



16/02/2022

AMENDMENTS: 147

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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Amendment 1
Michael Bloss

Proposal for a directive
Recital 1

Text proposed by the Commission

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 (“the Paris Agreement”)³⁶. Its Parties ***have agreed to hold the increase in the global average temperature well below 2 °C above pre-industrial levels and to pursue efforts to limit the*** temperature increase to 1,5 °C above pre-industrial levels.

³⁶ Paris Agreement (OJ L 282, 19.10.2016, p. 4).

Amendment

(1) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016 (“the Paris Agreement”)³⁶. ***By adopting the Glasgow Climate Pact, its Parties recognised that limiting the global average temperature increase to 1,5 °C above pre-industrial levels would significantly reduce the risks and impacts of climate change, and committed to increase their 2030 climate targets to close the ambition gap. Aligning the European Union Emissions Trading System (EU ETS) with the 1,5°C target is a unique opportunity for the Union to contribute to the international climate effort to close the ambition gap before the United Nations Framework Convention on Climate Change 27th session of the Conference of the Parties (UNFCCC COP27) in Egypt.***

³⁶ Paris Agreement (OJ L 282, 19.10.2016, p. 4).

Or. en

Amendment 2
Michael Bloss

Proposal for a directive
Recital 1 a (new)

Text proposed by the Commission

Amendment

(1 a) Latest climate science in the IPCC Sixth Assessment Report of August 2021

and the 2020 UNEP Emissions Gap Report indicate that, despite a brief dip in carbon dioxide emissions caused by the COVID-19 pandemic, the world is still heading for a temperature rise in excess of 3°C this century. It also stresses that the levels of ambition in the Paris Agreement must be roughly tripled for the 2°C pathway and increased at least fivefold for the 1.5°C pathway.

Or. en

Amendment 3 **Michael Bloss**

Proposal for a directive **Recital 2**

Text proposed by the Commission

(2) *Tackling climate and environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the Communication on “The European Green Deal”, adopted by the Commission on 11 December 2019³⁷.*

³⁷ COM(2019)640 final.

Amendment

(2) *Accelerating the green transition to a climate-neutral, sustainable, non-toxic, resource-efficient, renewable energy-based, resilient and competitive circular economy in a just, equitable and inclusive way while protecting, restoring and improving the state of the environment is at the core of the 8th Environmental Action Programme.*

³⁷ COM(2019)640 final.

Or. en

Amendment 4 **Michael Bloss**

Proposal for a directive **Recital 5**

Text proposed by the Commission

(5) *The Union committed to reduce to reduce the Union’s economy-wide net greenhouse gas emissions by at least 55 %*

Amendment

deleted

by 2030 below 1990 levels in the updated nationally determined contribution submitted to the UNFCCC Secretariat on 17 December 2020³⁹.

39

https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/European%20Union%20First/EU_NDC_Submission_December%202020.pdf

Or. en

Amendment 5

Michael Bloss

Proposal for a directive

Recital 6

Text proposed by the Commission

(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council⁴⁰ the Union has enshrined the target of economy-wide ***climate neutrality by 2050 in legislation. That Regulation also establishes a binding Union domestic reduction commitment of net*** greenhouse gas emissions (*emissions after deduction of removals*) of at least 55 % below 1990 levels by 2030.

⁴⁰ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Amendment

(6) In Regulation (EU) 2021/1119 of the European Parliament and of the Council⁴⁰ the Union has enshrined the target of ***achieving an*** economy-wide ***balance between anthropogenic emissions and removals by sinks of*** greenhouse gas emissions ***within the Union by 2050 at the latest in legislation.***

⁴⁰ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Or. en

Amendment 6

Michael Bloss

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, **while implementing the polluter pays principle established in the EU Treaties**. 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, **benchmarks** should be **applicable** independent of the nature of the production process. It is therefore necessary to **revise, as soon as possible**, the definition of the products and of the processes and emissions covered for some benchmarks to ensure a level playing field for **innovative, zero-emission** technologies **and to take into account circularity potentials**. 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. **Moreover, free allocation should end as soon as the Carbon Border Adjustment Mechanism fully enters into force. Additional revenues created by phasing out free allowances should be used to support those companies that are committed to rapid decarbonisation through the Innovation Fund and the establishment of Carbon Contract for Differences.**

Or. en

Amendment 7
Michael Bloss

Proposal for a directive
Recital 10

Text proposed by the Commission

(10) In its Communication ‘Pathway to a Healthy Planet for All’⁴⁴, the Commission calls for steering the EU towards zero pollution by 2050, by reducing pollution across air, freshwaters, seas and soils to levels which are no longer expected to be harmful for health and natural ecosystems. Measures under Directive 2010/75/EU, as the main instrument regulating *air, water and soil pollutant* emissions, *will often also enable emissions greenhouse gases to be reduced. In line with Article 8 of Directive 2003/87/EC, Member States should ensure coordination between the permit requirements of Directive 2003/87/EC and those of Directive 2010/75/EU.*

⁴⁴ Communication from the Commission to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions Pathway to a Healthy Planet for All, EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil' (COM/2021/400 final).

Amendment

(10) In its Communication ‘Pathway to a Healthy Planet for All’⁴⁴, the Commission calls for steering the EU towards zero pollution by 2050, by reducing pollution across air, freshwaters, seas and soils to levels which are no longer expected to be harmful for health and natural ecosystems. Measures under Directive 2010/75/EU, as the main instrument regulating *emissions at the source, should also address GHG emissions. Operating permits should be revised by 2025 at the latest to include GHG emissions and provide for decarbonisation measures.*

⁴⁴ Communication from the Commission to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions Pathway to a Healthy Planet for All, EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil' (COM/2021/400 final).

Or. en

Amendment 8

Michael Bloss

Proposal for a directive

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12 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 the EU ETS as of the entry into force of this Directive.

Or. en

Amendment 9
Michael Bloss

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 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

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 ***unavoidable industrial process emissions, where no direct emission reduction options are available, and are*** stored in a storage site in accordance with Directive 2009/31/EC of the European Parliament and of the Council⁴⁶.

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

Amendment 10**Michael Bloss****Proposal for a directive****Recital 17***Text proposed by the Commission*

(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

Amendment

(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 It is *therefore* appropriate that the EU ETS covers *all* 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* 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* 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

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 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 a 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***

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. The coverage of ***all*** 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. ***In line with the position of the Parliament expressed in the context of the revision of Regulation (EU) 2015/757, the extension of the EU ETS to greenhouse gas emissions from the maritime transport sector should apply immediately, and cover a broad range of GHG emissions.***

preceding year.

⁴⁹ Paris Agreement, Article 4(4).

⁴⁹ Paris Agreement, Article 4(4).

Or. en

Amendment 11 **Michael Bloss**

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 **European Scientific Advisory Board** 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 **European Scientific Advisory Board** should analyse the International Maritime Organization instruments and, assess *their compatibility with the objective of limiting global warming under 1.5°C above pre-industrial levels.* The Commission *may only revise the provisions applying to international maritime transport activities if that report demonstrates that the IMO instruments are fully compatible with the objective of limiting global warming under 1.5°C above pre-industrial levels.*

Amendment 12
Michael Bloss

Proposal for a directive
Recital 20 a (new)

Text proposed by the Commission

Amendment

(20 a) The successful transition to zero-emission shipping requires an integrated approach and the appropriate enabling environment to stimulate innovation, both on ships and in ports. That enabling environment involves public and private investment in research and innovation, technological and operational measures to improve the energy efficiency of ships, and the deployment of sustainable alternative fuels that are produced from renewable energy sources, such as Green hydrogen and ammonia, and of zero-emission propulsion technologies, including the necessary refuelling and recharging infrastructure in ports. An Ocean Fund should be established from revenues generated from the auctioning of maritime allowance under the EU ETS to improve the energy efficiency of ships and support investment aimed at helping to decarbonise maritime transport, including in short sea shipping and ports.

Or. en

Amendment 13
Michael Bloss

Proposal for a directive
Recital 26

Text proposed by the Commission

Amendment

(26) *Achieving the Union's emissions*

(26) *For the Union and its Member*

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 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.

States to participate to the global effort to keep 1.5°C within reach, emissions of the sectors covered by the EU ETS *should be reduced by at least 70% by 2030* compared to 2005. The Union-wide 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 14 **Michael Bloss**

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*

Amendment

(27) *In order to align the ETS cap to the current verified emissions, a one-off reduction of 450 million allowances should reduce the total quantity of allowances as of the year of entry into force of this Directive.*

line with this level of annual reduction having been made from 2021 onwards.

Or. en

Amendment 15
Michael Bloss

Proposal for a directive
Recital 27 a (new)

Text proposed by the Commission

Amendment

(27 a) Predictability is needed to ensure constant progress towards achieving the targets set out in the EU Climate Law. A rising carbon floor price would provide mid- and longer-term incentives for operators to invest in zero-emission technologies in line with the EU's climate targets.

Or. en

Amendment 16
Michael Bloss

Proposal for a directive
Recital 28

Text proposed by the Commission

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 reducing distortive taxes. Further, to address distributional and social effects of the transition in low-income Member***

(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. ***Member States should adopt ex-ante plans on how they intend to use ETS revenues to close the investment gap associated with their respective climate and energy targets, while ensuring a just transition and respecting the EU Pillar of***

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.

Social Rights. To ensure synergies with the Social Climate Fund, priority should be given to investments that also contribute to eradicate energy and mobility poverty.

Or. en

Amendment 17
Michael Bloss

Proposal for a directive
Recital 28 a (new)

Text proposed by the Commission

Amendment

(28 a) Taking into account the findings of the European Court of Auditors in its Special Report 18/2020, the possibility for some Member States to temporarily continue receiving free allocation for the modernisation of their energy sectors shall end.

Or. en

Amendment 18
Michael Bloss

Proposal for a directive
Recital 29

Text proposed by the Commission

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 conditional on investments in techniques to increase energy efficiency and reduce emissions.

(29) Taking into account the findings of the European Court of Auditors in its Special Report 18/2020, free allocation of emission allowances to stationary installations should be discontinued as of the entry into force of this Directive, except for sectors covered by CBAM for which free allocation of emission

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.

allowances could be granted until the end of the CBAM transitional period. In that case, free allocation of emission allowances should be made conditional on the adoption of a detailed Decarbonisation and Zero Pollution Plan at the level of each installation.

