4) of Directive 2012/27/EU of the European Parliament and of the Council(*) [Article reference to be updated with the revised Directive], free allocation shall only be granted fully if the recommendations of the audit report are implemented, to the extent that the pay-back time for the relevant investments does not exceed five years and that the costs of those investments are proportionate. Otherwise, the amount of free allocation shall be reduced by **25 %**. The amount of free allocation shall not be reduced if an operator demonstrates that it has implemented other measures which lead to greenhouse gas emission reductions equivalent to those recommended by the audit report. The measures referred to in the first subparagraph shall be adjusted accordingly.

Amendment

In the case of installations covered by the obligation to conduct an energy audit under Article 8(4) of Directive 2012/27/EU of the European Parliament and of the Council(*) [Article reference to be updated with the revised Directive], free allocation shall only be granted fully if the recommendations of the audit report are implemented, to the extent that the pay-back time for the relevant investments does not exceed five years and that the costs of those investments are proportionate. Otherwise, the amount of free allocation shall be reduced by **100 %**. The amount of free allocation shall not be reduced if an operator demonstrates that it has implemented other measures which lead to greenhouse gas emission reductions equivalent to those recommended by the audit report. The measures referred to in the first subparagraph shall be adjusted accordingly.

Or. en

Justification

Free allocations should be conditional measures to improve energy efficiency or reduce emissions.

Amendment 62

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point a – point ii

Directive 2003/87/EC

Article 10a – paragraph 1 – subparagraph 3

Text proposed by the Commission

In order to provide further incentives for reducing greenhouse gas emissions and improving energy efficiency, the determined Union-wide ex-ante benchmarks shall be reviewed ***before the period from 2026 to 2030*** in view of ***potentially*** modifying the definitions and system boundaries of existing product benchmarks.;

Amendment

In order to provide further incentives for reducing greenhouse gas emissions and improving energy efficiency, the determined Union-wide ex-ante benchmarks shall be reviewed ***by ... [6 months after the date of the entry into force of this Directive]*** in view of modifying the definitions, ***scope*** and system boundaries of existing product benchmarks ***and potentially including new benchmarks ensuring free allocation for the production of a product is independent the type of production process, accounts for the full potential of product substitution and the circular use of materials, or avoids installations with partially or fully decarbonised processes being excluded from or prevented from participating in the benchmarks. The benchmark values resulting from that review shall be published as soon as the necessary information becomes available, in order for the updates to apply as soon as possible but no later than 1 January 2026.***;

Or. en

Justification

As soon as possible, the benchmark system should be revised to ensure that innovative breakthrough technologies are stimulated and not put at a competitive disadvantage. This would stimulate frontrunners and lower benchmarks to incentivise more actors to join the green industrial revolution.

Amendment 63
Jytte Guteland

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Proposal for a directive
Article 1 – paragraph 1 – point 12 – point b
Directive 2003/87/EC
Article 10a – paragraph 1a – subparagraph 2

Text proposed by the Commission

By way of derogation from the previous subparagraph, for the first years of operation of Regulation [CBAM], the production of these products shall benefit from free allocation in reduced amounts. A factor reducing the free allocation for the production of these products shall be applied (CBAM factor). The CBAM factor shall be equal to 100 % for the period **during** the entry into force of [CBAM regulation] and **the end of 2025**, 90 % in **2026** and shall **be reduced by 10 percentage points each year to reach 0 %** by the **tenth year**.

Amendment

By way of derogation from the previous subparagraph, for the first years of operation of Regulation [CBAM], the production of these products shall benefit from free allocation in reduced amounts. A factor reducing the free allocation for the production of these products shall be applied (CBAM factor). The CBAM factor shall be equal to 100 % for the period **between** the entry into force of [CBAM regulation] and **31 December 2024**, 90 % in **2025, 70 % in 2026, 40 % in 2027**, and shall reach 0 % by the **end of 2028**.

Or. en

Justification

The CBAM regulation should be implemented at a faster rate than in the Commission proposal and to be WTO compliant, free allocations must be phased out accordingly. The proposal is in line with the CBAM draft report. This would also generate revenues for innovation and for a just transition.

Amendment 64
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 12 – point b
Directive 2003/87/EC
Article 10a – paragraph 1a – subparagraph 4

Text proposed by the Commission

Allowances resulting from the reduction of free allocation shall be made available to support innovation in accordance with Article 10a(8).;

Amendment

50 % of the allowances resulting from the reduction of free allocation shall be made available to support innovation in accordance with Article 10a(8). **The other 50 % of those allowances shall be**

auctioned by the Commission pursuant to Article 10(4) and the revenues generated from the auctioning shall be transferred to the Union budget.;

Or. en

Justification

The CBAM regulation should be implemented at a faster rate than in the Commission proposal and to be WTO compliant, free allocations must be phased out accordingly. The proposal is in line with the CBAM draft report. This would also generate revenues for innovation and for a just transition.

Amendment 65
Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point c – point ii

Directive 2003/87/EC

Article 10a – paragraph 2 – subparagraph 3 – point d

Text proposed by the Commission

(d) Where the annual reduction rate exceeds 2,5 % or is below **0,2** %, the benchmark values for the period from 2026 to 2030 shall be the benchmark values applicable in the period from 2013 to 2020 reduced by whichever of those two percentage rates is relevant, in respect of each year between 2008 and 2028.;

Amendment

(d) Where the annual reduction rate exceeds 2,5 % or is below **1** %, the benchmark values for the period from 2026 to 2030 shall be the benchmark values applicable in the period from 2013 to 2020 reduced by whichever of those two percentage rates is relevant, in respect of each year between 2008 and 2028.;

Or. en

Justification

Despite setting a higher maximum annual reduction rate of the ETS benchmark (2.5% instead of 1.6%), the proposal keeps the minimum annual reduction rate at 0.2%. The minimum annual reduction rate applies to some of the most polluting products such as steel, cement and ammonia and it's much too slow to incentivise the decarbonisation of these sectors well before 2050. Moreover, as shown in the impact assessment accompanying the ETS proposal, the potential for emission reductions in ETS sectors is much higher than 0.2% a year. The minimum annual reduction rate of the benchmarks should therefore be set at 1%.