Or. en

Amendment 19

Michael Bloss

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 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

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 *stop receiving free allocation from the moment CBAM enters* into force. The free allocation no longer provided to the CBAM sectors must be auctioned and the revenues will accrue to the Innovation Fund, so as to support innovation in *zero-emission* technologies, renewable energy and energy storage, *prioritising solutions that address the root causes of high GHG emissions, and including through the use of Carbon Contracts for Differences for zero-emission technologies that have significantly higher ongoing operating costs than the reference conventional technology for producing the same product.* Special attention should be given to projects in 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]

⁵¹ [please insert full OJ reference]

Or. en

Amendment 20
Michael Bloss

Proposal for a directive
Recital 30 a (new)

Text proposed by the Commission

Amendment

(30 a) Indirect cost compensation is not in line with the Union's efforts to achieve its climate goals, the Union's energy efficiency objectives and with the objective of phasing-out fossil fuels subsidies. Therefore State aid support schemes referred to in Article 10a(6) to compensate for indirect costs for electricity intensive industries should be discontinued as of the entry into force of this Directive.

Or. en

Amendment 21

Michael Bloss

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 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.

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 ***ex-ante benchmarks should be revised within 6 months of the entry into force of this Directive. 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 22

Michael Bloss

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

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended support ***the deployment of zero-emission technologies that nay no longer be considered innovative but that nevertheless hold a significant abatement potential in view of the Union 2030 climate and energy targets.*** In addition, the Innovation Fund should serve to support

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 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].

investments to decarbonise the maritime transport sector, including investments in sustainable *renewables-based* fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. 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. ***Projects and investments supported by the Innovation Fund should comply with the "do no significant harm" principle and the "minimum safeguards" requirements set out respectively in Articles 17 and 18 of the Taxonomy Regulation. No support should be given to any investments related to fossil fuels and nuclear energy, or to any other projects that would directly or indirectly lead to a lock-in of assets incompatible with the objective of accelerating the green transition to a climate-neutral, sustainable, non-toxic, resource-efficient, renewable energy-based, resilient and competitive circular economy in a just, equitable and inclusive way while protecting, restoring and improving the state of the environment including by, inter alia, halting and reversing biodiversity loss. Companies receiving support from the Innovation Fund should also adopt a Decarbonisation and Zero-Pollution Plan.***

⁵² [add ref to the FuelEU Maritime Regulation].

Or. en

Amendment 23
Michael Bloss

Proposal for a directive
Recital 33 a (new)

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(33 a) Revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime] should be allocated to the Ocean Fund to accelerate the decarbonisation of the maritime transport sector and to contribute to the protection and restoration of marine ecosystems.

Or. en

Amendment 24
Michael Bloss

Proposal for a directive
Recital 35

Text proposed by the Commission

(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.

Amendment

(35) Carbon Contracts for Difference (CCDs) are an important element to trigger emission reductions in industry, offering the opportunity to guarantee investors in innovative *zero-emission* 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 should only be granted to projects implementing technologies that are fully compatible with the objective of limiting global warming to 1.5C above pre-industrial levels and exclude the direct or indirect use of fossil fuels and nuclear energy, and that have significantly higher operating costs compared to the reference conventional technology for producing the same product. Financial support through CCDs should be proportionate and not lead to undue distortions of the EU's internal market nor to unfair discrimination with regard competing***

imported products, as required under WTO law. As such, CCDs must present an alternative to free allowances and not an additional subsidy. The Commission should be empowered to adopt delegated acts on the precise rules for this type of support.

Or. en

Amendment 25
Michael Bloss

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, *the 8th Environmental Action Programme* and Regulation (EU) 2021/1119, *comply with the "do no significant harm" principle* and eliminating support to any investments related to fossil fuels *or nuclear energy. In order to guarantee the efficient use of EU money, access to the Modernisation Fund should be conditional to the adoption by Member States of legally binding targets and measures for the phase out of all fossil fuels in a timeframe consistent with the objective of limiting global warming to 1,5°C, as well as to the respect of the Rule of Law.* 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

Amendment 26**Michael Bloss****Proposal for a directive****Recital 39***Text proposed by the Commission*

(39) Commission Implementing Regulation (EU) 2018/2066⁵⁴ lays down rules on the monitoring of emissions from biomass *which are consistent with the rules on the use of biomass laid down in the Union legislation on renewable energy. As the legislation becomes more elaborate on the sustainability criteria for biomass with the latest rules established in Directive (EU) 2018/2001 of the European Parliament and of the Council*⁵⁵, the conferral of implementing powers in Article 14(1) of Directive 2003/87/EC should be explicitly extended to *the adoption of the necessary adjustments for the application in the EU ETS of sustainability criteria for biomass, including biofuels, bioliquids and biomass fuels. In addition, the Commission should be empowered to adopt implementing acts to specify how to account for the storage of emissions from mixes of zero-rated biomass and biomass that is not from zero-rated sources.*

⁵⁴ Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (OJ L 334, 31.12.2018, p. 1).

Amendment

(39) Commission Implementing Regulation (EU) 2018/2066⁵⁴ lays down rules on the monitoring of emissions from biomass. *Considering the latest scientific evidence from the Joint Research Centre that most of the forest biomass currently being burnt for energy in the EU not only increases emissions compared to fossil fuels, but does so for decades which in turn undermines the Union's effort to limit global warming under 1.5°C*, the conferral of implementing powers in Article 14(1) of Directive 2003/87/EC should be explicitly extended to *apply internationally recognized emission factors for solid biomass and biofuels for stationary combustion in the energy industry.*

⁵⁴ Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (OJ L 334, 31.12.2018, p. 1).

⁵⁵ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

⁵⁵ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

Or. en

Amendment 27
Michael Bloss

Proposal for a directive
Recital 42

Text proposed by the Commission

Amendment

(42) *The exclusion of installations using exclusively biomass from the EU ETS has led to situations where installations combusting a high share of biomass have obtained windfall profits by receiving free allowances greatly exceeding actual emissions. Therefore, a threshold value for zero-rated biomass combustion should be introduced above which installations are excluded from the EU ETS. The threshold value of 95 % is in line with the uncertainty parameter set out in Article 2(16) of Commission Delegated Regulation (EU) 2019/331⁵⁶.*

deleted

⁵⁶ *Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council (OJ L 59, 27.2.2019, p. 8).*

Or. en

Amendment 28
Michael Bloss

Proposal for a directive
Recital 43

Text proposed by the Commission

(43) The *Communication* of the *Commission on Stepping up Europe's 2030 climate ambition*⁵⁷, *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.*

⁵⁷ COM(2020)562 final.

Amendment

(43) The *achievement* of the *1.5 degree objective is only possible if government policies are designed to be socially just. With the cost of living increasing significantly and wages having stagnated during decades of productivity increases, it is unjustified to extend the ETS to transport and buildings. Instead, government policy should be focused on strengthening the regulatory framework, in particular the [CO2 cars and vans], [Energy Performance of Buildings] and establishing government measures and financial instruments to support the role out of affordable public transport, encouraging car companies to roll out affordable electric mobility and deep energy renovations.*

⁵⁷ COM(2020)562 final.

Or. en

Amendment 29
Michael Bloss

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.*

deleted

Or. en

Amendment 30
Michael Bloss

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 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*

deleted

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 31

Michael Bloss

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.

deleted

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 32

Michael Bloss

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 33
Michael Bloss

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 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

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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 34
Michael Bloss

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

deleted

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.

Or. en

Amendment 35
Michael Bloss

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

deleted

Or. en

Amendment 36
Michael Bloss

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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.*

deleted

Or. en

Amendment 37
Michael Bloss

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. 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*

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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_mdes01].

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 38
Michael Bloss

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).*

Or. en

Amendment 39
Michael Bloss

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.

deleted

Or. en

Amendment 40
Michael Bloss

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 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

deleted

reporting obligations of Member States.

Or. en

Amendment 41

Michael Bloss

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.

deleted

Or. en

Amendment 42

Michael Bloss

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

deleted

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.

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 43
Michael Bloss

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.*

deleted

Or. en

Amendment 44
Michael Bloss

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 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*

deleted

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 45

Michael Bloss

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 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

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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 46
Michael Bloss

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 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***

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 ***to 36%. The upper and lower thresholds should also be gradually reduced to zero by 2030 to that the reserve is kept fit for purpose despite***

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.

unforeseeable external shocks.

Or. en

Amendment 47
Michael Bloss

Proposal for a directive
Recital 64

Text proposed by the Commission

Amendment

(64) The analysis of the impact assessment accompanying the proposal for this Directive has also shown that net demand from aviation should be included in the total number of allowances in circulation. In addition, since aviation allowances can be used in the same way as general allowances, including aviation in the reserve would make it a more accurate, and thus a better tool to ensure the stability of the market. The calculation of the total number of allowances in circulation should include aviation emissions and allowances issued in respect of aviation as of the year following the entry into force of this Directive.

deleted

Or. en

Amendment 48
Michael Bloss

Proposal for a directive
Recital 66

Text proposed by the Commission

Amendment

(66) In order to mitigate the risk of supply and demand imbalances associated with the start of emissions trading for the buildings and road transport sectors, as well as to render it more resistant to market shocks, the rule-based mechanism of the Market Stability Reserve should be applied to those new sectors. For that reserve to be operational from the start of the system, it should be established with an initial endowment of 600 million allowances for emissions trading in the road transport and buildings sectors. The initial lower and upper thresholds, which trigger the release or intake of allowances from the reserve, should be subject to a general review clause. Other elements such as the publication of the total number of allowances in circulation or the quantity of allowances released or placed in the reserve should follow the rules of the reserve for other sectors.

deleted

Or. en

Amendment 49
Michael Bloss

Proposal for a directive
Recital 67

Text proposed by the Commission

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

(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 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.

should be empowered to adopt delegated acts to amend the methods for monitoring CO₂, **CH₄**, **N₂O** and **black carbon** 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 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 50

Michael Bloss

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

Amendment

1. This Directive shall apply to **emission from** the activities listed in **Annex I**, and to the 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.

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.