Amendment 66

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point e

Directive 2003/87/EC

Article 10a – paragraph 6 – subparagraph 1

Text proposed by the Commission

Amendment

Member States should adopt financial measures in accordance with the second and fourth subparagraphs in favour of sectors or subsectors which are exposed to a genuine risk of carbon leakage due to significant indirect costs that are actually incurred from greenhouse gas emission costs passed on in electricity prices, provided that such financial measures are in accordance with State aid rules, and in particular do not cause undue distortions of competition in the internal market. The financial measures adopted should not compensate indirect costs covered by free allocation in accordance with the benchmarks established pursuant to paragraph 1. Where a Member State spends an amount higher than the equivalent of 25 % of their auction revenues of the year in which the indirect costs were incurred, it shall set out the reasons for exceeding that amount.;

deleted

Or. en

Justification

Indirect cost compensation disrupts the functioning of the single market by distorting the competition. To stay in with CBAM that should address indirect costs, this must be eliminated. The revenues should instead be used for decarbonisation and a just transition.

Amendment 67

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point e a (new)

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Present text

Amendment

(e a) in paragraph 6, the second, third and fourth subparagraphs are deleted;

"

Member States shall also seek to use no more than 25% of the revenues generated from the auctioning of allowances for the financial measures referred to in the first subparagraph. Within three months of the end of each year, Member States that have such financial measures in place shall make available to the public, in an easily accessible form, the total amount of compensation provided per benefitting sector and subsector. As from 2018, in any year in which a Member State uses more than 25% of the revenues generated from the auctioning of allowances for such purposes, it shall publish a report setting out the reasons for exceeding that amount. The report shall include relevant information on electricity prices for large industrial consumers benefiting from such financial measures, without prejudice to requirements regarding the protection of confidential information. The report shall also include information on whether due consideration has been given to other measures to sustainably lower indirect carbon costs in the medium to long term. The Commission shall include in the report provided for in Article 10(5), inter alia, an assessment of the effects of such financial measures on the internal market and, where appropriate, recommend any measures that may be necessary pursuant to that assessment. Those measures shall be such as to ensure that there is adequate protection against the risk of carbon leakage, based on ex-ante benchmarks for the indirect emissions of CO₂ per unit of production. Those ex-ante benchmarks shall be calculated for a given sector or

subsector as the product of the electricity consumption per unit of production corresponding to the most efficient available technologies and of the CO₂ emissions of the relevant European electricity production mix

"

Or. en

(Directive 2003/87/EC)

Justification

Indirect cost compensation disrupts the functioning of the single market by distorting the competition. To stay in with CBAM that should address indirect costs, this must be eliminated. The revenues should instead be used for decarbonisation and a just transition.

Amendment 68 **Jytte Guteland**

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 1

Text proposed by the Commission

8. 365 million allowances from the quantity which could otherwise be allocated for free pursuant to this Article, and 85 million allowances from the quantity which could otherwise be auctioned pursuant to Article 10, as well as the allowances resulting from the reduction of free allocation referred to in Article 10a(1a), shall be made available to a Fund with the objective of supporting innovation in *low-carbon* technologies and processes, and contribute to zero pollution objectives (the ‘Innovation Fund’). Allowances that are not issued to aircraft operators due to the closure of aircraft operators and which are not necessary to cover any shortfall in surrenders by those operators, shall also be used for innovation support as referred to

Amendment

8. 375 million allowances from the quantity which could otherwise be allocated for free pursuant to this Article, and 75 million allowances from the quantity which could otherwise be auctioned pursuant to Article 10, as well as the allowances resulting from the reduction of free allocation referred to in Article 10a(1a), shall be made available to a Fund with the objective of supporting innovation in *zero-carbon* technologies and processes, and contribute to zero pollution objectives (the ‘Innovation Fund’) *while not supporting nuclear energy*. Allowances that are not issued to aircraft operators due to the closure of aircraft operators and which are not necessary to cover any shortfall in surrenders by those operators,

in the first subparagraph.

shall also be used for innovation support as referred to in the first subparagraph.

Or. en

Amendment 69 **Jytte Guteland**

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 3

Text proposed by the Commission

The Innovation Fund shall cover the sectors listed in Annex I and Annex III, including environmentally safe carbon capture and utilisation (“CCU”) that contributes substantially to mitigating climate change, as well as products substituting carbon intensive ones produced in sectors listed in Annex I, and to help stimulate the construction and operation of projects aimed at the environmentally safe capture and geological storage (“CCS”) of CO₂, as well as of innovative renewable energy and energy storage technologies; in geographically balanced locations. The Innovation Fund may also support break-through innovative technologies and infrastructure to decarbonise the maritime sector and for the production of low- and zero-carbon fuels in aviation, rail and road transport. Special attention shall be given to projects in sectors covered by the [CBAM regulation] to support innovation in low carbon technologies, CCU, CCS, renewable energy and energy storage, in a way that contributes to mitigating climate change.

Amendment

The Innovation Fund shall cover the sectors listed in Annex I and Annex III, including environmentally safe carbon capture and utilisation (“CCU”) that contributes substantially to mitigating climate change, as well as products substituting carbon intensive ones produced in sectors listed in Annex I, and to help stimulate the construction and operation of projects aimed at the environmentally safe capture and geological storage (“CCS”) of CO₂, as well as of innovative renewable energy and energy storage technologies; in geographically balanced locations. The Innovation Fund may also support break-through innovative technologies and infrastructure to decarbonise the maritime sector and for the production of low- and zero-carbon fuels in aviation, rail and road transport. Special attention shall be given to projects in sectors covered by the [CBAM regulation] to support innovation in low carbon technologies, CCU, CCS, renewable energy and energy storage, in a way that contributes to mitigating climate change ***and a just transition and delivers the most marginal benefit in terms of emission reductions per support provided. The Innovation Fund shall also support the deployment of technologies that may no longer be considered innovative, but***

nevertheless hold a significant abatement potential and contribute to decarbonisation of the economy and energy and resource savings.

Or. en

Justification

The Innovation Fund is oversubscribed and will be crucial in ensuring new innovative technologies and sufficient decarbonisation in the ETS sectors. Together with the a strict use of the Modernisation Fund revenues, they shall contribute to decarbonisation across the Union. The Innovation Fund shall also support measures with high greenhouse gas emissions potential even if not considered particularly innovative anymore and should provide carbon contract for difference schemes to promote innovative technologies with large long-term emissions potential.