Or. en

Amendment 51

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point a

Directive 2003/87/EC

Article 3 – paragraph 1 – point (b)

Text proposed by the Commission

(b) ‘emissions’ means the release of greenhouse gases from sources in an installation or the release from an aircraft performing an aviation activity listed in Annex I or from ships performing a maritime transport activity listed in Annex I of the gases specified in respect of that activity, ***or the release of greenhouse gases corresponding to the activity referred to in Annex III;***

Amendment

(b) ‘emissions’ means the release of greenhouse gases ***into the atmosphere*** from sources in an installation or the release from an aircraft performing an aviation activity listed in Annex I or from ships performing a maritime transport activity listed in Annex I of the gases specified in respect of that activity;

Or. en

Amendment 52

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point b

Directive 2003/87/EC

Article 3 – paragraph 1 – point (d)

Text proposed by the Commission

(d) ‘greenhouse gas emissions permit’ means the permit issued in accordance with Articles 5, ***6 and 30b;***

Amendment

(d) ‘greenhouse gas emissions permit’ means the permit issued in accordance with Articles 5 ***and 6;***

Or. en

Justification

Amendment linked to the deletion of the creation of a separate ETS for road transport and building fuels.

Amendment 53

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

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

Text proposed by the Commission

Amendment

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

Or. en

Justification

Annual CO2 emissions from ships not currently covered by Regulation (EU) 2015/757 [Maritime Transport MRV] are equivalent to annual CO2 emissions of Denmark. Both the Maritime Transport MRV and the EU ETS should therefore also apply to offshore vessels, private yachts and service vessels.

Amendment 54

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

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

(x) ***‘regulated entity’ for the purposes of Chapter IVa shall mean any natural or legal person, except for any final consumer of the fuels, that engages in the activity referred to in Annex III and that falls within one of the following categories:*** **deleted**

(i) ***where the fuel passes through a tax warehouse as defined in Article 3(11) of Council Directive (EU) 2020/262(*), the authorised warehouse keeper as defined in Article 3(1) of that Directive, liable to pay the excise duty which has become chargeable pursuant to Article 7 of that Directive;***

(ii) ***if point (i) is not applicable, any other person liable to pay the excise duty which has become chargeable pursuant to Article 7 of Directive (EU) 2020/262 in respect of the fuels covered by this Chapter;***

(iii) ***if points (i) and (ii) are not applicable, any other person which has to be registered by the relevant competent authorities of the Member State for the purpose of being liable to pay the excise duty, including any person exempt from paying the excise duty, as referred to in Article 21(5), fourth sub-paragraph, of Council Directive 2003/96/EC(**);***

(iv) ***if points (i), (ii) and (iii) are not applicable, or if several persons are jointly and severally liable for payment of the same excise duty, any other person designated by a Member State .***

(*) ***Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty (OJ L 058 27.2.2020, p. 4).***

(**) ***Council Directive 2003/96/EC of 27***

*October 2003 restructuring the
Community framework for the taxation of
energy products and electricity (OJ L 283
31.10.2003, p. 51).*

Or. en

Justification

Amendment linked to the deletion of the creation of a separate ETS for road transport and building fuels.

Amendment 55

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

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

Text proposed by the Commission

Amendment

*(y) ‘fuel’ for the purposes of Chapter
IVa shall mean any fuel listed in Table-A
and Table-C of Annex I to Directive
2003/96/EC, as well as any other product
offered for sale as motor fuel or heating
fuel as specified in Article 2(3) of that
Directive;*

deleted

Or. en

Justification

Amendment linked to the deletion of the creation of a separate ETS for road transport and building fuels.

Amendment 56

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

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

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Text proposed by the Commission

Amendment

(z) *‘release for consumption’ for the purposes of Chapter IVa shall have the same meaning as in Article 6(3) of Directive (EU) 2020/262.’;*

deleted

Or. en

Justification

Amendment linked to the deletion of the creation of a separate ETS for road transport and building fuels.

Amendment 57
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 5
Directive 2003/87/EC
Article 3g – paragraph 1

Text proposed by the Commission

Amendment

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

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

State.

jurisdiction of a Member State.

Or. en

Justification

In line with the Parliament's mandate on the revision of Regulation (EU) 2015/757, the extension of the EU ETS to maritime transport activities should apply to 100% of intra-EEA voyages and 100% of voyages from an EEA port to a non-EEA port, and 100% of voyages from an non-EEA port to an EEA port.

Amendment 58

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – Title

Text proposed by the Commission

Amendment

Phase-in of requirements for maritime transport

Requirements for maritime transport

Or. en

Amendment 59

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 1

Text proposed by the Commission

Amendment

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

As of 1 January 2023 and each year thereafter, shipping companies shall be liable to surrender allowances corresponding to one hundred percent (100%) of verified emissions reported for each respective year.

Or. en

Justification

In line with the Parliament's mandate on the revision of Regulation (EU) 2015/757, the extension of the EU ETS to maritime transport activities should apply to 100% of verified emissions as of 1 January 2023.

Amendment 60

Michael Bloss

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

Amendment 61

Michael Bloss

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

Amendment 62

Michael Bloss

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

Amendment 63

Michael Bloss

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

Amendment 64

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga

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

Amendment 65
Michael Bloss

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

Text proposed by the Commission

Amendment

3 a. Article 3gda

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 either on the basis of a time or a voyage charter agreement, by an entity other than the shipping company, that entity shall be responsible under the contractual arrangement for covering the costs arising from the implementation of this Directive.***
- 2. For the purpose 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 in accordance with Article 16 of this Directive.***

Or. en

Justification

In line with the EP position on the revision of the MRV Regulation, the commercial operator should be the final responsible for the payment of the EU ETS price.

Amendment 66
Michael Bloss

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Text proposed by the Commission

Amendment

3 b. Article 3gdb

Ocean Fund

1. A fund ('the Ocean Fund') shall be established for the period from ... [the year of the start of auctioning of allowances in the maritime sector under this Directive] to 2030 with the objective of supporting projects and investments referred to in paragraph 3. At least 50 % 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.

2. The Ocean Fund shall be managed centrally through a Union body and the governance structure of the Ocean Fund shall be similar to the governance structure of the Innovation Fund established under Article 10a(8). The Ocean Fund's governance structure and decision-making process shall be transparent and inclusive, in particular in relation to the setting of priority areas, criteria and grant allocation procedures. Relevant stakeholders shall have an appropriate consultative role. All information on the projects and investments supported by the Ocean Fund and all other relevant information on the functioning of the Ocean Fund shall be made available to the public.

3. Funds provided under the Ocean Fund shall be used to support projects and

investments in relation to the following:

(a) improvement of the energy and operational efficiency of ships;

(b) innovative technologies and infrastructure for decarbonising the maritime transport sector, including as regards short sea shipping and ports;

(c) deployment of sustainable renewable fuels, such as hydrogen and ammonia that are produced from renewable energy, including through carbon contracts for difference aimed at bridging the price between those zero-carbon fuels and conventional fuels;

(d) deployment of zero-emission propulsion technologies and on-board renewable generation solutions, including wind technologies;

In addition, 20% of the funds provided under the Ocean Fund shall be used to support projects contributing to the protection and restoration of marine ecosystems, in particular those directly impacted by global warming.

All investments supported by the Ocean Fund shall be made public and shall be consistent with the aims of this Directive.

4. The Commission shall engage with third countries with regards to exploring options as to how they could also make use of the Ocean Fund.

5. The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning the implementation of this Article. In implementing the Ocean Fund, the Commission shall take all the appropriate measures in accordance with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council to ensure the protection of funds in relation to measures and investments supported by the Ocean Fund, in the*

event of failure to respect the rule of law in the Member States. To that end, 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

In line with the EP position on the revision of the Maritime MRV Regulation, an Ocean Fund should be created to support the decarbonisation of maritime transport activities and the protection and restoration of marine ecosystems.

Amendment 67
Michael Bloss

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

Text proposed by the Commission

Amendment

3 c. Article 3gdc

Annual membership contribution to the Ocean Fund

1. By way of derogation from Article 12, a shipping company may pay an annual membership contribution to the Ocean Fund set out under Article 3gdb in accordance with their total emissions reported for the preceding calendar year under Regulation (EU) 2015/757 to limit the administrative burden for maritime companies, including small and medium sized companies and companies that are not frequently active within the scope of this Directive. The Ocean Fund shall surrender allowances collectively on behalf of shipping 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.

2. The Ocean Fund shall acquire allowances equal to the collective total quantity of contributions referred to in paragraph 1 during the preceding calendar year and shall surrender them to the registry established under Article 19 by 30 April each year for subsequent cancellation.

Or. en

Justification

In line with the EP mandate on the revision of the Maritime MRV Regulation, the administrative tasks related to the obligation of small shipping operators under the EU ETS could be carried out directly by the Ocean Fund, in order to reduce administrative burden for small shipping operators.

Amendment 68

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ge

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*

Amendment

1. *Within 12 months of the adoption by the International Maritime Organization of a global market-based measure to reduce greenhouse gas emissions from maritime transport, and before this measure becomes operational, and in any even no later than 30 September 2028, the European Scientific Advisory Board on Climate Change established under Article 10a of Regulation (EC) No 401/2009 shall examine the ambition and overall environmental integrity of that measure, in particular its compatibility with the objective of limiting global warming*

a legislative proposal to *the European Parliament and to the Council to amend this Directive as appropriate.*

under 1.5°C above pre-industrial levels, and make that report publicly available.
The Commission may *only submit* a legislative proposal to amend this Directive *if this report has demonstrated that the global market-based measure adopted by the IMO is fully compatible with the objective of limiting global warming under 1.5° above pre-industrial levels.*

Or. en

Amendment 69

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 9 – point b

Directive 2003/87/EC

Article 8 – paragraph 2

Text proposed by the Commission

(c) “The Commission shall *review the effectiveness of synergies with* Directive 2010/75/EU. Environmental and climate relevant permits should *be coordinated to* ensure efficient and speedier execution of measures needed to comply with EU climate *and* energy objectives. The *Commission may submit a report to the European Parliament and the Council in the context of any future review of this Directive.*”;

Amendment

(c) “The Commission shall *revise* Directive 2010/75/EU *to include greenhouse gas emissions and to provide for decarbonisation measures.*
Environmental and climate relevant permits should, *at the latest by 2025,* ensure *coherent,* efficient and speedier execution of measures needed to comply with EU climate, energy *and air pollution* objectives.

The relevant EU industrial framework regulations shall also be amended to set measures, reporting and verification requirements so to achieve climate neutrality by latest 2040, based on the following elements:

- (a) an integrated approach on pollution prevention at the source;*
- (b) the phase out of the production and use of fossil fuels by latest 2035;*
- (c) Environmental Quality Standards are not put at risk;*

(d) source control measures are taken, aligned to performance achieved by strict implementation of relevant Union Standards and beyond relevant sector benchmark(s).”;

Or. en

Justification

The amendment proposes a combined approach between the EU ETS Directive (market-based mechanism) and the command and control (standards based) of the Industrial Emissions Directive (IED).

Amendment 70
Michael Bloss

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

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 be decreased by **450** million allowances. 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 **5,2** %. 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].;

Or. en

Justification

In order to make the EU ETS compatible with the objective of limiting global warming to 1,5°C above pre-industrial levels, the ETS cap should be brought in line with current verified emissions, and the linear reduction factor increased to ensure at least -70% GHG emissions reduction from the ETS sectors by 2030,

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Amendment 71
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 10 a (new)
Directive 2003/87/EC
Article 9 – paragraph 4 (new)

Text proposed by the Commission

Amendment

(10 a) in Article 9, the following paragraph is added:

"Upon publication of the Union greenhouse gas budget for the 2030-2050 period as referred to in Article 4(4) of Regulation (EU) 2021/1119, the Commission shall make a legislative proposal, as appropriate, based on a detailed impact assessment, to amend this Regulation to align the quantity of allowances that can be emitted after 2030 to the share of that budget for the sectors covered by this Directive."

Or. en

Justification

The ETS budget should be aligned to the 1.5°C compatible GHG budget set out in the EU Climate Law.

Amendment 72
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 10 b (new)
Directive 2003/87/EC
Article 9a (new)

Text proposed by the Commission

Amendment

*(10 b) the following Article 9a is added:
Article 9a - Minimum carbon floor price*

1. As of [the year following entry into force of this amendment], where the auction price of an allowance is below a market value of 60€/ tonne of CO₂eq, the Member State shall not allow the surrender or auctioning of those allowances to the holder of that allowance where that minimal carbon price floor is not met.

2. The carbon floor price referred to in paragraph 1 shall be increased yearly by twice the Linear Reduction Factor referred to in the third paragraph of Article 9.

Or. en

Justification

In order to ensure the progressive decarbonisation of ETS sectors, an minimum carbon floor price should be introduced. That carbon floor price should be increased in accordance with the decrease of the EU ETS cap.

Amendment 73

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 1 – sub-paragraph 2

Text proposed by the Commission

Amendment

(-a) in paragraph 1, the second sub-paragraph is amended as follows:

"From [date of entry into force of this amendment], all allowances shall be auctioned, except for sectors covered by Regulation (EU) .../... [Carbon Border Adjustment Mechanism] which may receive free allowances until the end of the transitional period referred to in Chapter X of that Regulation."

Or. en

Justification

In order to incentivise the decarbonisation of the EU industry in line with the polluter pays principle, full auctioning should be introduced as of entry into force of this Directive.

Amendment 74

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point a

Directive 2003/87/EC

Article 10 – paragraph 1 – third subparagraph

Text proposed by the Commission

Amendment

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.

deleted

Or. en

Amendment 75

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point b

Directive 2003/87/EC

Article 10 – paragraph 3

Text proposed by the Commission

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

3. Member States shall **submit to the Commission a Plan together with the update of the integrated national energy and climate plan referred to in Articles 14(1) and 14(2) of Regulation (EU)**

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::

2018/1999 detailing how they intend to 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]. Articles 9 and 10 of Regulation (EU) 2018/1999 shall apply to the preparation and assessment of the updated integrated national energy and climate plans. Member States shall explain in the Plan how the use of ETS revenues would contribute to close the investment gap associated with the Member States' climate and energy targets, while ensuring a just transition in line with the Council Recommendation on ensuring a fair transition towards climate neutrality and with the objectives and targets of the EU Pillar of Social Rights. Priority shall be given to investments that also contribute to eradicate energy and mobility poverty as defined under Regulation (EU) .../... [Social Climate Fund Regulation].

In order to facilitate the preparation of the Plan, the Commission shall publish guidance, including a template.

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

All revenues from the EU ETS shall be used for the just transition towards a climate-neutral economy. By mid-2023, Member States should submit a plan in which they detail how they intend to use ETS revenues to contribute to close the investment gap to meet their own 2030 national energy and climate targets. The Plans shall be assessed by the Commission in the same manner as the update of the NECPs. To ensure synergies with the Social Climate Fund, priority should be given to investments contributing to eradicate energy & mobility poverty

Amendment 76

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – point (b)

Text proposed by the Commission

Amendment

(b a) in paragraph 3, point (b) is replaced by the following:

"(b) to develop renewable energies to meet the commitment of the Union to renewable energies, and to help to meet the commitment of the Union to increase energy efficiency, at the levels agreed in relevant legislative acts, including the production of electricity from renewables self-consumers and renewable energy communities;

Or. en

Amendment 77

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – point (ba) (new)

Text proposed by the Commission

Amendment

(b b) in paragraph 3, the following point (ba) is inserted:

"(ba) to support the deep and staged deep renovation of buildings in accordance with Article 2(19) of Directive (EU) xxx/xxx [Recast EPBD], starting with the renovation of the worst-performing buildings;"

Or. en

Amendment 78

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – point (c)

Text proposed by the Commission

Amendment

(b c) in paragraph 3, point (c) is replaced by the following:

"(c) measures to avoid deforestation, protect and restore forest ecosystems and increase biodiversity-friendly afforestation and reforestation in developing countries that have ratified the international agreement on climate change, to transfer technologies and to facilitate adaptation to the adverse effects of climate change in these countries;"

Or. en

Amendment 79

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – point (d)

Text proposed by the Commission

Amendment

(b d) in paragraph 3, point (d) is replaced by the following:

"(d) ecosystem-based approaches in the LULUCF sector in the Union;"

Or. en

Amendment 80

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC
Article 10 – paragraph 3 – point (e)

Text proposed by the Commission

Amendment

(b e) in paragraph 3, point (e) is deleted;

Or. en

Amendment 81
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 11 – point b f (new)
Directive 2003/87/EC
Article 10 – paragraph 3 – point (f)

Text proposed by the Commission

Amendment

(b f) in paragraph 3, point (f) is replaced by the following:

"(f) to accelerate the shift to zero-emission mobility and public forms of transport, including the development of electrified passenger and freight rail transport;

Or. en

Amendment 82
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 11 – point c
Directive 2003/87/EC
Article 10 – paragraph 3 – point (h)

Text proposed by the Commission

Amendment

(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;;

(h) measures intended to improve energy efficiency, ***efficient and renewable heating and cooling systems, and the uptake of renewable energies in*** district heating systems, insulation, or to provide financial support in order to address social

aspects in lower- and middle-income households, including by **removing** distortive taxes;;

Or. en

Amendment 83

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – point (k)

Text proposed by the Commission

Amendment

(c a) in paragraph 3, point (k) is replaced by the following:

(k) to promote skill formation and reallocation of labour in order to contribute to a just transition to a climate-neutral economy, in particular in regions most affected by the transition of jobs, in close coordination with the social partners and invest in upskilling and re-skilling of workers potentially affected by the transition.

Or. en

Amendment 84

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – second and third subparagraphs (new)

Text proposed by the Commission

Amendment

(c b) in paragraph 3, the following second and third subparagraphs are inserted:

"By way of derogation from the first subparagraph, Member States shall use at least 5% of the revenues generated from

the auctioning of allowances for ecosystem-based approaches in the LULUCF sector as referred to in point (d) of the first subparagraph, in line with Article 4a(2) of Regulation (EU) xxx/xxx [Revised LULUCF Regulation].

By way of derogation from the first subparagraph, Member States shall use at least 10% of the revenues generated from the auctioning of allowances for the development of electrified passenger and freight rail transport as referred to in point (f) of the first subparagraph."

Or. en

Amendment 85
Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – fourth subparagraph (new)

Text proposed by the Commission

Amendment

(c c) in paragraph 3, the following fourth subparagraph is inserted:

"Member States shall not use revenues generated from the auctioning of allowances for:

(i) the decommissioning, the extension of the lifetime of, or the construction of nuclear power stations;

(ii) investments related to the production, processing, transport, distribution, storage or combustion of fossil fuels;

(iii) investment related to the use of forest biomass for energy purposes or to the use for energy purposes of cereal and other starch-rich crops, sugars and oil crops and crops grown as main crops primarily for energy purposes on agricultural land."

Amendment 86
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 11 – point d a (new)
 Directive 2003/87/EC
 Article 10 – paragraph 5

Text proposed by the Commission

Amendment

(d a) paragraph 5 is replaced by the following:

"5. The Commission shall monitor the functioning of the European carbon market. Each year, it shall submit a report to the European Parliament and to the Council on the functioning of the carbon market and on other relevant climate and energy policies, including:

(i) the operation of the auctions, liquidity and the volumes traded;

(ii) verified emissions and allowances allocated for free until the end of the transitional period referred to in Chapter X of Regulation (EU) .../... [CBAM Regulation] per sector and subsector listed in Annex I;

(iii) progress towards the targets set out in the Decarbonisation and Zero Pollution Action Plans referred to in Article 10(-a) per installation;

(iv) the amount of revenues raised per Member States and the information provided by Member States on the use of revenues detailing the amount of revenues spent per categories referred to in Article 10(3);

(v) details on the use of revenues from the Modernisation Fund per Member State;

(vi) and details on the projects financed by the Innovation Fund and on progress

towards their realisation.

If necessary, Member States shall ensure that any relevant information is submitted to the Commission at least two months before the Commission adopts the report.

Or. en

Justification

Carbon Market Reports should be more detailed, in particular providing information to the public on the amount of verified emissions and allocated allowances for each sector and subsector listed in Annex I.

Amendment 87

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10(-a) (new)

Text proposed by the Commission

Amendment

(11 a) The following Article 10(-a) is added:

Article 10(-a)

Decarbonisation and Zero Pollution Action Plans

1. By 30 June 2024, operators shall establish a Decarbonisation and Zero Pollution Action Plan for each of their installations for its activities subject to the scope of this Directive and Directive 2010/75/EU.

2. That plan shall be consistent with the priority objectives set out under Article 2 of Regulation (EU) .../... [8th Environmental Action Programme], in particular the objective of limiting global warming to under the 1.5 degree compare to pre-industrial levels, and to achieve zero-pollution.