Amendment 70 **Jytte Guteland**

Proposal for a directive
Article 1 – paragraph 1 – point 12 – point g
Directive 2003/87/EC
Article 10a – paragraph 8 – subparagraph 7

Text proposed by the Commission

The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning rules on the operation of the Innovation Fund, including the selection procedure and criteria, and the eligible sectors and technological requirements for the different types of support.

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning rules on the operation of the Innovation Fund, including the selection procedure and criteria, and the eligible sectors and technological requirements for the different types of support ***taking into account the social dimension of projects to ensure that the Innovation Fund contributes to a Just Transition for workers and communities impacted The range of measures that the Innovation Fund supports shall be extended to cover support to projects through price-competitive tendering, such as Carbon Contracts for Difference (CCDs).***

In implementing the Fund, the Commission shall take all the appropriate measures in accordance with Regulation

(EU, Euratom) 2020/2092 to ensure the protection of funds in relation to measures and investments supported by the Innovation Fund in the event of failure to respect the rule of law in the Member States. To this effect, the Commission shall provide an effective and efficient internal control system and shall seek recovery of amounts wrongly paid or incorrectly used.

Or. en

Justification

The Innovation Fund is oversubscribed and will be crucial in ensuring new innovative technologies and sufficient decarbonisation in the ETS sectors. Together with the a strict use of the Modernisation Fund revenues, they shall contribute to decarbonisation across the Union. The Innovation Fund shall also support measures with high greenhouse gas emissions potential even if not considered particularly innovative anymore and should provide carbon contract for difference schemes to promote innovative technologies with large long-term emissions potential. The Innovation Fund shall be covered by the rule of law regulation.

Amendment 71 **Jytte Guteland**

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraphs 7 a and b (new)

Text proposed by the Commission

Amendment

Carbon Contracts for Difference (CCDs) provide certainty to investors in innovative climate-friendly technologies by ensuring a price that rewards CO2 emission reductions based on the agreed long-term cost of a technology, regardless of the fluctuating EU ETS price. CCDs shall be used to support technologies such as CCS and CCU the deployment of which the carbon price will not be enough to drive.

By 31 December 2024, the Commission shall adopt delegated acts in accordance with Article 23 to supplement this

Directive concerning rules on the operation of CCDs.

Or. en

Justification

The Innovation Fund should provide carbon contract for difference schemes to promote innovative technologies with large long-term emissions potential. This might however not be enough and therefore additional measures shall be taken to promote carbon removal technologies in a stage where these must be scaled up to benefit from learning curves and thereby reduce costs for adjacent technologies like BECCS and DAC.

Amendment 72
Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g a (new)

Directive 2003/87/EC

Article 10a – new paragraph 10

Text proposed by the Commission

Amendment

(g a) At least 25 % of the allowances from the quantity which could otherwise be auctioned pursuant to Article 10, shall be auctioned and the revenues generated therefrom shall be allocated to the [Social Climate Fund Regulation].

Or. en

Amendment 73
Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point a

Directive 2003/87/EC

Article 10d – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

The investments supported shall be consistent with the aims of this Directive, as well as the objectives of the Communication from the Commission of

The investments supported shall be consistent with the aims of this Directive, as well as the objectives of the Communication from the Commission of

11 December 2019 on The European Green Deal (*) and Regulation (EU) 2021/1119 of the European Parliament and of the Council (**) and the long-term objectives as expressed in the Paris Agreement. No support from the Modernisation Fund shall be provided to energy generation facilities that use fossil fuels.”;

11 December 2019 on The European Green Deal (*) and Regulation (EU) 2021/1119 of the European Parliament and of the Council (**) and the long-term objectives as expressed in the Paris Agreement. No support from the Modernisation Fund shall be provided to **nuclear energy or** energy generation facilities that use fossil fuels.”;

Or. en

Amendment 74 **Jytte Guteland**

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b

Directive 2003/87/EC

Article 10d – paragraph 2 – introductory part

Text proposed by the Commission

2. **At least 80** % of the financial resources from the Modernisation Fund shall be used to support investments in the following:

Amendment

2. **100** % of the financial resources from the Modernisation Fund shall be used to support investments in the following:

Or. en

Justification

A strict use of the Modernisation Fund revenues is needed to ensure sufficient decarbonisation across the Union.

Amendment 75 **Jytte Guteland**

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b

Directive 2003/87/EC

Article 10d – paragraph 2 – point c

Text proposed by the Commission

(c) the **improvement of** demand side energy efficiency, including in transport, buildings, agriculture and waste;

Amendment

(c) the **reduction of overall energy use through** demand side **management and** energy efficiency, including in transport,

buildings, agriculture and waste;

Or. en

Amendment 76

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b

Directive 2003/87/EC

Article 10d – paragraph 2 – point f

Text proposed by the Commission

(f) a just transition in carbon-dependent regions in the beneficiary Member States, so as to support the redeployment, re-skilling and up-skilling of workers, education, job-seeking initiatives and start-ups, in dialogue with *the* social partners.;

Amendment

(f) a just transition in carbon-dependent regions in the beneficiary Member States, so as to support the redeployment, re-skilling and up-skilling of workers, education, job-seeking initiatives and start-ups, in dialogue with *civil society and* social partners, *in compliance with the eligibility criteria for activities in Articles 8 and 9 of Regulation (EU) 2021/1056 and in line with the Territorial Just Transition Plans where relevant.*;

Or. en

Amendment 77

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 14 a (new)

Directive 2003/87/EC

Article 10d – paragraph 12

Present text

The Commission shall adopt implementing acts concerning detailed rules on the operation of the Modernisation Fund. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22a(2).

Amendment

(14 a) paragraph 12 is replaced by the following

"The Commission shall adopt implementing acts concerning detailed rules on the operation of the Modernisation Fund. Those implementing acts shall be adopted in accordance with the examination procedure referred to in

Article 22a(2). *In implementing the Modernisation Fund, the Commission shall take all the appropriate measures in accordance with Regulation (EU, Euratom) 2020/2092 to ensure the protection of funds in relation to measures and investments supported by the Modernisation Fund in the event of failure to respect the rule of law in the Member States. To this effect, the Commission shall provide an effective and efficient internal control system and shall seek recovery of amounts wrongly paid or incorrectly used.*

"

Or. en

(Directive 2003/87/EC)

Justification

The rule of law regulation shall apply to the Modernisation Fund.