3. The Plan shall contain at least the following elements, applying at installation level:

(a) targets, measures and investments to reduce scope 1 and 2 greenhouse gas emissions of the installation to zero by 2040 at the latest, excluding the use of carbon offset credits;

(b) measures and investments taken so to ensure full compliance with the WHO air quality guidelines;

(c) measures taken so to ensure the installation complies with the strict BAT Associated Energy Efficiency Levels (BAEELs) and BAT associated emission levels set in Best Available Techniques Reference Documents, where a differentiation is made those shall refer to “new plant” standards;

(e) evidence on how the Plan is safeguarding the good chemical and ecological status of EU waters;

(f) evidence on how the Plan is consistent with the Union's circular economy objectives and the relevant action plan and the toxic free environment goal

(g) measures and investments ensuring anticipation of change through social dialogue, in particular through the re-skilling and up-skilling of potentially affected workers. Wherever possible, measures should be supported by Just Transition agreements negotiated between social partners, and where appropriate public authorities.

4. The Plan must be subject to intermediate targets of at least five year intervals so as to enable constant progress towards the objectives of the Plan.

5. The Commission is empowered to adopt delegated act in accordance with Article 23 to supplement this Directive by setting minimal content and format of the Plan,

key performance indicators and sector benchmarks as to milestones and targets, following a multi stakeholder consultation process including an equal share of representatives of Member States, relevant public institutions, research institutes, non-governmental organisations promoting environmental protection and the industries concerned, including techniques providers for climate and environmental protection solutions, and after receiving advice from the European Scientific Advisory Board on Climate Change as established by Article 3 of Regulation (EU) 2021/1119.

Or. en

Amendment 88

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point a – point -i (new)

Directive 2003/87/EC

Article 10a – paragraph 1 – second subparagraph

Text proposed by the Commission

Amendment

(-i) the last sentence of the second subparagraph is replaced by the following:

"No free allocation shall be made available in respect of any electricity production."

Or. en

Justification

Amendment linked to the deletion of Article 10c

Amendment 89

Michael Bloss

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

During the transitional period referred to in Chapter X of Regulation (EU) .../...[CBAM Regulation], free allocation shall only be granted to those installations that are subject to a Decarbonisation and Zero Pollution Action Plan in accordance with Article 10aa.

Or. en

Amendment 90

Michael Bloss

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

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 *before the period from 2026 to 2030* in view of potentially modifying the definitions and system boundaries of existing product benchmarks.;

benchmarks shall be reviewed *within 6 months of the entry into force of this Directive* in view of potentially modifying the definitions, *scope* and system boundaries of existing product benchmarks *to ensure that a product benchmark is independent of the feedstock or the type of production process, to account for the full potential of product substitution and the circular use of materials, while ensuring that installations with partially or fully decarbonised processes are not excluded.*;

Or. en

Amendment 91
Michael Bloss

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

Text proposed by the Commission

1a. No free allocation shall be given in relation to the production of products listed in Annex I of Regulation [CBAM] as from the date of application of the Carbon Border Adjustment Mechanism.

Amendment

1a. No free allocation shall be given in relation to the production of products listed in Annex I of Regulation [CBAM] as from the date of application of the Carbon Border Adjustment Mechanism. *Seventy percent (75%) of the allowances resulting from that reduction shall be made available to the Innovation Fund referred to in paragraph 8. The revenues from the auctioning of the remaining allowances that would have otherwise be allocated for free shall be used to finance climate mitigation and adaptation in vulnerable developing countries, in particular Least Developed Countries and Small Island Developing States.*

Or. en

Justification

75% of the revenues raised due to the phase out of free allocations should go to the decarbonisation of the EU Industry through the Innovation Fund, and the remaining 25% should

be used for increasing the contribution of Member States to international climate finance.

Amendment 92

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point b

Directive 2003/87/EC

Article 10a(1a) (new)

Text proposed by the Commission

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 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.

deleted

Or. en

Amendment 93

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point b

Directive 2003/87/EC

Article 10a – paragraph 1a – third subparagraph

Text proposed by the Commission

Amendment

The reduction of free allocation shall be calculated annually as the average share of the demand for free allocation for the production of products listed in Annex I of Regulation [CBAM] compared to the calculated total free allocation demand

deleted

for all installations, for the relevant period referred to in Article 11, paragraph 1. The CBAM factor shall be applied.

Or. en

Amendment 94

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point c – point i

Directive 2003/87/EC

Article 10a – paragraph 2 – third subparagraph – point (b)

Text proposed by the Commission

(c) For the period *from 2026 to 2030*, the benchmark values shall be determined in the same manner as set out in points (a) and (d) on the basis of information submitted pursuant to Article 11 for the years 2021 and 2022 and on the basis of applying the annual reduction rate in respect of each year between 2008 and 2028.;

Amendment

(c) For the period *until the end of the transitional period referred to in Chapter X of Regulation (EU) .../... [CBAM Regulation]*, the benchmark values shall be determined in the same manner as set out in points (a) and (d) on the basis of information submitted pursuant to Article 11 for the years 2021 and 2022 and on the basis of applying the annual reduction rate in respect of each year between 2008 and 2028.;

Or. en

Justification

Amendment linked to the phase out of free allocation for sectors covered by CBAM as of its entry into force.

Amendment 95

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10a – paragraph d – subparagraph 3 – point (d)

Text proposed by the Commission

(d) Where the annual reduction rate

Amendment

(d) Where the annual reduction rate

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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.;

exceeds 2,5 % or is below **1 %**, the benchmark values for the period **until the end of the transitional period referred to in Chapter X of Regulation (EU) .../... [CBAM Regulation]** 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

The impact assessment accompanying the revision of the EU ETS Directive shows that the potential for emissions reduction 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 96 **Michael Bloss**

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point c – point iii a (new)

Directive 2003/87/EC

Article 10a – paragraph 2 – sixth subparagraph

Text proposed by the Commission

Amendment

(iii a) the sixth subparagraph is deleted.

Or. en

Justification

In the context of the transition to a climate-neutral economy where all sectors need to reduce their emissions to close to zero, there is no reason to continue exempting hot metal from a fact-based assessment of technological progress.

Amendment 97 **Michael Bloss**

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point d

Directive 2003/87/EC
Article 10a – paragraph 3, 4, 5a and 6

Text proposed by the Commission

(d) paragraphs 3 **and 4** are deleted;

Amendment

(d) paragraphs 3, **4, 5a and 6** are deleted;

Or. en

Amendment 98
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 12 – point e
Directive 2003/87/EC
Article 10a – paragraph 6

Text proposed by the Commission

(e) *in paragraph 6, the first subparagraph is replaced by the following:*

‘

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.;

Amendment

deleted

Justification

State aid for compensating indirect carbon costs is distorting the EU internal energy market and disincentives electro-intensive industries to switch to electricity with lower carbon emissions. This amendment is also linked to the integration of indirect emissions in the CBAM Regulation as proposed by the ENVI Rapporteur for CBAM.

Amendment 99**Michael Bloss****Proposal for a directive****Article 1 – paragraph 1 – point 12 – point g**

Directive 2003/87/EC

Article 10a – paragraph 8

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 in the first subparagraph.***

Amendment

8. **375 million allowances *that were set to*** 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 *seventy -five percent (75%) of*** 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-emission*** technologies and processes ***and contributing*** to zero pollution ***and circularity*** objectives, ***prioritising technologies and processes addressing multiple environmental impacts*** (the ‘Innovation Fund’). ***The investments supported by the Fund shall comply with the ‘do no significant harm principle and ‘minimum safeguards’ referred to respectively in Articles 17 and 18 of Regulation (EU) 2020/852.*** 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 **cancelled**.

Or. en

Justification

The increase of the size of the Innovation Fund should not happen at the expense of industrial decarbonisation. Moreover, the objective of the Innovation Fund should be brought in line with the holistic approach of the EU Green Deal and of the 8th Environmental Action Programme, in particular to cover zero-pollution and circularity objectives. Support from the Innovation Fund should be subject to the do no significant harm principle.

Amendment 100

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – second subparagraph

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

Amendment

The Innovation Fund shall cover the sectors listed in Annex I, **prioritising solutions that have the greatest potential in terms of GHG emissions reduction**, as well as products substituting carbon intensive ones produced in sectors listed in Annex I, **project and measures supporting circularity**, as well as of innovative renewable energy and energy storage technologies; in geographically balanced locations. The Innovation Fund may also support **zero-emission** technologies and infrastructure to decarbonise the maritime sector and for the production of **zero-emission** fuels in aviation, rail and road transport. Special attention shall be given to projects in sectors covered by the [CBAM regulation] to support **circularity measures**, innovation in **zero-emission** technologies, renewable energy and energy storage, in a way that contributes to mitigating climate change.

in *low carbon* technologies, *CCU*, *CCS*, renewable energy and energy storage, in a way that contributes to mitigating climate change.

Or. en

Justification

In view of the scale of the necessary investments to meet the Union's increased 2030 climate and energy targets, the Innovation Fund should prioritise solutions that have the greatest potential in terms of GHG emissions reduction. Despite considerable amount of EU money spent on research and demonstration of CCS/CCU, there are still no existing cost-efficient projects on industrial scale that shows the viability of those technologies.

Amendment 101

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 4

Text proposed by the Commission

Projects in the territory of all Member States, including small-scale projects, shall be eligible. Technologies receiving support shall be innovative and not yet commercially viable at a similar scale without support but shall ***represent breakthrough solutions or*** be sufficiently mature for application at pre-commercial scale.

Amendment

Projects in the territory of all Member States, including small-scale projects, shall be eligible. Technologies receiving support shall be innovative and not yet commercially viable at a similar scale without support but shall be sufficiently mature for application at pre-commercial scale. ***The Innovation Fund shall also support the deployment of zero-emission technologies that may no longer be considered as innovative, but nevertheless hold a significant abatement potential necessary to reach the Union's energy and climate targets for 2030.***

Or. en

Justification

The recent reports from the IPCC confirmed that urgent action is required to rapidly reduce GHG emissions by 2030 to have a chance to stay below 1,5°C global warming compared to pre-industrial levels. Therefore the massive deployment of technologies that may not anymore qualify

as "innovative" but that have significant GHG emissions abatement potential should also be supported.

Amendment 102

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 6

Text proposed by the Commission

Projects shall be selected on the basis of objective and transparent criteria, taking into account, *where relevant*, the extent to which projects contribute to achieving emission reductions *well below the benchmarks referred to in paragraph 2*. Projects shall have the potential for widespread application or to significantly lower the costs of transitioning towards a *low-carbon* economy in the sectors concerned. *Projects involving CCU shall deliver a net reduction in emissions and ensure avoidance or permanent storage of CO₂*. In the case of grants provided through calls for proposals, up to 60 % of the relevant costs of projects may be supported, out of which up to 40 % need not be dependent on verified avoidance of greenhouse gas emissions, provided that pre-determined milestones, taking into account the technology deployed, are attained. In the case of support provided through competitive bidding and in the case of technical assistance support, up to 100 % of the relevant costs of projects may be supported.

Amendment

Projects shall be selected on the basis of objective and transparent criteria, taking into account the extent to which projects contribute to achieving emission reductions *in line with the Union 2030 climate target set out in Regulation (EU) 2021/1119*. Projects shall have the potential for widespread application or to significantly lower the costs of transitioning towards a *climate-neutral, sustainable, non-toxic, resource-efficient, renewable energy-based, resilient and competitive circular* economy in the sectors concerned. In the case of grants provided through calls for proposals, up to 60 % of the relevant costs of projects may be supported, out of which up to 40 % need not be dependent on verified avoidance of greenhouse gas emissions, provided that pre-determined milestones, taking into account the technology deployed, are attained. In the case of support provided through competitive bidding and in the case of technical assistance support, up to 100 % of the relevant costs of projects may be supported.

The Innovation Fund shall not support nuclear energy-related activities, activities related to the production, processing, transport, distribution, storage or combustion of fossil fuels, or any other projects that would directly or indirectly

lead to a lock-in of assets incompatible with the objective of accelerating the green transition to a climate-neutral, sustainable, non-toxic, resource-efficient, renewable energy-based, resilient and competitive circular economy in a just, equitable and inclusive way while protecting, restoring and improving the state of the environment including by, inter alia, halting and reversing biodiversity loss.

Or. en

Amendment 103

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8

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

At least fifty percent (50%) of the Innovation Fund should be allocated through competitive bidding in the form of Carbon Contracts for Differences. Support provided through competitive bidding for Carbon Contract for Difference should aim at accelerating the transition towards zero-emission energy intensive industries, in particular those covered by the CBAM Regulation, and shall only be granted to projects implementing technologies that are fully compatible with the objective of limiting global warming to 1.5C above pre-industrial levels and exclude the direct or indirect use of fossil fuels and nuclear energy.

Awarded projects shall have significantly higher ongoing operating costs than the reference conventional technology for producing the same product, and shall respect the 'do not significant harm'

principle set out in Article 17 of Regulation (EU) 2020/852.

Awarded projects shall receive a contribution from the Member State where the project is located at least equal to the amount of support provided by the Innovation Fund.

Financial support shall be proportionate to the policy objectives set out in this Article and shall not lead to undue distortions of the EU's internal market. To this end, funds shall only be granted to cover additional costs or investment risks not able to be borne by investors under normal market conditions. As such, aid shall not lead to unfair discrimination with regard to competing imported products, as required under WTO law.

In case the ETS price is higher than the strike price at which the project has been awarded, the beneficiary shall pay back the difference to the Innovation Fund.

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, the eligible sectors and technological requirements for the different types of support *as laid down in this paragraph, taking into account the need to ensure a just transition for affected workers and communities.*

Or. en

Amendment 104

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10b – paragraph 4

(12 a) in Article 10b, paragraph 4 is replaced by the following:

"Before the end of the transitional period as referred to in Chapter X of Regulation (EU) .../... [CBAM Regulation], interested parties may apply to the Commission for a qualitative assessment of all sectors and subsectors presumed at risk of carbon leakage under the tests laid down in this Article if they consider that such a qualitative assessment may conclude to a limited risk of carbon leakage or an important ability to pass through costs. These applications shall be supported by substantial evidence.

In the even that this assessment brings new evidence, the Commission shall amend the list of sectors and subsectors presumed at risk of carbon leakage to remove sectors and subsectors that, based on the most recent data, are no longer qualified to be on the carbon leakage list
"

Or. en

Amendment 105

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 13 – introductory part

Directive 2003/87/EC

Article 10c

Text proposed by the Commission

Amendment

*(13) in Article 10c, **paragraph 7 is replaced by the following:***

*(13) in Article 10c **is deleted;***

Or. en

Justification

Special Report 18/2020 of the European Court of Auditors confirmed that transitional free

allowances under Article 10(c) have not contributed to the decarbonisation of the power sector in those Member States.

Amendment 106
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 14 – point a
Directive 2003/87/EC
Article 10d – paragraph 1

Text proposed by the Commission

1. A fund to support investments proposed by the beneficiary Member States, including the financing of small-scale investment projects, to modernise energy systems and improve energy efficiency shall be established for the period from 2021 to 2030 (the ‘Modernisation Fund’). The Modernisation Fund shall be financed through the auctioning of allowances as set out in Article 10, for the beneficiary Member States set out therein.

Amendment

1. A fund to support investments proposed by the beneficiary Member States, including the financing of small-scale investment projects, to modernise energy systems and improve energy efficiency, ***in Member States with a GDP per capita at market prices below 60% of the Union average in 2013***, shall be established for the period from 2021 to 2030 (the ‘Modernisation Fund’). The Modernisation Fund shall be financed through the auctioning of allowances as set out in Article 10, for the beneficiary Member States set out therein.

Support from the Modernisation Fund shall only be granted to Member States that have adopted legally binding targets and measures for the phase out of all fossil fuels in a timeframe consistent with the objective of limiting global warming to 1,5°C above pre-industrial levels, including the phase out of solid fossil fuels by 2030 at the latest and of fossil gas by 2040.

Or. en

Amendment 107
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 14 – point a

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Text proposed by the Commission

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.”;

Amendment

The investments supported shall be consistent with the aims of this Directive, as well as the *priority* objectives *set out in Article 2 of Regulation (EU) .../... [8th Environmental Action Programme] and with 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 *or to nuclear-energy related activities.*”;

Or. en

Amendment 108
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 14 – point b
Directive 2003/87/EC
Article 10d – paragraph 2

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. *All* the financial resources from the Modernisation Fund shall be used to support investments in the following:

Or. en

Amendment 109
Michael Bloss

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 110

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b

Directive 2003/87/EC

Article 10d – paragraph 4 – point (e)

Text proposed by the Commission

(e) the support of low-income households, including in rural and remote areas, to address energy poverty **and to modernise** their heating systems; and

Amendment

(e) the support of low-income households, including in rural and remote areas, to address energy poverty, **in particular by investing in deep or staged deep renovation of building and by replacing** their heating systems **by renewables-based ones, ensuring synergies and complementarity with the Social Climate Fund**; and

Or. en

Amendment 111

Michael Bloss

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

Amendment

(f) a just transition in carbon-dependent regions in the beneficiary Member States **in line with the Territorial Just Transition Plans and in compliance with the eligibility criteria for activities set**

and start-ups, in dialogue with *the* social partners.;

*out in Articles 8 and 9 of Regulation (EU) 2021/1056, 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.;*

Or. en

Amendment 112

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10d – paragraph 5 – first subparagraph

Text proposed by the Commission

Amendment

(b a) in paragraph 5, the first subparagraph is replaced by the following:

"An investment committee for the Modernisation Fund is hereby established. The investment committee shall be composed of a representative from each beneficiary Member State, the Commission and the EIB, and three representatives elected by the other Member States for a period of five years. It shall be chaired by the representative of the Commission. One representative of each Member State that is not a member of the investment committee may attend meetings of the committee as an observer. Civil society organisations shall also be allowed to attend meetings of the committee as observers."

Or. en

Justification

Given the importance of the Modernisation Fund for the just transition of the beneficiary Member States, the Modernisation Fund should be subject to public scrutiny.

Amendment 113

Michael Bloss

Proposal for a directive

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

Directive 2003/87/EC

Article 10d – paragraph 11

Text proposed by the Commission

Amendment

(b b) paragraph 11 is replaced by the following:

"11. The investment committee shall report annually to the Commission, the Council and the Parliament on experience with the evaluation of investments. That report shall be made public. By 31 December 2024, taking into consideration the findings of the investment committee, the Commission shall review the areas for projects referred to in paragraph 2 and the basis on which the investment committee bases its recommendations."

Or. en

Justification

Transparency should be guaranteed as to how beneficiary Member States use revenues from the Modernisation Fund.

Amendment 114

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b c (new)

Directive 2003/87/EC

Article 10d – paragraph 12

Text proposed by the Commission

Amendment

(b c) paragraph 12 is replaced by the following:

"12. 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

Justification

The Commission should ensure the same rule of law conditionality for the Innovation and Modernisation Fund as for programmes under the general Union budget.

Amendment 115

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b d (new)

Directive 2003/87/EC

Article 10d – paragraph 6 – second subparagraph

Text proposed by the Commission

Amendment

(b d) in paragraph 6, the second subparagraph is deleted;

Or. en

Justification

100% of the Modernisation Fund shall be used to support investments in categories listed in paragraph 2.

Amendment 116

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 15 – point b a (new)

Directive 2003/87/EC

Article 12 – paragraph 2aa (new)

Text proposed by the Commission

Amendment

(b a) the following paragraph 2aa is inserted:

"(2aa) As long as there are no Union measures in place to take into account and effectively reduce the non-carbon dioxide emissions impact on the climate from aircrafts carrying outan aviation activity listed in Annex I, for the purposes of paragraph 2a and by way of derogation from Article 3(a), the amount of fossil fuel carbon dioxide which an allowance permits an aircraft operator to emit shall be divided by an impact factor of 2."

Or. en

Justification

The updated analysis of the non-CO2 impacts of aviation published by the Commission confirmed that the climate impacts of aviation is at least twice bigger than the one of its CO2 emissions alone, notably due to airline contrails. This should be reflected by dividing by two the amount of CO2 emissions that airline operators can emit using one ETS allowance.

Amendment 117

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 15 – point d a (new)

Directive 2003/87/EC

Article 12 – paragraph 3a

Text proposed by the Commission

Amendment

(d a) paragraph 3a is replaced by the following:

"3a. An obligation to surrender allowances shall not arise in respect of unavoidable industrial process emissions, where no direct emission reduction options are available, verified as captured and transported for permanent storage to a facility for which a permit is in force in accordance with Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide."