Amendment 78
Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 15 – point e

Directive 2003/87/EC

Article 12 – paragraph 3b – subparagraph 1

Text proposed by the Commission

3b. An obligation to surrender allowances shall not arise in respect of emissions of greenhouse gases which are considered to have been captured and utilised to become permanently chemically bound in a product so that they do not enter the atmosphere under normal use.

Amendment

3b. An obligation to surrender allowances shall not arise in respect of emissions of greenhouse gases which are considered to have been captured and utilised to become permanently chemically bound in a product so that they do not enter the atmosphere under normal use **and disposal**.

Or. en

Amendment 79
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 15 – point e
Directive 2003/87/EC
Article 12 – paragraph 3b – subparagraph 2

Text proposed by the Commission

The Commission shall adopt implementing acts concerning the requirements to consider that greenhouse gases have become permanently chemically bound in a product so that they do not enter the atmosphere under normal use.

Amendment

The Commission shall adopt implementing acts concerning the requirements to consider that greenhouse gases have become permanently chemically bound in a product so that they do not enter the atmosphere under normal use *and disposal*.

Or. en

Amendment 80
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Chapter IVa

Text proposed by the Commission

CHAPTER IVa

Amendment

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 81
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Chapter IVa – paragraph 1

Text proposed by the Commission

Amendment

**EMISSIONS TRADING SYSTEM FOR
BUILDINGS AND ROAD TRANSPORT**

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 82
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30a

Text proposed by the Commission

Amendment

Article 30a

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 83
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30a

Text proposed by the Commission

Amendment

Scope

deleted

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Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 84
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
 Directive 2003/87/EC
 Article 30a

Text proposed by the Commission

Amendment

The provisions of this Chapter shall apply to emissions, greenhouse gas emission permits, issue and surrender of allowances, monitoring, reporting and verification in respect of the activity referred to in Annex III. This Chapter shall not apply to any emissions covered by Chapters II, IIa and III. **deleted**

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 85
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
 Directive 2003/87/EC
 Article 30b

Text proposed by the Commission

Amendment

Article 30b

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 86
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30b

Text proposed by the Commission

Amendment

Greenhouse emissions permits

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 87
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30b

Text proposed by the Commission

Amendment

***1. Member States shall ensure that,
from 1 January 2025, no regulated entity***

deleted

carries out the activity referred to in Annex III unless that regulated entity holds a permit issued by a competent authority in accordance with paragraphs 2 and 3.

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 88
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30b – paragraph 2

Text proposed by the Commission

Amendment

2. An application to the competent authority by the regulated entity pursuant to paragraph 1 for a greenhouse gas emissions permit under this Chapter shall include, at least, a description of:

deleted

- (a) the regulated entity;**
- (b) the type of fuels it releases for consumption and which are used for combustion in the buildings and road transport sectors as defined in Annex III and the means through which it releases those fuels for consumption;**
- (c) the end use(s) of the fuels released for consumption for the activity referred to in Annex III;**
- (d) the measures planned to monitor and report emissions, in accordance with the acts referred to in Articles 14 and 30f;**
- (e) a non-technical summary of the information under points (a) to (d).**

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 89
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
 Directive 2003/87/EC
 Article 30b – paragraph 3

Text proposed by the Commission

Amendment

3. The competent authority shall issue a greenhouse gas emissions permit granting authorisation to the regulated entity referred to in paragraph 1 for the activity referred to in Annex III, if it is satisfied that the entity is capable of monitoring and reporting emissions corresponding to the quantities of fuels released for consumption pursuant to Annex III.

deleted

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 90
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
 Directive 2003/87/EC
 Article 30b – paragraph 4

4. Greenhouse gas emissions permits shall contain, at least, the following: **deleted**

- (f) the name and address of the regulated entity;**
- (g) a description of the means by which the regulated entity releases the fuels for consumption in the sectors covered by this Chapter;**
- (h) a list of the fuels the regulated entity releases for consumption in the sectors covered by this Chapter;**
- (i) a monitoring plan that fulfils the requirements established by the acts referred to in Article 14.;**
- (j) reporting requirements established by the acts referred to in Article 14;**
- (k) an obligation to surrender allowances, issued under this Chapter, equal to the total emissions in each calendar year, as verified in accordance with Article 15, within four months following the end of that year.**

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 91
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30b – paragraph 5

Text proposed by the Commission

Amendment

5. ***Member States may allow the regulated entities to update monitoring plans without changing the permit. Regulated entities shall submit any updated monitoring plans to the competent authority for approval.*** ***deleted***

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 92

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30b – paragraph 6

Text proposed by the Commission

Amendment

6. ***The regulated entity shall inform the competent authority of any planned changes to the nature of its activity or to the fuels it releases for consumption, which may require updating the greenhouse gas emissions permit. Where appropriate, the competent authority shall update the permit in accordance with the acts referred to in Article 14. Where there is a change in the identity of the regulated entity covered by this Chapter, the competent authority shall update the permit to include the name and address of the new regulated entity.*** ***deleted***

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 93
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30c

Text proposed by the Commission

Amendment

Article 30c

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 94
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30c

Text proposed by the Commission

Amendment

Total quantity of allowances

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 95

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30c – paragraph 1

Text proposed by the Commission

Amendment

1. The Union-wide quantity of allowances issued under this Chapter each year from 2026 shall decrease in a linear manner beginning in 2024. The 2024 value shall be defined as the 2024 emissions limits, calculated on the basis of the reference emissions under Article 4(2) of Regulation (EU) 2018/842 of the European Parliament and of the Council(*) for the sectors covered by this Chapter and applying the linear reduction trajectory for all emissions within the scope of that Regulation. The quantity shall decrease each year after 2024 by a linear reduction factor of 5,15 %. By 1 January 2024, the Commission shall publish the Union-wide quantity of allowances for the year 2026.