Or. en

Justification

Considering the limited availability of sites for the environmentally safe and permanent geological storage of CO₂, incentives should be restricted to unavoidable industrial process emissions for which no direct emission reduction options are available.

Amendment 118

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 15 – point e

Directive 2003/87/EC

Article 12 – paragraph 3b

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. ***By 31 December 2024, the Commission may assess the feasibility and risks for the environmental integrity of the Directive to exempt emissions that*** are considered to have been captured and ***fully*** utilised to become permanently chemically bound in ***long-lived products*** so that they do not enter the atmosphere under normal use, ***combustion or during the disposal phase of the products from the obligation to surrender allowances. This assessment shall be based on internationally recognised scientific evidence, after consultation of the European Scientific Advisory Board on Climate Change established by Article 3 of Regulation***

(EU) 2021/1119, and ensure net negative emissions taking into account the life-cycle emissions of the relevant technologies.

Or. en

Justification

There is at the moment no internationally recognised robust scientific methodologies to ensure that CO2 captured do not enter the atmosphere after being chemically bound in products through CCU. The Commission will come up with a proposal for an EU framework for the certification of carbon removals by the end of 2022.

Amendment 119

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 15 a (new)

Directive 2003/87/EC

Article 12 – paragraph 4

Text proposed by the Commission

Amendment

(15 a) In Article 12, paragraph 4 is replaced by the following:

" 4. Member States shall take the necessary steps to ensure that allowances will be cancelled at any time at the request of the person holding them. In the event of closure of electricity generation capacity in their territory due to additional national measures, Member States shall cancel allowances from the total quantity of allowances to be auctioned by them referred to in Article 10(2) up to an amount corresponding to the average verified emissions of the installation concerned over a period of five years preceding the closure. The Member State concerned shall inform the Commission of such intended cancellation in accordance with the delegated acts adopted pursuant to Article 10(4).

"

Or. en

Justification

Additional measures taken by Member States, such as national coal phase-out plans, are directly impacting the functioning of the EU ETS. The MSR may not be enough to address the impact of simultaneous coal phase-out decisions at Member States level. In order to ensure that climate action taken at national level does not hinder the EU ETS, it should be mandatory for Member States to unilaterally delete an amount of allowances equivalent to the emissions saved by those national measures.

Amendment 120

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 15 b (new)

Directive 2003/87/EC

Article 13

Text proposed by the Commission

Amendment

(15 b) In Article 13, the first subparagraph is replaced by the following:

"Allowances issued from 1 January 2013 onwards shall be valid until 2030. Allowances issued from 1 January 2021 onwards shall include an indication showing in which ten-year period beginning from 1 January 2021 they were issued, and be valid for emissions for that period."

Or. en

Justification

In order to remain within a 1.5°C compatible carbon budget, carry-over to subsequent ETS phases should be avoided.

Amendment 121

Michael Bloss

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Proposal for a directive
Article 1 – paragraph 1 – point 16
Directive 2003/87/EC
Article 14 – paragraph 1

Text proposed by the Commission

Those implementing acts shall apply the **sustainability and greenhouse gas emission saving criteria for the use of biomass established by Directive (EU) 2018/2001 of the European Parliament and of the Council(*), with any necessary adjustments for application under this Directive, for this biomass to be zero-rated**. They shall specify how to account for storage of emissions from a mix of **zero-rated sources and sources that are not zero-rated**. They shall also specify how to account for emissions from renewable fuels of non-biological origin and recycled carbon fuels, ensuring that these emissions are accounted for and that double counting is avoided.”;

Amendment

Those implementing acts shall apply the **internationally recognized emission factors for solid biomass and biofuels for stationary combustion in the energy sector**. They shall specify how to account for storage of emissions from a mix of **energy** sources. They shall also specify how to account for emissions from renewable fuels of non-biological origin and recycled carbon fuels, ensuring that these emissions are accounted for and that double counting is avoided.”;

Or. en

Amendment 122
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 16 a (new)
Directive 2003/87/EC
Article 14 – paragraph 4a (new)

Text proposed by the Commission

Amendment

(16 a) in Article 14, the following paragraph 4a is inserted:

“(4a) By [6 months after the entry into force], the Commission, in cooperation with EASA and EEA, shall establish a pilot Monitoring, Reporting and Verification (MRV) scheme with the objective to establish a solid MRV methodology adapted to the specificities of

non-CO2 emissions and their climate impact and to develop a robust CO2 equivalence calculation for non-CO2 effects. Aircraft operators adhering to this schemes shall be exempted from the payment of the multiplier referred to in article 12(2aa). The pilot MRV should ensure that at least the following data at cruising altitude is monitored, reported and verified:

- (a) fuel flow;*
- (b) mass of aircraft;*
- (c) ambient humidity;*
- (d) latitude, longitude and altitude;*
- (e) humidity and temperature;*
- (f) emissions factors for CO2, H2O and NOx.*

All data collected through the pilot MRV shall be published annually, at least on an aggregated level per aircraft operator.

Two years after the start of the MRV pilot project, the Commission shall present a report to the Parliament and the Council on the results of the MRV pilot project and specifying the amount of ETS allowances required to cover for the CO2 equivalent per flight calculated under its pilot MRV. The report shall be accompanied by a legislative proposal to amend the present Directive to introduce MRV requirements for non-CO2 aviation emissions as well as to expand the scope of the ETS to non-CO2 aviation emissions.

Or. en

Justification

The updated analysis of the non-CO2 impacts of aviation published by the Commission confirmed that the climate impacts of aviation is at least twice bigger than the one of its CO2 emissions alone, notably due to airline contrails. A monitoring, reporting and verification system should therefore be introduced to take into account the non-CO2 climate impacts of aviation, and serve as a basis for a future carbon pricing of those non-CO2 impacts. In the meantime, the

amount of CO2 emissions that one ETS allowance can allow show be divided by two for aircraft operators.

Amendment 123
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 19 a (new)
Directive 2003/87/EC
Article 19 – paragraph 2

Text proposed by the Commission

Amendment

(19 a) In Article 19, paragraph 2 is replaced by the following:

"2. Any person may hold allowances. The registry shall be accessible to the public, in a user friendly manner on an online website allowing research on the amount of allowances held by each person, and shall contain separate accounts to record the allowances held by each person at any time to whom and from whom allowances are issued or transferred."

Or. en

Justification

Provisions from the EU Registry Regulation should be amended to ensure that citizens and research organisations can have real-time information on who holds ETS allowances. This would also give a better picture of the importance and impact of speculation from financial markets.

Amendment 124
Michael Bloss

Proposal for a directive
Article 1 – paragraph 1 – point 19 b (new)
Directive 2003/87/EC
Article 24a

Text proposed by the Commission

Amendment

(19 b) Article 24a is deleted;

Or. en

Justification

The Commission's proposal fails to recognise the danger of reopening the EU ETS for offsetting through article 24a. Offsetting is a zero sum game, and emissions must be reduced across all sectors of the EU economy - we do not have time to waste by allowing ETS sectors to continue emitting because of emission reduction projects outside of the EU ETS. neutrality. In light of the urgent need to tackle the climate crisis, this oversight and shortcoming needs to be corrected.

Amendment 125

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 19 c (new)

Directive 2003/87/EC

Article 26

Text proposed by the Commission

Amendment

(19 c) Article 26 is replaced by the following:

"Article 26

Amendment of Directive 2010/75/EU

Article 9 of Directive 2010/75/EU is amended as follows:

"1. As of 1 January 2030, any combustion of fuels in installations listed in Annex I shall not result in greenhouse gas emissions exceeding 250gCO₂e/kWh. This threshold shall be set at 100gCO₂eq/kWh as of 1 January 2035, and at 0gCO₂e/kWh at the latest by 2040.

2. The net electrical efficiencies of any combustion plant firing coal or lignite (alone or with other fuels) shall be at least 46% by 1st January 2027."

Or. en

Justification

The current Article 26 of the EU ETS prevents more reduction of GHG emissions at the source. It should be amended to include emission performance standards for combustion units aligned with the "do not significant harm" threshold adopted in the context of the Recovery and Resilience Facility as of 2030, and with the technical screening criteria of the EU Taxonomy as of 2035.

Amendment 126 **Michael Bloss**

Proposal for a directive
Article 1 – paragraph 1 – point 19 d (new)
Directive 2003/87/EC
Article 27a – first paragraph

Text proposed by the Commission

Amendment

(19 d) In Article 27a, the first sentence of the first paragraph is replaced by the following:

"1. Member States may exclude from the EU ETS installations that have reported to the competent authority of the Member State concerned emissions of less than 2 500 tonnes of carbon dioxide equivalent in each of the three years preceding the notification under point (a), provided that the Member State concerned:

Or. en

Justification

Emissions from biomass should be fully taken into account applying internationally recognised emissions factors.

Amendment 127 **Michael Bloss**

Proposal for a directive
Article 1 – paragraph 1 – point 20 a (new)
Directive 2003/87/EC
Article 30 – paragraph 1

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Text proposed by the Commission

Amendment

(20 a) in Article 30, the first paragraph is replaced by the following:

"1. This Directive shall be kept under review in the light of international developments and efforts undertaken to limit the temperature increase to 1.5°C above pre-industrial levels."

Or. en

Justification

The EU ETS should be made compatible with the objective to keep 1.5°C within reach as agreed at COP26 in Glasgow.

Amendment 128

Michael Bloss

Proposal for a directive

Article 1 – paragraph 1 – point 21

Directive 2003/87/EC

Chapter IVa (new)

Text proposed by the Commission

Amendment

(21) [...]

deleted

Or. en

Justification

The creation of a separate ETS for buildings and road transport is unlikely to deliver the necessary emissions reduction in those sectors by 2030, while potentially aggravating energy and transport poverty across the Union. In order to ensure a just transition to a climate-neutral economy, the Union should rather accelerate the phase-out of new cars equipped with combustion engines and step up the ambition of the Renovation Wave, while providing targeted support to those in situation of energy and transport poverty through the Social Climate Fund.