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 96

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30c – paragraph 2

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2. *The Union-wide quantity of allowances issued under this Chapter each year from 2028 shall decrease in a linear manner beginning from 2025 on the basis of the average emissions reported under this Chapter for the years 2024 to 2026. The quantity of allowances shall decrease by a linear reduction factor of 5,43 %, except if the conditions of point 1 of Annex IIIa apply, in which case, the quantity shall decrease with a linear reduction factor adjusted in accordance with the rules set out in point 2 of Annex IIIa. By 30 June 2027, the Commission shall publish the Union-wide quantity of allowances for the year 2028 and, if required, the adjusted linear reduction factor.* **deleted**

(*) Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 97
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21

Directive 2003/87/EC
Article 30d

Text proposed by the Commission

Amendment

Article 30d

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 98
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30d

Text proposed by the Commission

Amendment

**Auctioning of allowances for the activity
referred to in Annex III**

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 99
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30d – paragraph 1

Text proposed by the Commission

Amendment

1. From 2026, allowances covered by this Chapter shall be auctioned, unless they are placed in the Market Stability Reserve established by Decision (EU) 2015/1814. The allowances covered by this Chapter shall be auctioned separately from the allowances covered by Chapters II, IIa and III. **deleted**

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 100
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30d – paragraph 2

Text proposed by the Commission

Amendment

2. The auctioning of the allowances under this Chapter shall start in 2026 with a volume corresponding to 130 % of the auction volumes for 2026 established on the basis of the Union-wide quantity of allowances for that year and the respective auction shares and volumes pursuant to paragraph 3, 5 and 6. The additional volumes to be auctioned shall only be used for surrendering allowances pursuant to Article 30e(2) and be deducted from the auction volumes for the period from 2028 to 2030. The conditions for these early auctions shall be set in accordance with paragraph 7 and Article 10(4). **deleted**

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In 2026, 600 million allowances covered by this Chapter are created as holdings in the Market Stability Reserve pursuant to Article 1a(3) of Decision (EU) 2015/1814.

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 101
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30d – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

In 2026, 600 million allowances covered by this Chapter are created as holdings in the Market Stability Reserve pursuant to Article 1a(3) of Decision (EU) 2015/1814.

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 102
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30d – paragraph 3

Text proposed by the Commission

Amendment

3. 150 million allowances issued under this Chapter shall be auctioned and all revenues from these auctions made available for the Innovation Fund established under Article 10a(8). Article 10a(8) shall apply to the allowances referred to in this paragraph. *deleted*

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 103

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30d – paragraph 4

Text proposed by the Commission

Amendment

4. The total quantity of allowances covered by this Chapter after deducting the quantities set out in paragraph 3, shall be auctioned by the Member States and distributed amongst them in shares that are identical to the share of reference emissions under Article 4(2) of Regulation (EU) 2018/842 for the sectors covered by this Chapter for the average of the period from 2016 to 2018, of the Member State concerned. *deleted*

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear

the burden of the green transition.

Amendment 104

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30d – paragraph 5

Text proposed by the Commission

Amendment

- 5. Member States shall determine the use of revenues generated from the auctioning of allowances referred to in paragraph 4, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered in the Union budget. Member States shall use their revenues for one or more of the activities referred to in Article 10(3) or for one or more of the following:**
- (a) measures intended to contribute to the decarbonisation of heating and cooling of buildings or to the reduction of the energy needs of buildings, including the integration of renewable energies and related measures according to Articles 7(11), 12 and 20 of Directive 2012/27/EU [references to be updated with the revised Directive], as well as measures to provide financial support for low-income households in worst-performing buildings;**
- (b) measures intended to accelerate the uptake of zero-emission vehicles or to provide financial support for the deployment of fully interoperable refuelling and recharging infrastructure for zero-emission vehicles or measures to encourage a shift to public forms of transport and improve multimodality, or to provide financial support in order to address social aspects concerning low and**
- deleted*

middle-income transport users.

Member States shall use a part of their auction revenues generated in accordance with this Article to address social aspects of the emission trading under this Chapter with a specific emphasis on vulnerable households, vulnerable micro-enterprises and vulnerable transport users as defined under Regulation (EU) 2018/1999 [Social Climate Fund Regulation](). Where a Member State submits to the Commission a [Social Climate Plan] pursuant to that Regulation, the Member State shall use those revenues inter alia to finance that plan.*

Member States shall be deemed to have fulfilled the provisions of this paragraph if they have in place and implement fiscal or financial support policies or regulatory policies, which leverage financial support, established for the purposes set out in the first subparagraph and which have a value equivalent to the revenues generated from the auctioning of allowances referred to in this Chapter.

*Member States shall inform the Commission as to the use of revenues and the actions taken pursuant to this paragraph by including this information in their reports submitted under Regulation (EU) 2018/1999 of the European Parliament and of the Council (**).*

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 105
Jytte Guteland

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Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30d – paragraph 5 – point a

Text proposed by the Commission

Amendment

(a) measures intended to contribute to the decarbonisation of heating and cooling of buildings or to the reduction of the energy needs of buildings, including the integration of renewable energies and related measures according to Articles 7(11), 12 and 20 of Directive 2012/27/EU [references to be updated with the revised Directive], as well as measures to provide financial support for low-income households in worst-performing buildings;

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 106
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30d – paragraph 5 – point b

Text proposed by the Commission

Amendment

(b) measures intended to accelerate the uptake of zero-emission vehicles or to provide financial support for the deployment of fully interoperable refuelling and recharging infrastructure for zero-emission vehicles or measures to encourage a shift to public forms of

deleted

transport and improve multimodality, or to provide financial support in order to address social aspects concerning low and middle-income transport users.

Member States shall use a part of their auction revenues generated in accordance with this Article to address social aspects of the emission trading under this Chapter with a specific emphasis on vulnerable households, vulnerable micro-enterprises and vulnerable transport users as defined under Regulation (EU) 2020/1828 [Social Climate Fund Regulation](). Where a Member State submits to the Commission a [Social Climate Plan] pursuant to that Regulation, the Member State shall use those revenues inter alia to finance that plan.*

Member States shall be deemed to have fulfilled the provisions of this paragraph if they have in place and implement fiscal or financial support policies or regulatory policies, which leverage financial support, established for the purposes set out in the first subparagraph and which have a value equivalent to the revenues generated from the auctioning of allowances referred to in this Chapter.

*Member States shall inform the Commission as to the use of revenues and the actions taken pursuant to this paragraph by including this information in their reports submitted under Regulation (EU) 2018/1999 of the European Parliament and of the Council (**).*

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 107

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30d – paragraph 5

Text proposed by the Commission

Amendment

6. Articles 10(4) and 10(5) shall apply to the allowances issued under this Chapter.

deleted

(*) Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

() [insert reference]**

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 108

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

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Directive 2003/87/EC
Article 30e

Text proposed by the Commission

Amendment

Article 30e

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 109
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30e

Text proposed by the Commission

Amendment

Transfer, surrender and cancellation of allowances

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 110
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30e

Text proposed by the Commission

Amendment

- 1. Article 12 shall apply to the emissions, regulated entities and allowances covered by this Chapter with the exception of Article 12, paragraphs (2a), (3), (3a), paragraph (4), third and fourth sentence, and paragraph (5). For this purpose:**
- (a) any reference to emissions shall be read as if it were a reference to the emissions covered by this Chapter;**
- (b) any reference to operators of installations shall be read as if it were a reference to the regulated entities covered by this Chapter;**
- (c) any reference to allowances shall be read as if it were a reference to the allowances covered by this Chapter.**

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 111

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30e

Text proposed by the Commission

Amendment

- 2. From 1 January 2027, Member States shall ensure that, by 30 April each year, the regulated entity surrenders a number of allowances covered by this Chapter, that is equal to the total emissions, corresponding to the quantity**

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of fuels released for consumption pursuant to Annex III, during the preceding calendar year as verified in accordance with Articles 15 and 30f, and that those allowances are subsequently cancelled.

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 112

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30f

Text proposed by the Commission

Amendment

Article 30f

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 113

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30f

Text proposed by the Commission

Amendment

Monitoring, reporting, verification of emissions and accreditation

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 114
Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30f – paragraph 1

Text proposed by the Commission

Amendment

1. Articles 14 and 15 shall apply to the emissions, regulated entities and allowances covered by this Chapter. For this purpose:

deleted

(a) any reference to emissions shall be read as if it were a reference to the emissions covered by this Chapter;

(b) any reference to activity listed in Annex I shall be read as if it were a reference to the activity referred to in Annex III;

(c) any reference to operators shall be read as if it were a reference to the regulated entities covered by this Chapter;

(d) any reference to allowances shall be read as if it were a reference to the allowances covered by this Chapter.

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 115

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30f – paragraph 2

Text proposed by the Commission

Amendment

2. Member States shall ensure that each regulated entity monitors for each calendar year as from 2025 the emissions corresponding to the quantities of fuels released for consumption pursuant to Annex III. They shall also ensure that each regulated entity reports these emissions to the competent authority in the following year, starting in 2026, in accordance with the acts referred to in Article 14(1).

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 116

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30f – paragraph 3

Text proposed by the Commission

Amendment

- 3. Member States shall ensure that each regulated entity holding a permit in accordance with Article 30b on 1 January 2025 report their historical emissions for year 2024 by 30 March 2025.** *deleted*

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 117

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30f – paragraph 4

Text proposed by the Commission

Amendment

- 4. Member States shall ensure that the regulated entities are able to identify and document reliably and accurately per type of fuel, the precise volumes of fuel released for consumption which are used for combustion in the buildings and road transport sectors as identified in Annex III, and the final use of the fuels released for consumption by the regulated entities. The Member States shall take appropriate measures to avoid any risk of double counting of emissions covered under this Chapter and the emissions under Chapters II, IIa and III. Detailed rules for avoiding double counting shall be adopted in accordance with Article 14(1).** *deleted*

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 118

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30f – paragraph 5

Text proposed by the Commission

Amendment

5. *The principles for monitoring and reporting of emissions covered by this Chapter are set out in Part C of Annex IV.* ***deleted***

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 119

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30f – paragraph 6

Text proposed by the Commission

Amendment

6. *The criteria for the verification of emissions covered by this Chapter are set out in Part C of Annex V.* ***deleted***

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 120

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30g

Text proposed by the Commission

Amendment

Article 30g

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 121

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30g

Text proposed by the Commission

Amendment

Administration

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 122

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30h – paragraph 1

Text proposed by the Commission

Amendment

Articles 13, 15a, Article 16(1), (2), (3), (4) and (12), Articles 17, 18, 19, 20, 21, 22, 22a, 23 and 29 shall apply to the emissions, regulated entities and allowances covered by this Chapter. For this purpose:

deleted

(a) any reference to emissions shall be read as if it were a reference to emissions covered by this Chapter;

(b) any reference to operator shall be read as if it were a reference to regulated entities covered by this Chapter;

(c) any reference to allowances shall be read as if it were a reference to the allowances covered by this Chapter.

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 123

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30h

Text proposed by the Commission

Amendment

Article 30h

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 124

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30h

Text proposed by the Commission

Amendment

Measures in the event of excessive price increase

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 125

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30h – paragraph 1

Text proposed by the Commission

Amendment

1. *Where, for more than three*

deleted

consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than twice the average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this Chapter, the Commission shall, as a matter of urgency, adopt a decision to release 50 million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 126 **Jytte Guteland**

Proposal for a directive
Article 1 – paragraph 1 – point 21
Directive 2003/87/EC
Article 30h – paragraph 2

Text proposed by the Commission

Amendment

2. *Where, for more than three consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than three times the average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this Chapter, the Commission shall, as a matter of urgency, adopt a decision to release 150 million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.*

deleted

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 127
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
 Directive 2003/87/EC
 Article 30i

Text proposed by the Commission

Amendment

Article 30i

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 128
Jytte Guteland

Proposal for a directive
Article 1 – paragraph 1 – point 21
 Directive 2003/87/EC
 Article 30i

Text proposed by the Commission

Amendment

Review of this Chapter

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear

the burden of the green transition.

Amendment 129

Jytte Guteland

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Article 30i

Text proposed by the Commission

Amendment

By 1 January 2028, the Commission shall report to the European Parliament and to the Council on the implementation of the provisions of this Chapter with regard to their effectiveness, administration and practical application, including on the application of the rules under Decision (EU) 2015/1814 and use of allowances of this Chapter to meet compliance obligations of the compliance entities covered by Chapters II, IIa and III. Where appropriate, the Commission shall accompany this report with a proposal to the European Parliament and to the Council to amend this Chapter. By 31 October 2031 the Commission should assess the feasibility of integrating the sectors covered by Annex III in the Emissions Trading System covering the sectors listed in annex 1 of Directive 2003/87/EC.’;

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 130

Jytte Guteland

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Proposal for a directive

Article 1 – paragraph 1 – point 22

Directive 2003/87/EC

Article 30i – subparagraph 2

Text proposed by the Commission

Amendment

(22) Annexes I, IIb, IV and V to Directive 2003/87/EC are amended in accordance with Annex I to this Directive, and Annexes III, IIIa and IIIb are inserted in Directive 2003/87/EC as set out in Annex I to this Directive.