Amendment 129

Michael Bloss

Proposal for a directive
Article 2 – paragraph 1 – point 1 – point b
Decision (EU) 2015/1814
Article 1 – paragraph 4a

Text proposed by the Commission

Amendment

4a. *As from [the year following the entry into force of this Directive], the calculation of the total number of allowances in circulation shall include the number of allowances issued in respect of aviation and maritime transport since the beginning of that year, and the number of allowances surrendered by aircraft operators and ship operators in respect of emissions for which allowances are the units which can be used in respect of EU ETS obligations.*

deleted

The allowances cancelled pursuant to Article 3ga of Directive 2003/87/EC shall be considered as issued for the purposes of the calculation of the total number of allowances in circulation.;

Or. en

Justification

Including demand from aviation and shipping in the TNAC undermines the environmental integrity of the MSR.

Amendment 130
Michael Bloss

Proposal for a directive
Article 2 – paragraph 1 – point 1 – point c
Decision (EU) 2015/1814
Article 1 – paragraph 5

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***

5. In any given year, if the total number of allowances in circulation is ***above*** 833 million, the number of allowances to be deducted from the volume

*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 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.***

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 **36 %** of the total number of allowances in circulation.

Or. en

Amendment 131

Michael Bloss

Proposal for a directive

Article 2 – paragraph 1 – point 1 – point c

Decision (EU) 2015/1814

Article 1 – paragraph 5a

Text proposed by the Commission

5a. *Unless otherwise decided in the first review carried out in accordance with Article 3, from 2023 allowances held in the reserve above 400 million allowances shall no longer be valid.;*

Amendment

5a. From 2023 allowances held in the reserve above 400 million allowances **and allowances held in the reserve for more than 3 years** shall no longer be valid.;

Or. en

Amendment 132

Michael Bloss

Proposal for a directive

Article 2 – paragraph 1 – point 1 – point c a (new)

Decision (EU) 2015/1814

Article 1 – paragraph 6a (new)

Text proposed by the Commission

Amendment

(c a) the following paragraph 6a is inserted:

"6a. The thresholds of 833 million and of 400 million referred to respectively in paragraphs 5 and 6 shall be annually and linearly reduced to reach zero in 2030."

Or. en

Justification

The MSR upper and lower thresholds should be reduced to zero by 2030 to ensure the MSR stay fit for purpose in the entire phase IV.

Amendment 133

Michael Bloss

Proposal for a directive

Article 2 – paragraph 1 – point 2

Decision (EU) 2015/1814

Article 1a (new)

Text proposed by the Commission

Amendment

(2) [...]

deleted

Or. en

Justification

Linked to the deletion of the separate ETS for road transport and buildings.

Amendment 134

Michael Bloss

Proposal for a directive

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

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Text proposed by the Commission

Amendment

(-1) Article 1 is replaced by the following:

“Article 1 - Subject matter

This Regulation lays down rules for the accurate monitoring, reporting and verification of greenhouse gas (GHG) emissions and of other relevant information from ships arriving at, within or departing from ports under the jurisdiction of a Member State.”

Or. en

Justification

Necessary amendment to Regulation (EU) 2015/757 linked to the proposed extension of the EU ETS to CO₂, CH₄, N₂O and black carbon emissions from maritime transport.

Amendment 135
Michael Bloss

Proposal for a directive
Article 3 – paragraph 1 – point -1 a (new)
Regulation (EU) 2015/757
Article 2 – paragraph 1

Text proposed by the Commission

Amendment

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

“1. This Regulation applies to ships of 400 gross tonnage and above in respect of GHG 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.”

Justification

Necessary amendment to Regulation (EU) 2015/757 linked to the proposed extension of the EU ETS to CO₂, CH₄, N₂O and black carbon emissions from maritime transport.

Amendment 136

Michael Bloss

Proposal for a directive

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

Regulation (EU) 2015/757

Article 2 – paragraph 2

Text proposed by the Commission

Amendment

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

“1. This Regulation does not apply to wooden ships of a primitive build, or ships not propelled by mechanical means.”

Or. en

Justification

Necessary amendment to Regulation (EU) 2015/757 linked to the proposed extension of the EU ETS to CO₂, CH₄, N₂O and black carbon emissions from maritime transport.

Amendment 137

Michael Bloss

Proposal for a directive

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

Regulation (EU) 2015/757

Article 3 – paragraph 1 – point (a)

Text proposed by the Commission

Amendment

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

“(a) ‘GHG emissions’ means the release of carbon dioxide (CO₂), methane (CH₄)

and nitrous Oxides (N2O) into the atmosphere and the direct radiative forcing of black carbon (BC) emissions”

Or. en

Justification

Necessary amendment to Regulation (EU) 2015/757 linked to the proposed extension of the EU ETS to CO₂, CH₄, N₂O and black carbon emissions from maritime transport.

Amendment 138

Michael Bloss

Proposal for a directive

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

Regulation (EU) 2015/757

Article 3 – paragraph 1 – point (b)

Text proposed by the Commission

Amendment

(-1 d) “(b) ‘port of call’ means, in the case of cargo and passenger vessels, the port where a ship stops to load or unload cargo or to embark or disembark passengers; consequently, stops for the sole purposes of refuelling, obtaining supplies, relieving the crew, going into dry-dock or making repairs to the ship and/or its equipment, stops in port because the ship is in need of assistance or in distress, ship-to-ship transfers carried out outside ports, and stops for the sole purpose of taking shelter from adverse weather or rendered necessary by search and rescue activities are excluded; in the case of other types of ships not carrying cargo or passengers, ‘port of call’ means the port where a ship stops to embark and disembark the crew;”

Or. en

Justification

Necessary amendment to Regulation (EU) 2015/757 linked to the proposed extension of the EU ETS to other types of ships such as offshore vessels.

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Amendment 139

Michael Bloss

Proposal for a directive

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

Regulation (EU) 2015/757

Article 3 – paragraph 1 – point (c)

Text proposed by the Commission

Amendment

(1 a) In Article 3, paragraph 1, 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 structures situated on the continental shelf of that Member States and that serves the purpose of transporting passengers or cargo, or performing service activities such as services for offshore installations, dredging and tug assistance;”

Or. en

Justification

Necessary amendment to Regulation (EU) 2015/757 linked to the proposed extension of the EU ETS to other types of ships such as offshore vessels.

Amendment 140

Michael Bloss

Proposal for a directive

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

Regulation (EU) 2015/757

Article 5 – paragraph 2a (new)

Text proposed by the Commission

Amendment

(3 a) In Article 5, the following paragraph 2a is added:

“2a. By 1 July 2023, the Commission shall adopt delegated acts in accordance with Article 23 in order to supplement this

Regulation by specifying the methods for determining and reporting other greenhouse gas emissions than CO2.”

Or. en

Justification

Necessary amendment to Regulation (EU) 2015/757 linked to the proposed extension of the EU ETS to CO₂, CH₄, N₂O and black carbon emissions from maritime transport.

Amendment 141

Michael Bloss

Proposal for a directive

Annex I – paragraph 1 – point a

Directive 2003/87/EC

Annex I – paragraph 1

Text proposed by the Commission

1. Installations or parts of installations used for research, development and testing of new products and processes, ***and installations where emissions from the combustion of biomass that complies with the criteria set out pursuant to Article 14 contribute to more than 95 % of the total greenhouse gas emissions*** are not covered by this Directive.

Amendment

1. Installations or parts of installations used for research, development and testing of new products and processes are not covered by this Directive.

Or. en

Justification

Installations using only biomass should not be exempted from the polluter pays principle. The 2020 Joint Research Centre report on the use of woody biomass for energy confirmed that most of the forest biomass currently being burnt for energy in the EU not only increases emissions compared to fossil fuels, but does so for decades which would endanger the Union's contribution to the global effort to keep global warming below 1.5°C.

Amendment 142

Michael Bloss

Proposal for a directive

Annex I – point 1

Directive 2003/87/EC

Annex IIb – Part B

Text proposed by the Commission

Amendment

***Part B - DISTRIBUTION OF FUNDS
FROM THE MODERNISATION FUND
CORRESPONDING TO ARTICLE 10(1),
FOURTH SUBPARAGRAPH*** ***deleted***

Or. en

Justification

Amendment linked to the deletion of the 2.5% top-up of the Modernisation Fund.

Amendment 143

Michael Bloss

Proposal for a directive

Annex I – point 2

Directive 2003/87/EC

Annex III

Text proposed by the Commission

Amendment

(2) [...] ***deleted***

Or. en

Justification

Amendment linked to the deletion of the separate ETS for road transport and buildings.

Amendment 144

Michael Bloss

Proposal for a directive

Annex I – point 3 – point a – point i

Directive 2003/87/EC

Annex IV – Part A

Text proposed by the Commission

The emission factor for **biomass that complies with the sustainability criteria and greenhouse gas emission saving criteria for the use of biomass established by Directive (EU) 2018/2001, with any necessary adjustments for application under this Directive, as set out in the implementing acts referred to in Article 14**, shall be zero.;

Amendment

The emission factor for **solid biomass and biofuels** shall be **as recognised by the IPCC for stationary combustion in the energy industries^{1a}**.;

^{1a} *Intergovernmental Panel on Climate Change (2006), Guidelines for National Greenhouse Gas Inventories, Vol. 2 (Energy), Table 2.2, “Solid biofuels”, pp. 2.16–2.17*

Or. en

Amendment 145

Michael Bloss

Proposal for a directive

Annex I – point 3 – point b

Directive 2003/87/EC

Annex IV – Part B

Text proposed by the Commission

The emission factor for **biomass that complies with the sustainability criteria and greenhouse gas emission saving criteria for the use of biomass established by Directive (EU) 2018/2001, with any necessary adjustments for application under this Directive, as set out in the implementing acts referred to in Article 14**, shall be zero.;

Amendment

The emission factor for **solid biomass and biofuels** shall be **as recognised by the IPCC for stationary combustion in the energy industries^{1a}**.;

^{1a} *Intergovernmental Panel on Climate Change (2006), Guidelines for National Greenhouse Gas Inventories, Vol. 2 (Energy), Table 2.2, “Solid biofuels”, pp.*

Amendment 146**Michael Bloss****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.;

,

Or. en

Justification

Amendment linked to the deletion of the separate ETS for road transport and buildings.

Amendment 147

Michael Bloss

Proposal for a directive

Annex I – point 4

Directive 2003/87/EC

Annex V – Part C

Text proposed by the Commission

Amendment

(4) [...]

deleted

Or. en

Justification

Amendment linked to the deletion of the creation of a separate ETS for road transport and buildings.