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 131

Jytte Guteland

Proposal for a directive

Article 2 – paragraph 1 – point 1 – point c

Decision (EU) 2015/1814

Article 1 – paragraph 5 – subparagraph 1

Text proposed by the Commission

Amendment

5. In any given year, if the total number of allowances in circulation is between **833** million and **1 096** million, a number of allowances equal to the difference between the total number of allowances in circulation, as set out in the most recent publication as referred to in paragraph 4 of this Article, and **833** million, shall be deducted from the volume of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC and shall be placed in the reserve over a period of 12 months

5. In any given year, if the total number of allowances in circulation is between **633** million and **989** million, a number of allowances equal to the difference between the total number of allowances in circulation, as set out in the most recent publication as referred to in paragraph 4 of this Article, and **633** million, shall be deducted from the volume of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC and shall be placed in the reserve over a period of 12 months

beginning on 1 September of that year. If the total number of allowances in circulation is above **1 096** million allowances, the number of allowances to be deducted from the volume of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC and to be placed in the reserve over a period of 12 months beginning on 1 September of that year shall be equal to 12 % of the total number of allowances in circulation. By way of derogation from the last sentence, until 31 December 2030, the percentage shall be **doubled**.

beginning on 1 September of that year. If the total number of allowances in circulation is above **989** million allowances, the number of allowances to be deducted from the volume of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC and to be placed in the reserve over a period of 12 months beginning on 1 September of that year shall be equal to 12 % of the total number of allowances in circulation. By way of derogation from the last sentence, until ... **[the date of entry into force of this Directive], the percentage shall be doubled, and from that date until 31 December 2030, the percentage shall be tripled.**

Or. en

Justification

The adoption of the European Climate Law calls for increased climate ambition, however, for some levels of TNAC, the number of allowances added to the MSR is reduced. Furthermore, to address the surplus of allowances in circulation, that risks increasing in case of faster emissions reduction than expected, and thus avoid the risk of a lower carbon price than needed to ensure fast enough decarbonisation, a higher intake rate and lower upper threshold will be needed (the buffer zone is adjusted accordingly to avoid the threshold effect). This will ensure better predictability and works as an alternative to introducing an ETS price floor.

Amendment 132

Jytte Guteland

Proposal for a directive

Article 3 – paragraph 1 – point -1 (new)

Regulation (EU) 2015/757

Article 2 – paragraph 1

Present text

1. This Regulation applies to ships above **5 000** gross tonnage in respect of **CO2** emissions released during their voyages from their last port of call to a port of call

Amendment

(-1) in Article 2, paragraph 1 is replaced by the following:

"1. This Regulation applies to ships above **400** gross tonnage in respect of **all greenhouse gas** emissions released during their voyages from their last port of call to

under the jurisdiction of a Member State and from a port of call under the jurisdiction of a Member State to their next port of call, as well as within ports of call under the jurisdiction of a Member State.

a port of call under the jurisdiction of a Member State and from a port of call under the jurisdiction of a Member State to their next port of call, as well as within ports of call under the jurisdiction of a Member State, **but only if the emissions are above 1000 tonnes of greenhouse gases per year.**

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02015R0757-20161216&qid=1644830287811>)

Amendment 133 **Jytte Guteland**

Proposal for a directive
Article 3 – paragraph 1 – point -1 a (new)
Regulation (EU) 2015/757
Article 3 – paragraph 1 – point c

Present text

Amendment

(c) ‘voyage’ means any movement of a ship that originates from or terminates in a port of call and that serves the purpose of transporting passengers **or** cargo for commercial purposes;

(-1 a) in Article 3, point (c) is replaced by the following:

"(c) ‘voyage’ means any movement of a ship that originates from or terminates in a port of call **or structure situated on the continental shelf of a Member State, such as offshore supply services**, and that serves the purpose of transporting passengers, **transporting** cargo for commercial purposes **or performing service activities for offshore installations**;

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02015R0757-20161216&qid=1644830287811>)

Amendment 134 **Jytte Guteland**

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Proposal for a directive

Article 3 – paragraph 1 – point 1 a (new)

Regulation (EU) 2015/757

Article 2 – paragraph 1 is replaced by the following

Text proposed by the Commission

Amendment

(1 a) This Regulation applies to ships above 400 gross tonnage in respect of all greenhouse gas emissions released during their voyages from their last port of call to a port of call under the jurisdiction of a Member State and from a port of call under the jurisdiction of a Member State to their next port of call, as well as within ports of call under the jurisdiction of a Member State

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 136

Jytte Guteland

Proposal for a directive

Annex I – paragraph 1 – point a a (new)

Directive 2003/87/EC

Annex 1 – point 5

Present text

Amendment

1. When the capacity threshold of any activity in this Annex is found to be exceeded in an installation, all units in which fuels are combusted, ***other than units for the incineration of hazardous or***

(a a) point 5 is replaced by the following:

"1. When the capacity threshold of any activity in this Annex is found to be exceeded in an installation, all units in which fuels are combusted shall be included in the greenhouse gas emission

municipal waste, shall be included in the permit.
greenhouse gas emission permit.

”

Or. en

(Directive 2003/87/EC)

Justification

Covering incinerators under the EU ETS would put a price on those latter emissions and therefore internalise most of the externalities linked to the emissions from plastic products. This would make both EU-made and imported plastic products more costly and less competitive and would incentivise substitutions with products of lower carbon content. The inclusion of municipal waste incineration installations should be covered by the EU-ETS as soon as possible. Simultaneously, the Commission should put in place the necessary legislation to avoid and address the risk of diverted waste streams towards landfills and waste exports to third countries.

Amendment 137

Jytte Guteland

Proposal for a directive

Annex I – paragraph 1 – point b – point -i (new)

Directive 2003/87/EC

Annex I – table – row 1 – column 1

Present text

Amendment

Combustion of fuels in installations with a total rated thermal input exceeding **20 MW**(*except in installations for the incineration of hazardous or municipal waste*)

(-i) in the first row, the first column is replaced by the following:

"Combustion of fuels in installations with a total rated thermal input exceeding **10 MW**.

”

Or. en

(Directive 2003/87/EC)

Justification

Covering incinerators under the EU ETS would put a price on those latter emissions and therefore internalise most of the externalities linked to the emissions from plastic products. This would make both EU-made and imported plastic products more costly and less competitive and

would incentivise substitutions with products of lower carbon content. The inclusion of municipal waste incineration installations should be covered by the EU-ETS as soon as possible. Simultaneously, the Commission should put in place the necessary legislation to avoid and address the risk of diverted waste streams towards landfills and waste exports to third countries. Further, for the polluter pays principle to apply more broadly smaller installations should also be included.

Amendment 138
Jytte Guteland

Proposal for a directive
Annex I – paragraph 1 – point c – point vii a (new)
Annex I – table – row 51

Text proposed by the Commission

Amendment

(vii a) the following row is added after the last new row, with a separation line between the two rows:

Maritime transport activities of ships covered by Regulation (EU) 2015/757 of the European Parliament and of the Council performing voyages with the purpose of transporting passengers, cargo for commercial purposes or performing service activities for offshore installations

Or. en

Justification

100% of emissions in the maritime sector shall be covered from 2023 and the scope of the EU ETS for the maritime sector shall be extended to also cover methane emissions, ships from 400 gross tonnes in size generating more than 1000 tonnes of greenhouse gas emissions per year and include off-shore supply services. The polluter-pays principle shall be upheld and an Ocean Fund shall support decarbonisation, just transition and biodiversity.

Amendment 139
Jytte Guteland

Proposal for a directive
Annex I – point 2
Directive 2003/87/EC
Annex III

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Text proposed by the Commission

Amendment

“ANNEX III

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 140

Jytte Guteland

Proposal for a directive

Annex I – point 2

Directive 2003/87/EC

Annex III

Text proposed by the Commission

Amendment

**ACTIVITY COVERED BY CHAPTER
IVa**

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 141

Jytte Guteland

Proposal for a directive

Annex I – point 2

Directive 2003/87/EC

Annex IIIa

Text proposed by the Commission

Amendment

ANNEX IIIa

deleted

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EN

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 142
Jytte Guteland

Proposal for a directive
Annex I – point 2
 Directive 2003/87/EC
 Annex IIIa

Text proposed by the Commission

Amendment

**ADJUSTMENT OF LINEAR
 REDUCTION FACTOR IN
 ACCORDANCE WITH ARTICLE 30c(2)**

deleted

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 143
Jytte Guteland

Proposal for a directive
Annex I – point 2
 Directive 2003/87/EC
 Annex IIIa – paragraph 1

Text proposed by the Commission

Amendment

1. If the average emissions reported under Chapter IVa for the years 2024 to 2026 are more than 2% higher compared to the value of the 2025 quantity defined in accordance with Article 30c(1), and if

deleted

these differences are not due to the difference of less than 5% between the emissions reported under Chapter IVa and the inventory data of 2025 Union greenhouse gas emissions from UNFCCC source categories for the sectors covered under Chapter IVa, the linear reduction factor shall be calculated by adjusting the linear reduction factor referred to in Article 30c(1).

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 144 **Jytte Guteland**

Proposal for a directive
Annex I – point 2
Directive 2003/87/EC
Annex IIIa – paragraph 2

Text proposed by the Commission

Amendment

2. The adjusted linear reduction factor in accordance with point 1 shall be determined as follows:

deleted

$$[LRF_{adj} = 100\% * ((MRV_{[2024-2026]} - (MRV_{[2024-2026]} + (ESR_{[2024]} - 6 * LRF_{[2024]} * ESR_{[2024]}) - MRV_{[2024-2026]}) / 5)) / MRV_{[2024-2026]}], \text{ where,}$$

LRF_{adj} is the adjusted linear reduction factor;

MRV_[2024-2026] is the average of verified emissions under Chapter IVa for the years 2024 to 2026;

ESR_[2024] is the value of 2024 emissions defined in accordance with Article 30c(1) for the sectors covered under Chapter

IVa;

LRF₂₀₂₄ is the linear reduction factor referred to in Article 30c(1).]

Or. en

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 145
Jytte Guteland

Proposal for a directive
Annex I – point 3 – point c
Directive 2003/87/EC
Annex IV – part C

Text proposed by the Commission

Amendment

(c) *the following Part C is added:*

deleted

PART C — Monitoring and reporting of emissions corresponding to the activity referred to in Annex III

Monitoring of emissions

Emissions shall be monitored by calculation.

Calculation

Emissions shall be calculated using the following formula:

Fuel released for consumption × emission factor

Fuel released for consumption shall include the quantity of fuel released for consumption by the regulated entity.

Default IPCC emission factors, taken from the 2006 IPCC Inventory Guidelines or subsequent updates of these Guidelines, shall be used unless fuel-

specific emission factors identified by independent accredited laboratories using accepted analytical methods are more accurate.

A separate calculation shall be made for each regulated entity, and for each fuel.

Reporting of emissions

Each regulated entity shall include the following information in its report:

A. *Data identifying the regulated entity, including:*

- *name of the regulated entity;*
- *its address, including postcode and country;*
- *type of the fuels it releases for consumption and its activities through which it releases the fuels for consumption, including the technology used;*
- *address, telephone, fax and email details for a contact person; and*
- *name of the owner of the regulated entity, and of any parent company.*

B. *For each type of fuel released for consumption and which is used for combustion in the buildings and road transport sectors as defined in Annex III, for which emissions are calculated:*

- *quantity of fuel released for consumption;*
- *emission factors;*
- *total emissions;*
- *end use(s) of the fuel released for consumption; and*
- *uncertainty.*

Member States shall take measures to coordinate reporting requirements with any existing reporting requirements in order to minimise the reporting burden on businesses.;

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.

Amendment 146
Jytte Guteland

Proposal for a directive
Annex I – point 4
Directive 2003/87/EC
Annex V – part c

Text proposed by the Commission

Amendment

(4) [...]

deleted

Justification

To promote a just transition we propose increased ambition for the existing ETS in the industrial and maritime sectors and a full deletion of ETS2 to ensure vulnerable households do not bear the burden of the green transition.